Mainstreaming, Acceleration and Policy Support (MAPS) for Achieving the Sustainable Development Goals in Uzbekistan

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Background

In September 2015, the Government of Uzbekistan (GoU), along with the Heads of State and Government of 192 United Nations (UN) member states, committed to the implementation of *Transforming Our World—The 2030 Agenda for Sustainable Development* (the 2030 Agenda) and the Sustainable Development Goals (SDGs) as its monitoring framework. To support Member States in their implementation of the 2030 Agenda and the SDGs, the UN Development Group (UNDG) initiated in 2016 the "Mainstreaming, Acceleration, and Policy Support" (MAPS) approach.[1] The MAPS approach is designed to initiate a process towards addressing the challenges and complexities of sustainable development collaboratively, over the longer term.

As a testimony of its strong interest and commitment to adapt the SDGs to national needs as articulated in Uzbekistan's national Action Strategy 2017-2021, the GoU invited a MAPS mission to Tashkent in April 2018. The task of the MAPS mission included: (1) the adaptation of the SDGs to Uzbekistan's national circumstances and their alignment with Uzbekistan's national development processes; (2) the identification of SDG acceleration opportunities; (3) the identification of SDG financing options; and (4) the establishment of a national SDG monitoring and evaluation (M&E) framework. The MAPS mission team included thematic specialists from UNDP, the World Bank, UNICEF, UNODC, WHO, UNESCO and the regional UNDG's issue-based coalitions on data and gender equality.

This report reflects the findings and conclusions of the MAPS mission team, based on its engagement and rich interactions with senior-level representatives of 27 national institutions in Tashkent—including with ministries, Parliament, the Supreme Court, the National Human Rights Centre, think tanks, international development partners, NGOs and youth groups—as well as with the UN country team. It builds on extensive preparatory research ahead of the actual mission as well as on detailed follow up research, in which this report benefited from the specialized expertise of the agencies and organizations participating in the MAPS mission.

This executive summary follows the structure and contents of the full report and provides the reader with a summary overview of the mission findings and its recommendations. Reflecting the integrated nature of the 2030 Agenda and the national Action Strategy's reform aspirations, the recommendations presented in the report and its summary should be read as a whole rather than in isolation.

SDG Nationalization

The implementation of the 2030 Agenda and the SDGs in Uzbekistan coincides with the introduction of the ambitious, reform-oriented national Action Strategy for 2017-2021. The findings of this report highlight the convergence and potential linkages between the SDGs and the national Action Strategy, as confirmed by all stakeholders during meetings with the MAPS mission. This report identifies key interventions linked to this convergence.

The GoU is to be highly commended for its quick and comprehensive approach towards adapting the SDGs to Uzbekistan's national context. Having identified 123 national SDG targets and 206 indicators against

[1] Under this framework, technical experts from UN agencies, funds and programmes have since undertaken more than 30 integrated, multi-disciplinary "MAPS missions" based on country demand and adapted to the very specific development context of each country.

available data sources, the GoU intends to align these with the national development policy framework by:

- Aligning the implementation of the national Action Strategy with the coordination of SDG nationalization efforts and applying a long-term approach to development planning;
- Developing SDG baselines and target values that reflect national aspirations to 2030;
- Gradually integrating the SDG targets and indicators into central, sectoral and regional strategies, as well as into annual legal, budgetary, and reporting processes (in both the executive and legislative branches);
- Preparing regular SDG reports for national stakeholders, including the national parliament and civil society, as well as a voluntary national review for presentation at the UN High Level Political Forum in 2020;
- Stepping-up collection and dissemination of the official statistical data needed to monitor the implementation of nationalized SDG indicators, including through a national SDG web portal; and
- Reaching out to the public on the SDGs through the National Television and Radio Company, the National Information Agency, and other mass media.

Based on these considerations and the recommendations provided in this report, the MAPS mission recommends:

1. Early preparation of a successor document to the national Action Strategy 2017-2021 that could: (a) serve as a national sustainable development strategy through 2030; (b) align Uzbekistan's short-term market and governance reform priorities with the longer-term focus of the 2030 Agenda; (c) contain Uzbekistan's nationalized SDG targets and indicators, as well as relevant baseline and terminal values; (d) be linked to the national budgetary framework and relevant sectoral and sub-national development programming; and (e) serve as a programmatic basis for national SDG reporting. The drafting of this national sustainable development strategy should benefit both from the broad participation of experts and civil society, and from lessons learned in monitoring and evaluating the national Action Strategy 2017-2021.

