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ANNEX

to the Commission Implementing Decision on the financing of the annual action plan in favour of Uzbekistan for 2023

Action Document for Further Improvement of Public Services Delivery in Uzbekistan

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

<p>1. Title CRIS/OPSYS business reference Basic Act</p>	<p>Further Improvement of Public Services Delivery in Uzbekistan OPSYS number: ACT-62051 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)/ Overseas Association Decision/European Instrument for International Nuclear Safety Cooperation Regulation</p>
<p>2. Team Europe Initiative</p>	<p>No</p>
<p>3. Zone benefiting from the action</p>	<p>The Action shall be carried out in the Republic of Uzbekistan</p>
<p>4. Programming document</p>	<p>Multiannual Indicative Programme (MIP) 2021-2027 for Uzbekistan</p>
<p>5. Link with relevant MIP(s) objectives / expected results</p>	<p>The Action will contribute to the MIP Priority Area 1 Effective Governance and Digital Transformation, with the objective of supporting Uzbekistan’s transition to a pluralist democratic system through support to the rule of law, universal values of human rights, a flourishing civil society and elimination of all forms of discrimination, especially gender-related.</p> <p>The overall objective of the Action is to improve the quality of life of people in rural areas, particularly those vulnerable – including women, youth and children, elderly, people with disabilities, and people from socio-economically disadvantaged situations – by supporting the further advancement of the public service reform in Uzbekistan to transition to a more holistic, operational, efficient, coherent, and people-centred service delivery model.</p> <p>The specific objective of the Action is to support Uzbekistan in developing the capacity of the main actors (public agencies and private sector) in performing different functions related to the provision of public services: (1) government agencies performing back-office functions in service provision, (2) Public Services Centres (PSCs) performing front office functions, (3) the Ministry of Justice responsible for implementation of a unified state</p>

	<p>policy in the public services delivery, (3) Khokimiyats (urban administration) and Councils of People’s Deputies (Kengashes) in charge of local governance.</p> <p>Expected results:</p> <ul style="list-style-type: none"> - Enabled environment for improved public service delivery by streamlining the regulatory framework and relevant policies, and encouraging data-driven and evidence-based policy making; - Increased equality of opportunity and reduced inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and citizens access to information, legal advice, and legal aid; - Enhanced institutional capacities of front and back offices to develop, plan, implement and monitor public service delivery via the PSCs and Unified e-portal my.gov.uz; - Standardised public service management is put in place with people-centric and inclusive procedures of delivering public services; - A national model for the remote, electronic provision of the public services, using of advanced digital technologies based on proven international e-governance practices is developed and introduced; - Strengthened technical and institutional capacities of selected PSCs in the most populated rural villages, and back-office organisations in the pilot regions providing the most needed services in rural areas. The effort will showcase an exemplar model of public service delivery aiming to win public trust and overcome concerns with regard to the viability of public service delivery processes; - A pilot citizens participatory decentralised regional/local governance system is introduced to ensure that the public service delivery is inclusive and addresses the needs of people, in particular of vulnerable groups; - Gender sensitive national model of public service delivery system is introduced, including establishing women advisory groups/centers at PSCs, local government, back offices to help women and other vulnerable groups in obtaining public services, legal and psychological consultations; - Strengthened policy and implementation capacity of the Government to lead, manage and coordinate the “Digital Uzbekistan 2030” National Strategy; - Increased public access to information, including through e-governance, and protection of fundamental freedoms in accordance with national legislation and international agreements.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	151 – Government and Civil Society-general
7. Sustainable Development Goals (SDGs)	Main SDG: 16 Other significant SDGs: 5, 8, 10, 17
8 a) DAC codes	15110 – Public sector policy and administrative management (30%) 15112 – Decentralisation and support to subnational government (20%) 15113 – Anti-corruption organisations and institutions (10%)

	15130 – Legal and judicial development (10%) 15150 – Democratic participation and civil society (10%) 15153 – Media and free flow of information (5%) 15160 – Human rights (5%) 15170 – Women's rights organisations and movements, and government institutions (10%)			
8 b) Main Delivery Channel	Multilateral organisations – 40000 Civil society organisations – 21000 Central Government – 11001			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Inequality <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective
Digitalisation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance digital entrepreneurship		YES <input type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/>	

	digital skills/literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES	NO	
	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line: BGUE-B2023-14.020130-C1-INTPA Total estimated cost: EUR 5 000 000.00 Total amount of EU budget contribution: EUR 5 000 000.00			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	- Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1			

1.2 Summary of the Action

The proposed Action addresses Priority Area 1 of the MIP on Effective Governance and Digital Transformation to support Uzbekistan's transition to a pluralistic democratic system based on the rule of law and universal values of human rights as well as to support the modernisation of the public sector with effective and accountable management at all levels. The proposed action will support the Government of Uzbekistan in further transforming and modernising the public administration at central, regional, and district levels to improve the quality of public services (administrative, regulatory, social, communal, etc.) and local governance in rural areas.

The proposed Action aims to enhance the technical organisational and institutional capacities of government agencies, PSCs and local governance institutions for improved public service delivery. This is achieved by increasing the accessibility of the public services, integrating advanced technologies and practices through digitalisation, decentralising the access as well as by enabling the necessary mechanisms to support these changes and ensure their sustainability.

The project's objectives are in line with the government's policy priorities to foster institutional effectiveness, transparency and participation. Thus, project objectives are clearly linked with the country's reform aspirations and strategies.

The interventions will focus on both the country as a whole (systemic reforms) and selected remote pilot regions/districts for more targeted results¹. This will be done through improving policies, enhancing capacity, digital transformation and streamlining the functions of: (1) government bodies processing requests from citizens and business in back-offices (BOs), (2) Public Services Centres (PSCs) acting as one-stop shops for public services, (3) Ministry of Justice responsible for the unified state policy in public service delivery, and (4) Councils of People’s Deputies (Kengashes) and other local administrative bodies in charge of local governance. The Action is expected to improve the quality of life of the rural population – particularly of women, youth and children, elderly, people with disabilities – by increasing their access to affordable, convenient and high-quality public services, with focus on remote, self-service on-line public services as well as by expanding the citizens’ participation in decision making at local level.

The proposed project goals are in line with several of the Sustainable Development Goals (SDGs). Project activities will contribute towards the achievement of SDG 16 calling for the promotion of peaceful and inclusive societies for sustainable development and for building effective, accountable and inclusive institutions at all levels. Envisioned project activities will also promote inclusive and sustainable economic growth, technological advancement and innovation for all women and men, including young people and persons with disabilities and equal pay for work of equal value (SDG 8). Furthermore, project activities will advance achievement of gender equality by empowering all women, ensuring women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in the political, economic and public life (SDG 5).

2 RATIONALE

2.1 Context

In 2017, the Government of the Republic of Uzbekistan launched a massive country-wide transformation programme that also included public administration reform. The ultimate goal of these reforms have been to transform the Government into a system “serving-the-people” that is accountable, transparent and focused on improving the well-being of the country’s population. A substantial part of these efforts seeks to improve public service delivery and enhance the transparency and accountability of local governance, especially in rural and remote areas of the country.

In 2022, the Government has implemented two important reforms to the public services delivery system:

(1) On 17 March 2022, by Decree of the President of the Republic of Uzbekistan, the Public Services Agency and its territorial departments was integrated into the Ministry of Justice. This was undertaken to further strengthen the role and responsibility of justice authorities in solving the population’s legal problems, including through saving and making rational use of budgetary funds by strengthening the priority of justice and law in the country, creating a compact and efficient administrative body that professionally serves the population, and a clear determination of organisational and legal mechanisms for implementing functions.

(2) On 20 April 2022, the National Strategy for the Modernisation and Accelerated Development of the Public Service Delivery System for 2022–2026 (PSD Strategy) was approved by the Decree of the President of the Republic of Uzbekistan on additional measures to simplify the provision of public services, reduce bureaucratic

¹ Pilot regions will be confirmed during the inception period of this project in consultation with national partners and in close coordination with the Delegation of the Europe Union to Uzbekistan based on a mutually accepted methodology, which will take into account population size, density of business entities and the demand for public services needed in a particular area of the country, among other crucial factors.

barriers, and develop a national system for providing public services². The main goal of the PSD Strategy is to enhance the delivery of public services to the population in convenient and accessible forms, prevent excessive bureaucracy, expand digital access to public services, and create an inclusive environment with equal conditions for all.

2021 was marked in Uzbekistan by the election of the President of the Republic of Uzbekistan. In his inaugural speech, the elected president Mr. Shavkat Mirziyoyev proclaimed a new stage of national development based on a new principle: "human - society - state". Thus, the ongoing reforms will be raised to a new level and aimed at building a state that cares about the dignity of, and ensures the legitimate interests and well-being of each citizen. In this context, the key priorities of current reforms are to address issues of public service efficiency, as well as the role of regional and local authorities. The beginning of 2022 in Uzbekistan was marked by the adoption of the New Uzbekistan Development Strategy for 2022-2026. The priority tasks within the framework of this new Strategy will be implementing measures to further enhance the accessibility of public services for the population, reduce queues, enhance digitalisation, and transfer public services to the private sector. The Strategy proposes a number of actions aimed at expanding the coverage and efficiency of public services delivery, as well as ensuring that interests of all population groups are taken into account.

Parliamentary elections in December 2019 were a further step towards increasing democratic freedoms. Legal improvements brought Uzbekistan's 2019 elections 'closer to international standards' and incremental steps have been taken to enhance freedom of speech, promote human rights, and build citizen engagement and participation in national and regional legislative oversight processes. A woman chairs the Senate, while women's representation in Parliament achieved 44%. The positive changes had begun spurring even greater demand from civil society and the private sector for further reforms. Accountable, transparent, modern, and inclusive governance and rule of law institutions are preconditions for achieving Uzbekistan's development vision. Still, more investment is needed to increase their efficiency, scope and quality, including non-interoperability of platforms, poor data connectivity and low digital literacy, while addressing challenges exposed by COVID-19.

Uzbekistan's economy presents a dichotomy. A state-controlled, highly regulated, capital-intensive formal industrial and agriculture sector, mostly based on extractive industries, dominates in co-existence with a large informal sector of small, low-paid, family-based enterprises absorbing surplus informal labour. The government has made radical changes in the financial and economic spheres and, before the COVID-19 pandemic, the Uzbek economy was growing at an annualised rate of 5.45%, according to the World Bank. Despite the significant economic downturn due to the pandemic, the country recovered relatively well.

Increases in domestic income and investment, as well as anti-crisis spending and tax relief measures have contributed to relatively strong growth in 2022, which is forecast to be at or above pre-COVID level. Russia's aggression on Ukraine and the sanctions against Russia appeared to have no significant negative effects on the Uzbek economy. The flow of remittances increased, exports to Russia – the biggest trade partner of Uzbekistan – showed a significant rise, the national currency remained stable and inflation was kept under control.

The Government's vision to transform Uzbekistan into an industrialised, upper-middle-income country by 2030 enjoys popular support. While the Government's commitment to continuing reforms is demonstrably strong, it faces the challenges of increasing inter-regional inequalities and a wide urban-rural poverty gap. Almost half of the population lives in rural areas. With a rapidly growing population, Uzbekistan is struggling to reduce inequalities efficiently, especially gender-based inequalities and the urban-rural divide, and to provide employment for the youth entering the labour market. According to official statistics, the poverty rate in Uzbekistan for 2021 is 17%, while the employment rate reached 67%, representing the ratio of the number of employed population to the working age population in line with the World Bank methodology. Meanwhile, uneven distribution of

² <https://president.uz/uz/lists/view/5136>

population income in Uzbekistan based on the results of sample surveys of households equals 0.273 (Gini coefficient). The government also initiated a number of reforms on gender equality and women's empowerment, which have improved Uzbekistan's rankings in several international indexes in this domain. Currently, the country's Gender Development Index (GDI) value is 0.944, placing it in group 3 (medium equality), while its Gender Inequality Index (GII) value is 0.227, ranking it at 56 out of 170 countries in 2021. This data shows that Uzbekistan is close to attaining gender equality in education (enrolment, educational attainment and literacy) and health (sex ratio at birth and healthy life expectancy). However, gender inequalities in daily life are still persistent and need to be addressed accordingly.

Uzbekistan's Social Protection system is inherited from the Soviet Union and comprises of the following pillars: social insurance, social assistance, labour market interventions and social care services. According to the household survey data in 2018 only half of the population is covered by the SP scheme, a third of the population is not covered by any SP service, while the totality of SP expenditure amounts to 6% of the country GDP. Moreover, Uzbekistan has neither an unified definition of SP nor a central institution that coordinates and manages the social-protection programmes that are currently in place. Management of these is scattered across several ministries including: the Ministry of Finance (funding of social programmes), **Ministry** of Employment and **Labour** Relations (employability) and Ministry of Health (services for elderly and pensioners). That fragmentation has a direct impact on the potential to implement projects in the social-protection sphere and decreases the transparency of the SP system.

This action is in line with the principles identified in the new European Consensus on Development³, the EU Strategy for Central Asia⁴, the EU Green Deal⁵ and with the priorities set in the EU-Uzbekistan Enhanced Partnership and Cooperation Agreement, concluded in July 2022. The action also closely reflects the targets included in SDG 16 of the Global Agenda 2030 on Peace, justice and strong institutions, promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels. Domestically, the action fits into the goals set out by President Mirziyoev in the Development Strategy for a New Uzbekistan for the period 2022- 2026.

2.2 Problem Analysis

As a result of the reforms carried out in recent years in the system of public services, a modern infrastructure has been created to provide convenient and efficient public services to the population and business entities.

In 2019 the President of Uzbekistan adopted a resolution⁶ for further enhancement of the national public service delivery system, with the aim to increase gradually the number of public services, to integrate additionally services through the PSCs and to increase the number of users. According to this resolution, the Ministry of Justice was given also the mandate to monitor the quality of public services in PSCs, to scale-up the introduction of ICT, and to ensure the integration of various services and systems.

On 20 April 2022, the National Strategy for the Modernisation and Accelerated Development of the Public Service Delivery System for 2022–2026 (PSD Strategy) was approved by the Decree of the President of the Republic of Uzbekistan on additional measures to simplify the provision of public services, reduce bureaucratic barriers, and develop a national system for the provision of public services.