Strengthening Statistical and Reporting Capacity

The generation and monitoring of relevant, accurate, and disaggregated data and statistics are critical to measuring progress towards SDG achievement. Moreover, the 2030 Agenda's "leave no one behind" principle requires the use of data that have been disaggregated by vulnerability criteria.

Uzbekistan's rapid progress in SDG nationalization is constrained by limited data availability, which has also reduced the analytical scope of the MAPS analysis. These constraints manifest themselves through: (1) significant gaps in the official statistical data for SDG monitoring and reporting that are among the largest in the Central Asian/East European region; (2) the absence of a well-defined national development policy framework with appropriate indicators that could build on the national Action Strategy's reform impetus; and (3) limited application of evidence-based development policy formulation, implementation, monitoring, evaluation, and reporting.

Overcoming these constraints is critically important for the success of Uzbekistan's national Action Strategy and the achievement of the SDGs. This report therefore includes a detailed analysis of Uzbekistan's data ecosystem,[2] including data for nationalized SDGs and monitoring and evaluation challenges. Based on interactions with key stakeholders and subsequent research, the MAPS mission recommends that:

[2] A data ecosystem is a collection of infrastructure, analytics, and applications used to capture and analyze data.

2. The GoU conduct a full-scale global assessment of Uzbekistan's statistical system, as per UNECE/ Eurostat methodology. Such a comprehensive assessment will be critical to informing the longer-term development of the statistical system and improving the GoU's capacity to monitor progress in SDG achievement as well as in the implementation of the national Action Strategy.
3. The SSC consider designing a statistical master plan/national strategy for the development of statistics, to provide (i) a capacity development strategy for the national statistical system, that would focus *inter alia* on the data/statistical challenges associated with national SDG achievement; and (ii) a vision for where the national statistical ecosystem should be in 5-10 years, with clear measurement yardsticks and milestones along the way. Such a plan could support the continual assessment of evolving user needs and priorities for statistics, and for building the capacity needed to meet these needs in a more coordinated, synergistic, efficient manner. It could also provide a framework for mobilizing, harnessing, and leveraging resources (both national and international) for statistical capacity development—including in terms of emerging open- and big-data opportunities. And such a plan could help to further institutionalize the SSC's leading role in the coordination of national statistical activities, to support their standardization and quality assurance—*inter alia* so that other government agencies can get the higher quality statistical information they need to fulfil their mandates.
4. The SSC better documents, harmonizes, and standardizes metadata. Uzbekistan's nationalized SDG indicators—which were developed collaboratively by the SSC, line ministries, and academia—could represent a very good starting point for this process. They are based on the global SDGs, whose indicators are supported by well documented metadata.
5. The SSC prioritize initiatives that focus on methodological improvements and integration of SDG indicators into the regular household budget and labour force surveys, and on cooperation with UNICEF on the multi-indicator cluster survey (MICS).
6. The SSC institutionalize the collection and dissemination of official statistical data that are disaggregated by gender and other socio-economic vulnerability criteria, in order to improve statistical monitoring of vulnerable households and groups that might otherwise be "left behind".
7. The GoU and its development partners deepen efforts to build a policy culture that values the constructive use of evidence, starting with efforts to institutionalize monitoring and evaluation practices. In particular, coordination between international partners for capacity building in this area—for both the GoU and civil society partners—is highly recommended.

SDG Acceleration

Since President Mirziyoyev's reform announcements of February 2017, the GoU has been moving quickly to implement far-reaching economic reforms, with a particular emphasis on price and exchange-rate liberalization, strengthening the banking system, and reforming the tax system. This agenda is central to Uzbekistan's reform and development processes. It seeks to transform Uzbekistan's economy, which in turn will drive Uzbekistan's transition to upper middle-income status. The realization of this vision enjoys strong support from Uzbekistan's development partners, with International Financial Institutions (including the IMF and the World Bank) playing a leading role.

In keeping with the *integration* principle underpinning the 2030 Sustainable Development Agenda and the priorities outlined in the national Action Strategy, the recommendations in this report take a different, but complementary angle. They are focused on those areas which the MAPS mission identified as critical

to go hand-in-hand with economic reforms in order to ensure alignment of the economic, social and environmental dimensions of Uzbekistan's transformational path, and thus its long-term sustainability.