The draft of the PSD Strategy was prepared as the result of extensive efforts undertaken by the current EU project on Improved Public Service Delivery and Enhanced Governance in Rural Uzbekistan implemented by the UNDP

³ European Commission (2017): European Consensus on Development, available at: European Consensus on Development (europa.eu).

⁴ European External Action Service (2019): EU Central Asia Strategy, available at: Central Asia | EEAS Website (europa.eu).

⁵ European Commission (2019): A European Green Deal, available at: A European Green Deal (europa.eu).

⁶ Presidential Resolution "On measures for further comprehensive enhancement of national public service delivery system" #PP-4193, dated 15 February 2019, <http://lex.uz/docs/4203399>

with the Ministry of Justice as the main beneficiary. The main idea behind adopting the PSD Strategy has been to facilitate efforts to increase the scale of providing public services to the population in a convenient and accessible form, preventing excessive bureaucracy, expanding the possibility of the public's remote independent access to electronic public services, and creating an inclusive environment with equal conditions for all.

Currently, 261 out of 771 public services have been provided through the PSCs, 397 through the Unified Portal of Interactive Public Services of the Republic of Uzbekistan and the licensing information system "License" in an interactive form.

To date, more than 45 million services have been provided to individuals and legal entities through 208 PSCs and more than 140 local branches.

In order to create convenience for the population, a procedure has been introduced for using public services on an extraterritorial basis, and the requirement by state bodies of 73 documents and certificates from citizens and entrepreneurs has also been cancelled, resulting in an estimated saving of around 25 million Euro.

However, there are the following structural problems that negatively affect the further development of the public service delivery system:

- Most of the existing public services are still provided to the population in the traditional form, and not electronically;
- Normative legal acts regulating the provision of public services do not correspond to modern forms of public services and the principles of administrative order, and the establishment of the procedure for the provision of public services by internal departmental documents is also retained;
- Excessive efforts remain for applicants in connection with the refusal of authorised bodies providing public services to apply priority rights and benefits established by other legislation, motivating this only by compliance with official rules and requirements;
- The causes of systematic violations of the procedure for the provision of public services by the competent authorities for the provision of certain public services remain unresolved;
- Insufficient provision with modern information and communication technologies or the lack of information systems in the lower organisations of the authorised bodies in the regions does not allow the full provision of interactive public services;
- Lack of access to reliable and affordable electricity and frequent power outages;
- Technological illiteracy and lack of training in the basics of computer use among the population living out from urban agglomerations;
- Poor or no internet connection;
- Insufficiency of general infrastructure.
- The lack of allocation or appointment of personnel in a number of competent authorities that are fully responsible for the provision of public services, negatively affects the quality of public services provided;
- The lack of digitisation of most of the information used in the provision of public services limits the level of access to all the capabilities of the "E-Government" system;
- Due to the fact that the mobile application of public services does not fully cover the services in demand, and there is no possibility to use this application until the end of the receipt of the service, the scale of independent use of electronic public services does not increase;
- There are obstacles and inconveniences in the use of public services due to the failure to provide the necessary infrastructure for persons with disabilities on the part of public service providers;
- The lack of systematic work to develop the population's knowledge and skills for the remote use of public services leads to excessive queues at the PSCs and hinders the introduction of new services that are in high demand;

- The quality of the provision of public services remains low due to insufficient qualifications of public service providers or their specialisation in a particular area;
- The complexity of the process of registration of some acts of civil status and the fact that they are still dependent on the human factor and not transparent, create unnecessary difficulties for the population in this area.

To cope with such challenges, the proposed Action will support ongoing efforts of the Government to reform local public service delivery and ensure effective implementation of the one-stop shop modality by:

- Streamlining, fully re-engineering and harmonizing the pertinent institutional and regulatory framework and relevant policies;
- Contributing to the enhancement of the capacity of government agencies and the PSCs to deliver seamless, quality, citizen-centric and easily accessible technology facilitated public services;
- Expanding, diversifying and decentralising access to public services;
- Integrating service delivery systems through expanded digitalisation; and at the same time enabling the appropriate mechanisms to support these changes and thus ensure their sustainability.

The public sector is, collectively, the world’s largest service provider and any incremental improvement in public service delivery in Uzbekistan will positively impact millions of people. By improving delivery of public services, the proposed Action will contribute to improving the quality of life of vulnerable sectors of the population in rural areas - such as women, youth and children, elderly, and people with disabilities – by enhancing their access to, and the quality of service delivery. Furthermore, by strengthening citizen participation through a variety of outreach and social accountability mechanisms, people’s voice in decision-making processes and access to information will be enhanced; effectively increasing the transparency and effectiveness of Uzbekistan’s local governance system; supporting transformation of public services and giving people the effective, honest and responsive public institutions they deserve. This in turn will help to strengthen the legitimacy of the state in the eyes of citizens and improve trust in government as well as bolster accountability and governance in the public sector.

Due to its comprehensive and systemic nature, the Action has a wide range of stakeholders including: Presidential Administration and Ministry of Justice as key national implementing partners. Other partners are Oliy Majlis (Senate and Legislative Chamber), Cabinet of Ministers, Ministry for Digital Technologies, Civil Service Development Agency.

The interventions under this Action will focus on government agencies performing back office functions in service delivery, regional and local governments in target regions, as well as other subordinated or contracted providers of public services, as well as communities and community-based organisations (NGOs, volunteer groups, community groups, women and youth).

The Action will benefit communities and individual citizens, particularly vulnerable – women, youth and children, elderly, people with disabilities – in pilot regions, as well as central, regional, and local authorities and agencies and their staff.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to improve the quality of life of people in rural areas, particularly those vulnerable – including women, youth and children, elderly, people with disabilities, and people from socio-economically disadvantaged situations – by supporting the further advancement of the public services reform in Uzbekistan to transition to a more holistic, operational, efficient, coherent, and people-centred service delivery model.

The Specific Objectives of this action are to:

1. Transform institutional, legal, and regulatory frameworks underpinning the back office of the national public services delivery system.
2. Enhance the capacity of institutions and agencies comprising the back office of the public service delivery system to ensure their effective operation at the national, regional and local levels. This will be done in a gender responsive and inclusive way i.e.: allowing increased participation/benefit for women, girls and other vulnerable groups as well as people most disadvantaged from remote regions and people with disabilities etc.
3. Conduct digital transformation of the public service delivery system through introducing innovation and digitising operation of the back offices to improve availability and quality of public services.
4. Transform the system of local governance to ensure responsiveness, accountability and better operation of regional and local institutions functioning as back offices.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

- 1.1 Accelerated transformation of institutional, legal and regulatory frameworks of the national public services delivery system.
- 1.2. Standardize service management practices and procedures to make it people-centric and inclusive.
- 1.3. Improvement of the institutional, operational and technical capacities of back-offices institutions coherently with international standards (ISO 9001 and ISO 27001).
- 1.4. Inspection of System Reform and functional review of government entities engaged in public service delivery, legal and institutional reform.

- 2.1. Introduction of advanced HR and M&E practices in the public service delivery system.
- 2.2. Capacity development and training for the institutions delivering public services.
- 2.3. Introduction of advanced ICT and data analysis tools across the public service delivery system.
- 2.4. Improve access to information about public services through various channels, and conduct public awareness campaigns.
- 2.5. Advanced introduction of internship and volunteers' programmes for university and college students in back and front offices.