Governance, justice, and rule of law as well as reforms for social development and more efficient investment in human capital feature prominently in the national Action Strategy. Given their high degree of convergence with the SDGs, the MAPS team took these national priorities and their interlinkages as the starting point to identify "acceleration areas", i.e., catalytic policy and/or programming areas that can trigger positive multiplier effects across the SDGs and targets and provide solutions to bottlenecks that impede progress towards national development priorities and the SDGs. These have been expanded to include natural resource management, and climate and disaster risk reduction—areas which represent national priorities even if less reflected in the national Action Strategy.

Within this framework, this report and its recommendations are structured around three broad "acceleration areas": (1) towards more efficient and accountable governance systems; (2) social policy for inclusive development; and (3) sustainable and resilient natural resource management. An examination of these acceleration areas is supported by a preliminary quantitative assessment of the inter-linkages across Uzbekistan's nationalized SDG targets using a detailed complexity analysis (Annex I of the main report), based on a prototype SDG dashboard. While constrained by the data challenges outlined above, the results of this preliminary analysis broadly confirm these areas as having potential to accelerate SDG achievement.

Acceleration Area 1—Towards More Efficient and Accountable Governance Systems

Governance is a cross-cutting and underlying catalyst for the achievement of all SDGs. The juxtaposition of Uzbekistan's governance reform ambitions and international best practice suggests that the GoU should further enhance the separation of powers ("checks and balances"). Governance (form) should follow policy priorities (function) and not the other way around. Therefore, with a specific focus on SDG achievements, this report recommends that the GoU consider:

<u>Deepening public administration reform initiatives, by;</u>

8. Establishing a Civil Service Commission and conducting functional reviews of all central and regional state bodies in order to reduce institutional duplication and unnecessary bureaucracy;
9. Applying public administration reform and institutional development principles sub-nationally, to *khokimiyats, kengashes,* and *mahalla* committees—particularly as concerns regional development—to strengthen the openness, transparency, and participatory nature of sub-national service delivery processes;
10. Investing in the institutional capacities of regional and local government offices responsible for strategic planning, implementation, and monitoring of sub-national development planning (e.g., methodologies and techniques, data collection, monitoring tools);
11. Further professionalizing the civil service, *inter alia* via meritocratic recruitment processes and investment in targeted civil servant training and leadership programmes, with a particular focus on addressing gender gaps in the civil service; and
12. Extending the coverage of e-services and improving the quality of the one-stop-shop public services delivery system nationwide.

<u>Strengthening the role of parliament and the judiciary,</u> while also taking steps to modernize the workings of executive agencies, by;

13. Supporting parliamentary oversight and evaluation of progress on SDGs through regular reporting and capacity building of key committees in the parliamentary structure to undertake these processes;
14. Transforming lawmaking and rule-making procedures to ensure high-quality regulations and legal acts, based on an appropriate balance between judiciary, regulatory, and law enforcement agencies' inputs;
15. Considering international capacity-building support for the Central Election Commission and the upcoming electoral process;
16. Improving access to justice through e-governance tools, the specialization of judges in different categories of disputes, providing information and statistical data on court activities to citizens, and harmonizing domestic trial procedures in line with international human rights law on fair trials and due process; and
17. Using judicial enforcement practices to analyze the practical implementation of laws for ensuring checks and balances with the executive and legislative authorities and promoting legislative amendments to better protect the rights and freedoms of vulnerable groups.

Enhancing anti-corruption frameworks and protection of rights, by;

18. Aligning the penal code and other anti-corruption legislation with the UN Convention on Anti-corruption and other international standards, to ensure that all forms of bribery are covered;
19. Conducting sectoral bribery surveys and corruption risk assessments in customs, taxation, healthcare, education, and public finance and asset management, in order to identify those procedures and rules that are most vulnerable to corruption, and to design risk mitigation strategies;
20. Educating and empowering the general public to hold both officials and private citizens to account, including improving public awareness and understanding of legal issues and human rights treaties to which Uzbekistan is a party;
21. Underpinning mechanisms governing the return of stolen assets with robust oversight mechanisms, the involvement of civil society, and transparent reporting requirements; and
22. Accelerating the implementation of Uzbekistan's human rights commitments by ensuring the implementation of the Universal Periodic Review recommendations to strengthen the protection of rights, freedoms, and the legitimate interests of citizens.

Acceleration Area 2—Social Policy for Inclusive Development

Current reform efforts place a strong emphasis on improving the business and investment climates, in order to boost economic growth and investment and to accelerate job creation to absorb the large numbers of young people entering Uzbekistan's labour market. Sustainable development prospects in Uzbekistan are in fact closely linked to its abilities to capitalize on the country's unfolding demographic window of opportunity, characterized by rapid growth of young population cohorts. While international experience shows that such "demographic dividends" can boost economic growth rates by up to 30%, taking advantage of such opportunities requires a strong focus on youth policies, particularly as concerns employment and education, as well as health and housing.

Market reforms that seek to boost employment by liberalizing prices and reducing tax burdens can also reduce fiscal space and pose new challenges of social exclusion. For a long-term and sustainable development path, targeted policies are needed to address human development and health challenges,

aligned with the key principle of the SDGs' "to leave no one behind". Against the backdrop of national and international lessons learned, this report recommends that the GoU considers:

National social protection strategy (with support from the UN Social Protection Floor Initiative):

23. Assigning clear institutional leadership in social protection, either to a standalone body or within an existing ministry. While social protection is implemented by many state agencies, there is no institutional lead charged with ensuring a coherent and comprehensive approach to social protection (*inter alia* by engaging in international forums on social protection);
24. Taking steps to assess and ensure the fiscal sustainability of the state pension system, without putting funding for other (youth-oriented) components of the social safety net at risk;
25. Expanding the coverage of flagship social assistance programmes. While Uzbekistan has a history of universal approaches to social assistance, coverage and financing for these programmes have recently fallen significantly. Expanding coverage of allowances for child care, families with children, and low-income families is essential to ensuring that no one is left behind—particularly in terms of women's access to the labour market; and
26. Further developing and professionalizing the social work function, including via its closer integration with social assistance and social services.

Quality education:

27. Improving the quality of education (particularly at the preschool and general secondary levels) by: (1) revising curricula to better reflect competency-based approaches, textbooks, and teaching methodologies; (2) reviewing standards and norms related to access, equity, and quality of education, especially as concerns instructional time and quality; (3) reforming student learning assessment, including via the establishment of national learning assessment and quality assurance systems; (4) implementing new teacher training programmes; (5) participating in large-scale international learning assessments (e.g., PISA examinations); and (6) developing a national qualification system with functional recognition mechanisms of prior learning, to improve the quality of professional education and lifelong learning; and
28. Increasing investments in education at the pre-school and post-secondary levels, where enrolment rates in Uzbekistan lag behind those reported in some neighbouring countries and enhancing the efficiency and effectiveness of investments in general secondary education. Such investments are needed in order to address gender disparities, reduce labour market supply/demand imbalances, and expand the human capital resources needed for deeper integration into knowledge-based global value chains.

Health system reform:

29. Enhancing the Ministry of Health's capacity to monitor and evaluate, design and implement evidence-based strategies and programmes, including through a master plan for hospital and health services development as well as a new clinical governance system and a comprehensive health information system;
30. Strengthening education, training, and performance in the health workforce;
31. Strengthening intersectoral collaboration and reforming the health care delivery system, in order to increase life expectancy at birth;

32. Establishing a multisectoral non-communicable diseases action plan, a mental health action plan, and an infectious disease surveillance plan; and

33. Reforming the state-guaranteed benefit package as well as health financing and organization to increase efficiency and improve access to health care, financial protection, and equity in financing.

Acceleration Area 3—Towards Sustainable and Resilient Natural Resource Management

The clear linkages between sustainable natural resource management, economic development, and social inclusion are most dramatically and globally apparent in the impact of the Aral Sea's desiccation, which has meant significant hardships for communities in western Uzbekistan. Improving the efficiency of water use is an immediate priority for sustainable development across the country and the Central Asian sub-region overall. Policies that help create an economic value for water (without precluding rights-based access to water resources and services) can support investments in irrigation infrastructure, where currently up to 40% of water is lost. Since only about 10% of Uzbekistan's land is arable—up to 50% of this has undergone degradation to various degrees, and climate change is expected to exacerbate these problems—a stronger policy emphasis on achieving land degradation neutrality and enhancing soil productivity is needed to sustain agricultural growth and food security. This could be done through increased use of market-based principles in the management of the agricultural sector.