- 3.1. Assessment of demand for most popular public services, assessment of quality-of-service delivery, and development of proposals for streamlining the digitalisation of public services delivery.
- 3.2. Improve user experience through upgrading design, layout, furnishing and equipping PSCs, community branches and back offices to make them inclusive and people centric (7 pilot districts, 28 pilot communities and 3-4 back offices will be selected during Inception Phase of the project).
- 3.3. Business Processes Re-engineering for digitalisation of public services and integration/unification of informational systems.
- 3.4. Promoting provision of the public services and functions by private sector.
- 3.5. Improving the functionality and accelerating the institutional transformation of selected back offices to improve availability and quality of public services.

- 4.1. Improvement of legislation pertaining to local executive and representative government bodies, regional branches of the ministries and agencies.
- 4.2. Capacity development and training for local government authorities, mahallas (autonomous social institutions) and local branches of central ministries/agencies.
- 4.3. Facilitate interaction between public authorities, population and civil society.
- 4.4. Facilitate development gender sensitive public service delivery model.

3.2 Indicative Activities

Activities relating to Output 1:

The Output 1 will focus on improving institutional, legal and regulatory frameworks for administrative back offices. This will be done through policy review and legal analysis of the existing primary and secondary legislation related to public service delivery, policy advising and developing reform recommendations. With the aim to maximise the efficiency and effectiveness of service provision, selected Back offices will undergo institutional improvements followed by functional review and business process re-engineering. To make public service delivery business-centric and thus contribute to country's economic growth, well-being, and prosperity, it will centre its efforts on implementing sectoral reforms.

1. Conduct an inventarisation through review of legal and policy documentation and preparation of recommendations for institutional, legal and regulatory frameworks transformation of the national public services delivery system;
2. Development and application of an universal and unique standards for public services provision in public services centers, single portal of interactive public services (my.gow.uz) and back office institutions for modernisation of service management practices and procedures to make the services people-centric and inclusive;
3. Support selected government institutions in the improvement of the institutional, operational and technical capacities through application of international management standards (ISO 9001 and ISO 27001);
4. Conduct functional analyses of selected government institutions and review the System Reform processes and development practical recommendations to accelerate legal and institutional reforms.

Activities relating to Output 2:

The Output will be focused on building human and institutional capacities for the back offices (e.g. Ministry of Justice, Ministry of Information Technologies, departments of Cabinet of Ministers and others). To strengthen citizens' buy-in and substantially enhance their understanding of new business processes of service delivery introduced at Public Services Centres' level, it will also focus on developing and implementing a viable Communication Strategy and planning out and organising different public awareness campaigns and activities, such as collecting project success stories and broadcasting and publishing them through media and communication channels, designing informational brochures, articles, leaflets on private sector development (PSD), and developing a pool of brand ambassadors who will communicate news in PSD with the public.

1. Transformation of people management systems of back offices through introduction of advanced human resources (HR) and monitoring and evaluation (M&E) practices in the public service delivery system;
2. Development and implementation of training programmes both online and offline for continuous capacity development and training for the government institutions delivering public services;
3. Conduct need assessment and development recommendation for the introduction of advanced ICT and data analysis tools across the public service delivery system. The implementation of some of recommendations will be piloted;
4. Development of communication strategy with action plan and conduct public awareness campaigns aimed at improvement the access to information about public services through various channels;
5. Popularisation and advancing the role of youth and other interested part of population in public services provision processes the advancing the introduction of internship and volunteers' programmes for university and college students in back and front offices.

Activities relating to Output 3:

To achieve excellence in public service delivery, it is important to ensure that all service providers digitalise and integrate their services, approvals, licenses, permits, certificates and other documents. Expanded digitisation shall be one of the key priorities, which will aim to support digital transformation of as many national, regional and local institutions and agencies (representing the back office) as possible. In the course of digitalisation of back offices, the key organisation providing basic public services to all the segments of population and businesses, such as property registry, tax and customs linen registry, civil registry, will undergo fundamental institutional, legislative, administrative and technological changes.

1. Introduction through public services delivery system (back and front offices) the regular practices for the assessment of demand, quality and accessibility of public services especially in rural areas and for most vulnerable part of population. Such exercises will develop proposals for streamlining the digitalisation of public services delivery, improve their inclusiveness in line with principles "no one leave behind";
2. Introduction of modern, practical and inclusive public services delivery standards in selected PSCs and mahallas to improve user experience through upgrading design, layout, furnishing and equipping PSCs and mahallas branches and back offices to make them inclusive and people centric. The interventions will cover at least 7 PSCs in pilot districts, by 3-4 communities in each 7 pilot district and 3-4 back offices central, regional or district levels. The pilot regions, districts and mahallas will be selected during the Inception Phase of the project;
3. At least 20 most demanded public services will be assessed through Business Processes Re-engineering for digitalisation of public services. The provision of services in the form of composite services and proactive

services will be a priority. These services will be integrated in the informational systems to make them available online;

4. The modalities provision of public services and functions by the private sector will be further implemented for diversification of public services delivery system in Uzbekistan. The best practices in the world in this area will be reviewed, adopted and tested in various business environments, including in rural areas;
5. Using recommendations from Output 1, some practical activities and measures for the improvement of the functionality and accelerating the institutional transformation of selected back offices to improve availability and quality of public services will be implemented.

Activities relating to Output 4:

The Output will address both policy as well as local government institutional and capacity building issues. The policy aspects will include policy analysis and policy recommendations to clarify intergovernmental assignment of responsibilities (who does what), intergovernmental finance/fiscal decentralisation (how are services financed), management of local public services and the related capacity of local authorities (capacity to plan and deliver). The policy formulation stage will be followed by support for elaborating the necessary legal and normative framework to make policies effective and gender-responsive. The capacity building aspects will cover training, exchanges, peer learning and technical assistance to regional and local elected bodies assuming the responsibilities arising from the new law on local government. Institutional support activities will be carried out, in complement to activities already planned under Output 2. In this process, the project will develop knowledge products, curricula, manuals and guidebooks for institutionalisation of the continuing capacity building programmes for elected and appointed officials in sub-national government, on topics such as strategic planning and programme development, policy-making, local budgeting and financial management, public service management, human resource management, human rights-based approach and gender mainstreaming.

1. Conduct functional analyses of local government institutions (Khokimiyats, Kengashes, branches of line ministries, mahalla committees, etc.) to find-out key development issues. Thus, in turn will support in the improvement of legislation pertaining to local executive and representative government bodies, regional branches of the ministries and agencies;
2. Using the results of needs assessment to be conducted an intensive capacity development and training activities for local government authorities, mahallas and local branches of central ministries/agencies will be implemented;
3. The proposed Action will review through as-is analyses the current interaction and interagency cooperation between public authorities, population and civil society in the field of public services delivery. Practical measures will be implemented to address the existing cooperation issues;
4. The gender mainstreaming should be a cross-cutting objective of the Action. The project will further facilitate development gender sensitive and inclusive public service delivery model especially in rural areas.

Besides that, support will be provided for the introduction and operation of public accountability mechanisms and tools, as well as for those community organisations, civil society organisations, and NGOs concerned with equity and access in public service provision, particularly those representing women and vulnerable populations in rural areas.

Synergies with other EU bilateral and regional projects as well as with EU MS and other international donors' actions in the field of good governance and rule of law will be ensured throughout the implementation of the proposed Action.