The strong emphasis placed by stakeholders met during the MAPS mission on natural resources management provided the basis for the recommended actions in key areas outlined below. The MAPS mission recommends that the GoU, supported by development partners, fosters engagement in the following key areas and considers:

<u>Resilience in the Agriculture Sector</u>

34. Adopting and implementing legislation to promote the sustainable management of pastures, forestry resources, and recyclable wastes by reconciling these goals with local communities' income-generation needs;

35. Investing further in the institutional capacities of agricultural extension offices, relevant universities and other agricultural training institutions, particularly as concerns climate and disaster risk management;

36. Investing in the institutional capacities of water user associations and small businesses involved in water measurement and water-saving technologies (e.g., drip irrigation, improved furrow watering);

37. Revising state support systems, removing barriers and expanding financial and extension service support to access to finance for small and medium-sized farmers (ensuring equity for women, migrant households), to (1) facilitate the establishment of new businesses, which can in turn (on a cost-sharing basis) provide community access to food, basic services, and employment; and (2) finance small investments in resource-efficient/climate adaptation technologies, energy-efficient greenhouse development (e.g., with insulation and drip irrigation); and

38. Reviewing the state procurement system in agriculture to strengthen market-based incentives for resource conservation, both in the pricing of current inputs and outputs, and in investment projects.

<u>Capacity Building for Resilient Natural Resources Management</u>

39. Expanding the use of commonly accepted international tools to measure natural capital, *inter alia* to conduct a forestry resources survey and to invest further in reforestation/afforestation, sand

stabilization, and pasture improvement in areas threatened by desertification, particularly in Karakalpakstan;

40. Implementing long-term (i.e., to 2030) national energy and water strategies, with a focus on (1) the energy/water linkages; (2) investments for institutional as well as productive capacity development; and (3) water and energy conservation and efficiency as well as renewable energy technologies;
41. Supporting the broader dissemination and use of climate and meteorological data and information via early warning systems, to enhance preparedness for and resilience to extreme events, among nature conservation agencies, local authorities, and civil society organizations, as well as central government agencies; and
42. Ensuring that all infrastructure/investment projects undergo climate- and disaster-risk screenings.

Finance for Sustainable Development

The ability to implement these reforms relies on identifying optimal approaches to development financing. Like other middle-income countries, Uzbekistan is unlikely to receive significant amounts of official development assistance to finance the national implementation of the 2030 Agenda. However, the 2030 Agenda and the SDGs are central to the ongoing international discourse on financing for development and financing strategies will need to be developed over time, tailored to the specific country context and including new sources of financing such as impact investing, green bonds, and blended finance[3] (to name but a few).

While available data suggest that reductions in fossil-fuels subsidies could free up budget revenues for SDG finance, larger longer-term financial flows could come from domestic and international investors and banks, conditional on the GoU's success in promoting a business-friendly regulatory environment, in developing the private sector, and in opening the domestic economy to foreign capital inflows. Such flows may also and increasingly follow adherence to environmental and social standards and to sustainability criteria overall.

However, as in many other middle-income countries, it is likely that the national budget will be the primary source of finance for development in the immediate future. This has two important implications. First, it stresses the importance of ensuring targeted, coherent, well-coordinated use of the grants and loans made available through ODA (and other official financial flows), to maximise leverage and impact in areas where such assistance has added value. Second, the efforts to link the GoU's reform agenda to SDGs will provide an emphasis and area of continuing engagement as outlined in this report. Against the backdrop of the specific context of Uzbekistan, the MAPS mission's initial recommendations for GoU consideration include:

43. Working to improve the transparency of trade, fiscal, and balance-of-payments data, to support more transparent estimation and monitoring of possibly illicit financial flows;
44. Working with the OECD-UNDP Tax Inspectors Without Borders project, to strengthen institutional capacity for reducing tax evasion and related illicit financial flows;
45. Participate in international initiatives to reduce fossil fuel subsidies while simultaneously exploring measures (e.g., block/lifeline tariffs, reform of social assistance instruments) to limit unintended side effects of higher tariffs on vulnerable households;

[3] These financing opportunities reflect the emergence of new decentralized, sustainable/inclusive investment technologies and platforms, many of which are linked to digitization. For more information on these financing opportunities, and how the UN development system can support their national application, please see Financing the 2030 Agenda (UNDP, 2017).

46. Integrating measures to expand impact investment and social entrepreneurship into on-going financial-sector reform initiatives;
47. Conducting a development finance assessment for key areas such as climate financing or social policy reforms;
48. Establishing Government-led development partner coordination mechanisms, at both strategic and sectoral levels, to strengthen coherence and impact in ODA management, and operationalise the aid information database, to allow effective tracking and transparency on aid flows; and
49. Promoting the alignment of both GoU and multilateral/bilateral financing (including budget support loans) to agreed national SDG priorities.
50. Prioritize, with the support of development partners, institutional development to help modernize the legal and regulatory frameworks for public-private partnerships, and to help commercial and civil society actors to better design and implement bankable projects.

The above recommendations are based on (1) the direct engagement of the MAPS mission with GoU counterparts; (2) national and international data, statistics and reports available to the MAPS team; and (3) specialized research and expertise of the agencies and organizations participating in the MAPS mission. As a potential way for the GoU to devise and continuously test its policy options and actual interventions, the MAPS mission initiated a collaboration between UNDP and national stakeholders around "International Futures"—a new modelling tool, resulting from a partnership between UNDP and the Pardee Centre of the University of Denver. The initial results of a scenario development exercise in line with the National Action Strategy and using the International Futures modelling approach (explored in Annex II of the MAPS report) provide initial quantitative estimates of the development benefits that could accrue from policy reforms and programming focused in the acceleration areas outlined in this report.

Context: The SDGs, MAPS, and development policy reform in Uzbekistan

In September 2015, the President of Uzbekistan, along with the Heads of State and Government of 192 United Nations (UN) member states, committed to the implementation of *Transforming Our World—The 2030 Agenda for Sustainable Development* (the 2030 Agenda) and the Sustainable Development Goals (SDGs) as its monitoring framework.

The 2030 Agenda and the SDGs represent the world's most transformative, comprehensive, and integrated commitment yet to a people-centred and rights-based approach to end poverty, build shared prosperity, and protect the planet. More concretely, the 2030 Agenda embodies three key principles:

- ***Universality***—the 2030 Agenda and the SDGs apply to all countries;
- ***Integration***—the 2030 Agenda and the SDGs require policies and programming that integrate and simultaneously address the social, environmental and economic dimensions of sustainable development; and
- ***Leave no one behind***—the 2030 Agenda and the SDGs place intra- and inter-generational equity considerations at the centre of national transitions to sustainable development.

In order to support Member States' implementation of the 2030 Agenda and the SDGs, in 2016 the UN Development Group (UNDG) approved the creation of the "Mainstreaming, Acceleration, and Policy Support" (MAPS) approach. Under this framework, technical experts from UN agencies, funds and programmes have since undertaken some 40 multi-disciplinary and integrated "MAPS missions" in various development contexts, based on country demands and national development contexts. MAPS missions and reports have helped governments and other national partners to raise public awareness about the SDGs; to involve stakeholders across government and other sectors in adapting the SDGs to national contexts; and to identify concrete policy and programming options to accelerate national transitions to sustainable development. The Uzbekistan MAPS mission took place from 23 to 27 April 2018, to support:

- The adaptation of the SDGs to Uzbekistan's national circumstances ("nationalization"), and their alignment with Uzbekistan's national development processes ("mainstreaming");
- The identification of SDG "acceleration" and financing opportunities; and
- The establishment of a national SDG monitoring and evaluation (M&E) framework.

The MAPS mission team included thematic specialists from UNDP, UNICEF, UNODC, WHO, UNESCO, and the World Bank, as well as the regional UNDG's issue-based coalitions on data and gender equality. The mission met with senior-level representatives of 27 national institutions, including ministries, Parliament, the Supreme Court, the National Human Rights Centre, think tanks, international development partners, NGOs, and youth groups.

The deployment of the MAPS mission reflected strong GoU interest in adapting the SDGs to national needs, as articulated in Uzbekistan's national Action Strategy 2017-2021. This document, which represents a comprehensive, ambitious and fast-paced national reform agenda, emphasizes five governance-related principles as keys to accelerating sustainable development in Uzbekistan, namely:

- Improvement of the state and public administration;
- Strengthening the rule of law, and further reform of the judicial system;
- Economic development and liberalization;
- The development of the social sphere; and
- Ensuring security, inter-ethnic harmony and religious tolerance, *inter alia* via the implementation of a balanced, mutually beneficial, constructive foreign policy.

This reform agenda encompasses *inter alia* trade liberalization, human rights protection, anti-corruption, accountability and transparency, e-governance, labour and agricultural reform, migration, and health and education reform.

The decree that brought the national Action Strategy 2017-2021 to life also established a national commission for its implementation, headed by the President. This decree instructed the GoU to pay particular attention to: (i) improving the handling of appeals by individuals and legal entities; and (ii) the introduction of new, effective tools to support open and public dialogue, to build trust in public authorities.

The national Action Strategy is widely seen as providing a unique pathway to achieving the SDGs in Uzbekistan. As much as the implementation of the 2030 Agenda and the SDGs requires a mind-shift globally, the implementation of the Action Strategy and the SDGs require a significant culture change nationally. In many of the MAPS mission's meetings, national partners stressed that the formulation of the Action Strategy was strongly influenced by the 2030 Agenda and the SDGs.