3.3 Mainstreaming

Improved system of public services and effective governance at a local level, as well as developing an efficient and transparent management structure for public service delivery will assist Uzbekistan to achieve in the long-term sustainable growth, the Global Agenda 2030 and the SDGs for equitable economic and social development, expand social policies, create employment, and ultimately improve overall living conditions for the population.

The Action's goals also address the development challenge at hand, through a rights-based approach, as it addresses accessibility and affordability of public services by citizens, especially those who are part of vulnerable groups, e.g., women, children, people with disabilities, the elderly and those living in rural areas and who are

feeling the effects and exclusion generated by the digital divide. Similarly, transparency and openness of public service delivery will be ensured through the introduction of access to information practices, real-time monitoring of delivery of services, automation of decision-making processes, and anti-corruption measures. However, in doing this, due care should be taken so that the quality and speed of service delivery is not negatively affected, nor fundamental rights and freedoms, i.e. access to information and privacy, are put at risk.

Proposed activities with civil society will specifically focus on women, youth and other disadvantaged groups, including persons with disabilities, to be empowered and more involved into decision-making, thus leading to higher social sustainability. Setting the anticorruption ecosystem and reducing corruption prevalence in the regions will contribute to reducing social tensions at the local level.

The action priorities will closely reflect the targets included in Goal 16 of the SDGs, particularly target 16.3 “Promote the rule of law at the national and international levels and ensure equal access to justice for all”, target 16.5 “Substantially reduce corruption and bribery in all their forms” and 16.6 “Develop effective, accountable and transparent institutions at all levels”. They will also address targets 16.7. “Responsive, inclusive, participatory and representative decision-making at all levels”, 16.A. “Public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements” and 16.C. “promote and enforce non-discriminatory laws and policies for sustainable development” in the project implementation strategy. Complementarily, partnering with the national authorities and civil society to promote transparent and accountable democratic governance with improved capacity for effective public service delivery will address SDGs 5, 8, 10, and 17.

Environmental Protection & Climate Change

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality, including the gender pay gap, and woman rights-based approaches shall be a cross-cutting theme of all support provided within the proposed action.

Gender equality considerations are embedded across all activities, including integrating gender-centric enhancements to regulatory and policy frameworks, re-designing public services, provision of capacity development support, and selection of public services and pilot regions. Continuation of establishment of special Women Advisory Groups within PSCs is envisaged as an affirmative measure to ensure adequate space for women’s civic engagement. Therefore, capacity development and awareness raising activities will address specific needs of women with regard to interacting with government entities.

Advancement of women in public administration and business sectors on the principles of “strong consideration if not outright preferential treatment” or “affirmative action” will be in the focus of discussions initiated with national partners, with the possibility of further implementation, including through the inclusion in the relevant trainings of topics related to gender-legal expertise and gender sensitivity. Moreover, when related to legislative support, the action will introduce a comprehensive gender impact assessment of all proposed legislation.

Human Rights

The proposed Action is designed with a rights-based approach to public services to promote the realisation of the basic, social and economic rights of citizens in rural areas, including those of women, children and youth, elderly, persons with disabilities, and other vulnerable groups.

Participatory planning systems in local governments (envisaged under pillar 4) to ensure that the public service delivery system addresses the most pressing needs of people in the regions, especially of women, children and youth, elderly, and persons with disabilities in rural and remote areas is also considered as a cross-cutting issue, which is grounded in the human rights-based approach.

The proposed Action will contribute to the MIP Priority Area 1 Effective Governance and Digital Transformation, with the objective of supporting Uzbekistan's transition to a pluralist democratic system through support to the rule of law, universal values of human rights, a flourishing civil society and elimination of all forms of discrimination, especially gender-related. It will support the work of the government in accelerating legislative reforms, improving the quality of regulations and reducing the regulatory burden. The EU aims also at supporting national initiatives to advance awareness of legal rights, to expand legal education and literacy.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that NGOs and CSOs protecting the rights and interests of people with disabilities and organisations of persons with disabilities will be one of the main stakeholders of the activities. They will be involved in designing the specific activities that will be informed by the vital interests of people with disabilities related to decision-making and participatory democracy. Implemented mechanisms and tools will always prioritise opportunities for convenience and applicability from the point of view of the limited capability of such people.

Reduction of inequalities

While the Government's commitment to continuing reforms is demonstrably strong, it faces the challenges of increasing inter-regional inequalities and a wide urban-rural poverty gap. Almost half of the population lives in rural areas. With a rapidly growing population, Uzbekistan is struggling to reduce inequalities efficiently, especially gender-based inequalities and the urban-rural divide, and to provide employment for the youth entering the labour market. According to official statistics, the poverty rate in Uzbekistan for 2021 is 17%, while the employment rate reached 67%, representing the ratio of the number of employed population to the working age population in line with the World Bank methodology. Meanwhile, uneven distribution of population income in Uzbekistan based on the results of sample surveys of households equals 0.273 (Gini coefficient). The government also initiated a number of reforms on gender equality and women's empowerment, which have improved Uzbekistan's rankings in several international indexes in this domain. Currently, the country's Gender Development Index (GDI) value is 0.944, placing it in group 3 (medium equality), while its Gender Inequality Index (GII) value is 0.227, ranking it at 56 out of 170 countries in 2021. This data shows that Uzbekistan is close to attaining gender equality in education (enrolment, educational attainment and literacy) and health (sex ratio at birth and healthy life expectancy). However, gender inequalities in daily life are still persistent and need to be addressed accordingly.

Democracy

The implementation of the proposed action will eventually contribute to coherent and strategic support to democracy and human rights, CSOs, and peace, stability and conflict prevention, and will contribute to the strengthening of the democratic institutions of Uzbekistan. In particular, transformation of institutional, legal, and regulatory frameworks of back offices involved in service delivery will increase the transparency of government actions, contribute to the fight against corruption and bring the state closer to the people. Transformation of the local governance system to ensure responsiveness, accountability and better operation of regional and local institutions functioning as back offices will ensure the involvement of civil society, as well as ordinary citizens into the decision-making process, thus fostering participatory democracy.

Conflict sensitivity, peace and resilience

The proposed action will integrate conflict sensitivity in all its work, to maximise the positive impact on peace, in fragile areas potentially prone to social tensions and conflicts. The issues of overcoming the exclusion, inequality, human rights violations, absence of the rule of law, environmental degradation and climate change, which are basic root causes at all levels of potential conflict and social tensions, will be indirectly addressed by the action outputs in a coherent and comprehensive way.

Disaster Risk Reduction

Enhancing administrative and related transformation of the public service delivery system through introducing innovation and digitising operation of the back offices will lead to improve availability and quality of public services reforms strengthening the people-centric capacity of state bodies, including the improvement of internal business processes aimed at the preservation of resources through the effective organisation of civil protection and emergency preparedness and response, crises and disasters.

Digital transformation

When applicable and relevant, the proposed action will seek and promote the use of digital solutions in all its activities.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1-External environment	Risk 1. Possible reluctance of government institutions, motivated by self-preservation and institutional inertia, to adopt the policy recommendations generated by the Action	Low	High	This risk will be addressed through targeted advocacy and communication of the interlinked nature of the governance issues and importance of adopting a holistic approach to the Public Administration Reform. To overcome this resistance, the Action will engage the Presidential Administration and Ministry of Justice to advance the difficult change management processes.
3 – People and organisation	Risk 2. Low absorption capacity of the government to bring forward the proposed changes and innovations	Low	Medium	The risk will be mitigated through prioritisation building human and technical capacities of the national partners in critical areas of the Public Administration Reform.
3 – People and organisation	Risk 3. The inadequate technical capacity of back-office institutions may decrease the efficiency of reforms of modernization of	Medium	High	The risk will be addressed through development a set of recommendation for improvement of a technical capacity of back-office institutions using various tools of assessment, including functional, AS-IS and others. Also, all the partners will receive an advisory support from the project for mobilisation of internal and external financial and other resources

	public service delivery.			needed for technical capacity development.
3 – People and organisation	Risk 4. The low political and legal literacy of the local population especially in rural areas, as well as accessibility issues, as some populations need to walk long distances to access services.	Medium	High	To mitigate this risk, the Action will build the capacities of local CSOs and communities on participatory planning, budgeting and other tools of citizen engagement.
5 – Communication and information	Risk 5. The low public awareness about their rights, benefits and opportunities decreases public demand for the high quality of service delivery and participatory local governance and negatively affect the activities aimed at enhancing the accountability of local executive authorities.	Medium	Medium	The Action will develop and agree with stakeholders and beneficiaries of a comprehensive communications strategy, including dedicated information campaigns aimed at public awareness using all available means of communication.
3 – People and organisation	Risk 6. Lack of commitment, ownership, and dedication from the management of the beneficiary back-office institutions and relevant personnel to participate in the activities of the project despite extensive consultations with all stakeholders.	Low	Medium	This risk will be addressed through the implementation of a number of events, discussion, round tables with the key national partners during the project life cycle for introduction of the project objectives, expected results and impact, also the importance reforms recommended within the intervention for country development overall.
4 – Legality and regularity aspects	Risk 7: Policy recommendations, regulation	Low	High	Advocacy activities, presentation of policy recommendations for a wider group of

	amendments and/or service standards and functional reviews results submitted are not adopted/accepted by the Government.			stakeholders, ensuring quality of conducting peer reviews.
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Lessons Learnt

Previous interventions experience shows that a participatory design process and associated common vision are crucial to ensure ownership and impact of administrative reform programmes. Hence, this proposed action shall be based on extensive, direct consultations with the national partners and international partners active in the region, fully aligned with their priorities and built around commonly agreed areas of work.

Other pre-conditions for achieving overall and specific objectives of the proposed action include strong political will (expressed in support from the high decision-making institutions), professional and technical capacity of the national back-office, central, regional and local government and regulatory institutions’ staff, committed and active CSOs, especially focusing on women empowerment, disability rights and those who left behind, and the media.

3.5 The Intervention Logic

The underlying intervention logic for this action is that **IF** needs assessment and thorough review of the legal and policy documents essential for the administrative reforms and formation of a accessible and inclusive public services delivery system is conducted in line with international standards; and critical draft laws and other normative documents to facilitate the full alignment of the public services delivery and effective local governance systems with international standards are developed based on the results of the needs assessment, functional analyses and review of the legislation; and national strategic policy documents on public services delivery are advanced in line with the international standards to ensure that the ongoing national policy is strategic in nature, reflects long term, multidimensional vision against bureaucracy and corruption with a view of coordinating national action, and this ecosystem will be duly implemented and enforced **THEN** full-fledged legal and institutional reforms to create a solid public administration, public services delivery and integrity ecosystem in the country will be developed and implemented with mainstreaming human rights protection, gender equality, inclusiveness, disability rights, youth empowerment, rural development and conflict management and resilience.

IF full-fledged legal and institutional reforms to create a solid administrative, people-centric and integrity ecosystem in the country are developed and implemented, integrity transformations and enabling e-government systems and tools are extended at the regional and local levels, **THEN** national policy, legal and institutional frameworks, which consolidate the integrated public services delivery system in the country with robust preventive, enforcement and punitive measures, in line with best international practices will be improved, integrity capacities of the regional, district and local government authorities and self-governance bodies will be strengthened and more dynamic transformations in the regions of Uzbekistan will be deployed.

IF national administrative and people serving policy, legal and institutional frameworks are improved in line with best international practices with mainstreaming public services user rights protection, gender equality, youth empowerment, and resilience; integrity capacities of the regional, district and local government authorities and self-governance bodies are strengthened and more dynamic digital transformations in the regions of Uzbekistan deployed; as well as civic engagement and collective action are enhanced in society, **THEN** the strategic, long-term and multi-dimensional administrative reforms in the Republic of Uzbekistan will be promoted which are solid, comprehensive, effective, inclusive and fully integrated into national, regional and local development agendas, leading to the empowerment of all citizens, and especially vulnerable people including groups such as persons with disabilities, to enjoy equal opportunities for human development.

IF training programmes on capacity development of public servants systematisation of regulations governing the activities of state bodies, on systematisation of regulatory legal acts by branches of legislation and on systematisation of normative documents in the field of technical regulation are developed and carried out **THEN** the increased knowledge and skills of relevant civil servants will lead to the strengthening of the organisational, administrative, technical and legal capacities of the relevant government institutions to ensure high quality, predictable and accountable regulatory framework, effective provision of public services to end users.

IF technical assistance on how to conduct impact assessments, how to systematise and streamline regulatory frameworks and how to establish a modern inventory of technical regulations is delivered **THEN** the government will be able to create a high-quality and compact system of normative and technical regulations.

BECAUSE, in this way, the full operation of the system of checks and balances is ensured, the legislative production and archiving is systematised and accessible by the population where progressive, democratic legislation that takes into account the interests of all sections of society ensures complete public control of an active, capable civil society over the state, preventing all manifestations of bureaucracy, corruption, especially in those strata and geographically distant regions, where the most vulnerable segments of the population live and work, preventing them from being left behind.

3.6 Logical Framework Matrix

Results	Results chain: Main expected results (maximum 10)	Indicators: (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	<p>To improve the quality of life of people in rural areas, particularly those vulnerable – including women, youth and children, elderly, people with disabilities, and people from socio-economically disadvantaged situations – by supporting the further advancement of the public services reform in Uzbekistan to transition to a more holistic, operational, efficient, coherent, and people-centered service delivery model.</p> <p>Creating a business and investment-enabling regulatory environment in Uzbekistan by making Public Service Delivery business-centric. Reducing the burden on businesses, eliminating red tape, and cutting excessive bureaucracy and paperwork will make businesses operate more efficiently and cost-wise, translating in the medium and long term into economic growth, well-being, and prosperity in the country.</p>	<ol style="list-style-type: none"> 1. The Rank of Uzbekistan in E-Government Development Index (EGDI) increased 2. Eliminate all inequalities in processes and procedures of public services delivery system in Uzbekistan 3. The rank of Uzbekistan in WBs Worldwide Government Effectiveness Indicators enhanced 4. Uzbekistan’s position in The Global Economy’s Public Service Index has been improved (current position 114 out of 200 countries) 	<ol style="list-style-type: none"> 1: 69 (2022) 2: Group 3 (medium equality) (2021) 3: 44.7 - 2021 4: 114 (2023) 	<ol style="list-style-type: none"> 1: 60 (2027) 2: New definition (2027) 3: 50 - 2027 4: 110 (2027) 	<ol style="list-style-type: none"> 1: WB report 2: Government annual reports 3: WB report 4: The Global Economy’s Public Service Index report 	<i>Not applicable</i>