This report has been drafted in this spirit. In addition to providing a snapshot of 2030 Agenda and SDG implementation processes (as of mid-2018), it is intended to deepen UN support for these processes, and to contribute to the voluntary national review on SDG achievement that the GoU plans to present to the UN High Level Political Forum in 2020. As such, it may also provide an evidentiary basis that can help align development programming more closely with the SDGs and with the national reform agenda.This SDGs/reform convergence can also help to:

- ensure consistent, whole-of-government approaches to the national development and reform agendas;
- mainstream the SDGs across Uzbekistan's national policy agenda, as well as appropriately adapt them to Uzbekistan's circumstances;
- identify those SDGs that are not at the centre of Uzbekistan's development planning and policy framework (which may be particularly relevant for the design of the national Action Strategy's post-2021 successor);
- strengthen international support for Uzbekistan's reform efforts; and
- validate and align institutional arrangements and responsibilities, national planning and budgeting processes, and monitoring and reporting frameworks with international standards.

Thus, ***achieving the national Action Strategy also means significant progress on implementing the 2030 Agenda, and vice versa***.[4] This convergence suggests bringing the coordination and monitoring of the national Action Strategy and of the SDGs together under the same institutional roof. International best practice has shown, and many MAPS missions have reconfirmed, that anchoring the SDGs at the highest national planning and coordination level can support integration and consistency in medium- and longer-term planning, implementation and monitoring of development strategies. Likewise, and in view of the ongoing preparation of sectoral strategies in line ministries and state commissions, the MAPS mission recommends that all sectoral strategies and budgets are aligned with the relevant national SDG targets.

On the other hand, the national Action Strategy does not contain a single reference to the 2030 Agenda or the SDGs; nor is it clear how the GoU intends to monitor and evaluate the Action Strategy. Some of these gaps were filled by the drafting of a Presidential resolution "On Measures to Implement the National Sustainable Development Goals" in May 2018, which provides a list of 128 SDG targets that could comprise the basis for Uzbekistan's national SDG monitoring system. It also raises questions about:

[4] For more on this, see *Uzbekistan Action Strategy 2017-2021 and UN Sustainable Development Goals 2030*, United Nations, Tashkent (2017).

- SDG indicators that will be used to monitor progress towards meeting these targets;
- Baseline (e.g., 2015), terminal (2030) and intermediate (if necessary) values for these indicators, to assess this progress; and
- Alignment of the national SDG targets and indicators with the tools to be used (if any) to monitor the implementation of the national Action Strategy.

"Nationalizing" the SDGs in Uzbekistan

The overall SDG nationalization process has been led by the GoU with the UN system playing an advisory role. A 15 February 2016 Council of Ministers resolution formalized the institutional arrangements for SDG nationalization in Uzbekistan. This resolution:

- Endorsed an SDG nationalization action plan with the Ministry of Economy leading the implementation and for which wide stakeholder consultations are envisaged, including with development partners and think tanks;
- Called for thematic research and analysis for baseline and target setting—to ensure that the process is evidence-based, well-grounded, participatory, and inclusive;
- set up the high-level SDG Coordination Committee chaired by the Ministry of Economy and consisting of representatives of line ministries; and
- Established six joint thematic working groups, corresponding to the six UN-GoU thematic results groups ("livelihoods", "social protection", "education", "health", "environment", and "governance") working on the implementation of the UN Development Assistance Framework (2016-2020). These working groups: (1) consist of 108 representatives of some 40 ministries and government committees, NGOs, think tanks, and law enforcement structures; and (2) were assigned to consult, prioritize and adapt the global SDG framework to the country context.

Under the supervision of the national SDG Coordination Committee, these six working groups have since:

- Mapped national policies, strategies and sector-wide programmes against global SDGs and identified data gaps;
- Taken stock of existing SDG-relevant assessments and analyses, and conducted additional analysis/data collection where needed, to generate the evidence needed for the national adaptation of global SDG targets; and
- Formulated draft national SDGs and targets, initially comprising 16 SDGs, 123 targets, and 311 indicators, mapped against available data sources.