Outcome 1	Transformed institutional, legal, and regulatory frameworks underpinning the back office of the national public services delivery system.	<p>1.1. Number of strategic policy documentation adopted and implemented aimed at accelerated transformation of institutional, legal and regulatory frameworks of the national public services delivery system</p> <p>1.2. Number of national standards developed, adopted and introduced in the public services delivery system</p> <p>1.3. Number of back-offices institutions operating in line with international ISO standards (ISO 9001 and ISO 27001)</p>	<p>1.1: 1 – 2023</p> <p>1.2: 0 – 2023</p> <p>1.2. 1 - 2023</p>	<p>1.1: 2 – 2025</p> <p>1.2: 1 – 2025</p> <p>1.3: 5 - 2025</p>	<p>1.1: UNDP and Government reports</p> <p>1.2: UNDP and Government reports</p> <p>1.3: Annual programme reports</p>	Strong political will supporting the implementation of the Country Development Strategy for 2022-2026, which includes issues of administrative reforms and public services delivery
Outcome 2	Enhanced the capacity of institutions and agencies comprising the back office of the public service delivery system to ensure their effective operation at the national, regional and local levels.	<p>2.1. Number of public institutions applied modern Human Resources Management practices</p> <p>2.2. Number of female staff working in back-office institutions responsible for provision services increased to at least 20%</p>	<p>2.1: 0 – 2023</p> <p>2.2: __% - 2023</p>	<p>2.1: 1 – 2024; 3 – 2025; 5 – 2027</p> <p>2.2: 10% - 2025; 20% - 2027</p>	<p>2.1: Annual programme reports</p> <p>2.2: Reports from ARGOS and Statistical data</p>	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives

Outcome 3	Conducted digital transformation of the public service delivery system through introducing innovation and digitising operation of the back offices to improve availability and quality of public services.	<p>3.1. The number of public services available online increased up to 50 % from a total.</p> <p>3.2. The share of public services provided through my.gov.uz increased to 30%</p> <p>3.3. Number of regulations promoting provision of the public services and functions by private sector</p>	<p>3.1: 360 (2023)</p> <p>3.2: 18 mln (2022)</p> <p>3.3: 0 (2023)</p>	<p>3.1: 500 (2027)</p> <p>3.2: 25 mln (2027)</p> <p>3.3: 1 (2025)</p>	<p>3.1: Data from my.gov.uz</p> <p>3.2: Data from my.gov.uz</p> <p>3.3: Annual programme reports</p>	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives
Outcome 4	Enhanced local governance system to ensure responsiveness, accountability and better operation of regional and local institutions functioning as back offices.	<p>4.1. Share of public services provided in rural communities (areas) increased to 50% from total available public services due to more responsiveness, accountability and better operation of local governance institutions</p> <p>4.2. The involvement of Civil Society institutions and rural population in local decision-making processes increased</p>	<p>4.1: 0 (2023)</p> <p>4.2: -- (2023)</p>	<p>4.2: 50% (2027)</p> <p>4.2: -- (2027)</p>	<p>4.1: Data from my.gov.uz and Ministry of Justice</p> <p>4.2: Annual programme reports</p>	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives

Output 1 relating to Outcome 1	1.1. Improved sectoral reforms, which are directly proportional to the efficiency and profitability of businesses (such as licensing reform, inspection reform, business registration simplification reform, state reporting and e-filing reform, improving the functionality and accelerating the institutional transformation of the Property Registry, Tax and Customs Liens/Mortgage Registry, Collateral Registry, etc.)	1.1.1: Number of policy recommendation developed and implemented	1.1.1: 1 (2022)	1.1.1: 3 (2027)	1.1.1: Annual program reports	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives
Output 2 relating to Outcome 1	1.2. Increased functionalities of government entities engaged in public service delivery, legal and institutional reform	1.2.1: Number of back-office institutions simplified procedures public services delivery that re-engineered and standardized	1.2.1: 2 (2022)	1.2.1: 6 (2027)	1.2.1: Annual program reports	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives

Output 1 relating to Outcome 2	2.1: Improved capacity public servants involved in public services delivery processes	2.1.1: Number of trainings programme prepared and adopted by government institutions 2.1.2: Number of new training modules offline and online for capacity development of public servants involved in public services delivery 2.1.3: Number of government agencies personnel trained through developed training modules (disaggregated by gender)	2.1.1: 0 (2023) 2.1.2: 7 (2023) 2.1.3: 0 (2023)	2.1.1: 2 (2027) 2.1.2: 10 (2027) 2.1.3: 2000 (at least 30% women) (2027)	Annual program reports	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives
Output 2 relating to Outcome 2	2.2: Improved access to information about public services through various channels, and conduct public awareness campaigns	2.2.1: Number of back-office institutions developed, adopted and implementing own communications strategy and action plan 2.2.2: Number of awareness raising items, i.e. TV/radio advertisements, printed material, infographics, videos, etc. 2.2.3: Number of communication channels informing rural population on public services delivery processes, methods, etc.	2.2.1: 1 (2023) 2.2.2: 0 (2023) 2.2.3: 2 (2023)	2.2.1: 5 (2027) 2.2.2: 100 (2027) 2.2.3: 6 (2027)	Annual program reports	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives

Output 3 relating to Outcome 2	2.3: Introduced advanced internship and volunteers' programmes for university and college students in back and front offices	2.3.1: Number of university and college students and volunteers trained through an internship and volunteers' programme 2.3.2: Number of public services provided in self-services corners by interns and volunteers assistance	2.3.1: 40 (2023) 2.3.2: 0 (2023)	2.3.1: 100 (2027) 2.3.2: 20 mln (2027)	2.3.1: Annual program reports 2.3.2: Statistics from Public Services Centers	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives
Output 1 relating to Outcome 3	3.1: Improved user experience through upgrading design, layout, furnishing and equipping PSCs, community branches and back offices to make them inclusive and people centric	3.1.1: Number of PSCs, number of makhalla communities and number of back offices improved user experience through upgrading design, layout, furnishing and made public services inclusive and people centric	3.1.1: 7/0/0 (2023)	3.1.1: 14/28/4 (2027)	Annual program reports	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives
Output 2 relating to Outcome 3	3.2: Re-engineer business processes within the Back Offices to streamline and standardise business processes	3.2.1: Number of Back Offices undergoing Business Process Review and Re-engineering 3.2.2: Number of procedures simplified, re-engineered and standardised 3.2.3: Number of document requirements eliminated, streamlined, or harmonised	3.2.1: 2 (2023) 3.2.2: 0 (2023) 3.2.3: 0 (2023)	3.2.1: 6 (2027) 3.2.2: 20 (2027) 3.2.3: 30 (2027)	3.2.1: Annual program reports 3.2.2: Reports of Government 3.2.3: Data from line ministries	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives

Output 3 relating to Outcome 3	3.3: Private sector involved in provision of the public services and functions	3.3.1: Number of public services and functions provided by the number of private sectors through using outsourcing and other relevant mechanisms government institutions	3.3.2: 0/0 (2023)	3.3.2: 20 mln /5 (2027)	Annual program reports and statistics from Ministry of Justice	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives
Output 1 relating to Outcome 4	4.1: Improved capacity of the personnel of government agencies responsible for the development and provision of public services in the country	4.1.1: Number of trainings programme prepared and adopted by local government institutions 4.1.2: Number of new training modules offline and online for capacity development of public servants 4.1.3: Number of personnel of khokimiyats, Kengashes and mahalla communities trained through developed training modules (disaggregated by gender)	4.1.1: 0 (2023) 4.1.2: 5 (2023) 4.1.3: 0 (2023)	2.1.1: 2 (2027) 2.1.2: 10 (2027) 2.1.3: 1000 (at least 30% women) (2027)	Annual program reports	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives
Output 2 relating to Outcome 4	4.2: Effective interaction between public authorities, population and civil society built	4.2.1: Number of analytical reports and policy recommendations for improvement interaction between public authorities, population and civil society	4.2.1: 0 (2023)	4.2.1: 10 (2027)	Annual program reports	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives

Output 3 relating to Outcome 4	4.3: Eliminated inequalities in the public services delivery processes	4.3.1: Number of policy recommendations developed and implemented	4.3.1: 0 (2023)	4.3.1: 5 (2027)	Annual program reports and statistics from Ministry of Justice and my.go.uz	Strong political will and resources available supporting the implementation of the capacity development interventions and initiatives
		4.3.2: The level of increase of the public services provided for most vulnerable population in rural areas	4.3.2: N/a (2023)	4.3.2: 50% (2027)		
		4.3.3: Number of Public Advisory Councils effective functioning and supporting the eliminates of inequalities in the field of public services delivery in rural areas	4.3.3: 3 (2023)	4.3.3: 14 (2027)		

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this Action, it is envisaged to conclude a financing agreement with the Republic of Uzbekistan.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Long-standing experience in Uzbekistan and strong trust and credibility with national partners in the area of administrative reforms;
- Strong network of official and civil society contacts;
- Strong development expertise ensuring long-term developments focuses and outcomes;
- Highly effective mechanisms for transparency, accountability and integrity.

The implementation by this entity entails the achievement of all specific objectives foreseen in the proposed Action.

In case the envisaged entity would need to be replaced, the Commission services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.3.2 Changes from indirect to direct management mode due to exceptional circumstances

Due to exceptional circumstances, the indirect management mode in the sections 4.3.1 could be implemented in direct management (procurement).

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Specific Objective 1 – Indirect management with an entrusted entity	1 300 000.00
Specific Objective 2 – Indirect management with an entrusted entity	1 000 000.00
Specific Objective 3 – Indirect management with an entrusted entity	1 700 000.00
Specific Objective 4 – Indirect management with an entrusted entity	900 000.00
Evaluation and Audit – cf. sections 5.2 and 5.3	100 000.00
Totals	5 000 000.00

4.6 Organisational Set-up and Responsibilities

For the implementation of the proposed Action, it is foreseen to sign a contribution agreement with an entrusted entity.

The contribution agreement will follow a standard organisational set-up with the establishment of a Project Implementation Team (unit) to develop annual plans, programming and budgeting, and deliver activities within time and resource constraints. It will normally consist of Project Manager, Task Managers for each Output, staff for operations (administrative, finance, procurement and other tasks). The Action will be managed at the highest level by the Project Board, which will be responsible for making consensus-based strategic decisions for the project. The Board will provide strategic guidance to the project, oversee progress, review, and approve Annual Report and Workplans, as well as the Final Report. The Project Board will convene at least annually to hold regular reviews, assess the performance of the project and approve the Workplans.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

4.7 Pre-conditions

The signature of the Financing Agreement with the Republic of Uzbekistan is a pre-condition before the start of activities.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The project has preliminarily defined a set of milestones and results-oriented objectively verifiable indicators that will be reviewed in the Project inception phase. Attention will be paid to the simplicity, measurability, adequacy, relevance and timeliness of the objectively verifiable indicators included in the logical framework matrix. Where possible, the project will collect primary information to set up a baseline that will identify targets for specific indicators. This will be finalised during the inception phase or during the first months of the project, since some of these primary data will need to be drawn from specific assessments or studies.

The indicators are gender-sensitive as much as possible, and efforts will be made to get sex and disability disaggregated data from the various users or beneficiaries from this project. Gender expertise and disability rights expertise will be involved in the establishment of indicators, data collection and monitoring and evaluation. The work plan will be another important document for the purposes of monitoring and of assessing performance from the point of view of project management.

The work plan will be prepared during the project formulation and finalised in detail during the inception phase. It will also be adjusted and updated as needed during the project implementation, in close consultation with the EU Delegation. Because of its importance in the process of shaping the work plan and the logical framework, the inception report will be a key milestone of the first part of the project and will serve to fine-tune some of the activities and expected results.

Regular monitoring of the progress of implementation of project activities will be ensured by all of the project staff in their specific roles. A proposed monitoring and evaluation framework will be prepared during the project inception phase. Continuous monitoring will generate quantitative feedback on the implementation, preventing deviations from operational objectives, ensuring accountability for spending and enabling the evaluation of the process.

The project reports will provide a clear picture of the status of the project at the various stages of implementation, ensuring the appropriate tracking of progress in terms of outputs and results, as set forward in the logical framework, through indicators, baselines and targets. The ultimate reporting responsibility will lie with the implementing partners. Direct responsibility for preparing all reports will lie with the project coordinators and advisors. All reports will be written in English. If necessary, working documents and reports should be translated into Russian. Formats for the inception, interim, final and mission reports shall follow the relevant guidelines for pillar assessed organisations, and their tables of contents shall be agreed upon. Reporting will include inception report, annual progress report, annual certified financial reports, mission reports of the Project experts, technical reports and the final project report.

Reporting will be carried out in compliance with the Special Conditions to the General Conditions and with the relevant framework agreements signed with the European Union.

5.2 Evaluation

Having regard to the nature of the action, a mid-term and a final evaluation will be carried out for this action or its components via independent consultants. It will be carried out for problem solving and learning purposes, in

particular with respect to address all measurable questions for the programme. This will include the definition of an explicit theory of change against which the final evaluation will judge the worth of the programme. Furthermore, it is expected that the evaluation will come up with specific and tailored recommendations on appropriate and relevant indicators at strategic and operational level that will be used and monitored during the implementation process. The mid-term evaluation/assessment will also suggest, if needed, adjustments to the course of action, in order to achieve the expected outputs, analyse the feasibility of launching a second phase of the action.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments. Evaluation services may be contracted under a framework contract

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 [“Communicating and Raising EU Visibility: Guidance for External Actions”](#), it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing

Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

➤ Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as

Action level (i.e. Budget Support, blending)		
x	Single action	Present action: all contracts in the present action
Group of actions level (i.e. top-up cases, different phases of a single programme)		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#): <Present action> <Other action(s)>
Contract level		
<input type="checkbox"/>	Single Contract 1	<foreseen individual legal commitment (or contract)>
<input type="checkbox"/>	Single Contract 2	<foreseen individual legal commitment (or contract)>
	(...)	

Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)

<input type="checkbox"/>	Group of contracts 1	<foreseen individual legal commitment (or contract) 1> <foreseen individual legal commitment (or contract) 2> <foreseen individual legal commitment (or contract) #>
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