In March 2017, the list of proposed national SDG targets[5] was published for public consultation on the government's web portal, together with a draft Cabinet of Ministers resolution regarding the adoption of the nationalized SDGs. This draft resolution, which *inter alia* entrusted the SSC with data collection for SDG monitoring, has since remained on hold, while work on the draft national SDG indicators (and on establishing a national SDG web-portal) has continued. The SDG Coordination Committee acknowledged that the large number of proposed indicators would pose monitoring and reporting challenges and would seriously burden the national statistical system.

In October 2017, the Ministry of Economy and the SSC requested support from the UN Country Team (UNCT) in optimizing the national SDG indicators, by eliminating less important ones, merging similar ones, and suggesting alternatives. With UNCT support, the number of proposed national SDG indicators was

[5] The list of 311 indicators was not included in the draft resolution as the SDG Coordination Committee found the number of indicators too large and requiring further review and optimization.

reduced to 206 (as of 6 June 2018), and further harmonized vis-à-vis the global indicators.[6] National SDG targets, to better reflect Uzbekistan's reform agenda and priorities—particularly as concerns targets on human rights, anti-corruption, country and government openness, labour migration, economic and trade liberalization, and relations with neighbouring countries and international financial institutions—have also been identified. In line with the Cabinet of Ministers decision of 9 April 2018, the responsible ministries and the SSC are to finalize the list of national SDG indicators by December 2018.

Initial recommendations of the MAPS mission concerning the importance of whole-of-government approaches to monitoring SDG implementation fed into the above-mentioned draft presidential resolution on SDG nationalization, which was posted for public consultation on the GoU web portal on 21 May 2018. This resolution calls for:

- The alignment of the implementation of the national Action Strategy with the coordination of SDG nationalization efforts;
- The gradual integration of the SDGs into central, sectoral, regional, and other development strategies, as well as into annual legal and budgetary and reporting processes (in both the executive and legislative branches);
- The preparation of a voluntary national SDG review, for presentation at the ECOSOC High Level Political Forum in 2020, as well as annual SDG reports for national stakeholders;
- Stepped up SSC collection and dissemination of the data needed for reporting against the nationalized SDG indicators; and
- Ambitious public outreach on the SDGs by the National Television and Radio Company, the National Information Agency, and other mass media.

While this draft resolution provides a list of 128 SDG targets that can comprise the basis for Uzbekistan's national SDG monitoring system, it does not specify the: (i) SDG indicators that will be used to monitor progress towards meeting these targets; or (ii) baseline (e.g., 2015), terminal (2030) and intermediate (if necessary) values for assessing this progress. It may also raise questions about (iii) global SDG targets that are not to be monitored; and (iv) the alignment of the national SDG targets and indicators with the tools used to monitor the implementation of the national Action Strategy. Further progress in the national adaptation of the SDGs may hinge on how these questions are addressed.

Towards the finalization of national SDG indicators. As of 6 June 2018, the number of draft national SDG indicators stood at 206—more than 70% of which were judged as falling into Tiers I and II.[7] Most of the variance between these and the *circa* 232 global SDG indicators can be explained by three factors. First, SDG 14 (on sustainable maritime resource management) was not nationalized; relevant sustainable water management issues in the Aral Sea basin are to be addressed by nationalized targets and indicators coming under SDGs 6 (on water and sanitation), 13 (on climate action), and elsewhere. Second, Uzbekistan's nationalization of the global SDG indicators has generally avoided those "means of implementation" indicators that primarily concern ODA/funding, technology transfer, or policy reforms for developed countries.

[6] Based on a letter from the Ministry of Economy to the General Prosecutor's Office, the GPO took the lead on SDGs 5, 10, 16 and 17, which are assigned to the thematic working group on Governance.

[7] A Tier I "indicator is conceptually clear, has an internationally established methodology and standards are available, and data are regularly produced by countries for at least 50% of countries and of the population in every region where the indicator is relevant". By contrast, a Tier II indicator "is conceptually clear, has an internationally established methodology and standards are available, but data are not regularly produced by countries"; while for a Tier III indicator "no internationally established methodology or standards are yet available for the indicator, but methodology/ standards are being (or will be) developed or tested".

Third, the global SDG indicator set continues to undergo refinement. When Uzbekistan's SDG nationalization process began (in 2016), only about one-third of the global SDG indicators were classified as "Tier I" indicators—meaning that they were supported by widely accepted methodological frameworks and regular data collection. While this share has increased since then (it currently stands at about 41%), governments in many middle-income countries struggle to report against Tier II and Tier III global SDG indicators for years to come. These gaps in the global monitoring framework naturally pushed Uzbekistan toward national SDG targets and indicators that can be more easily monitored via existing (and anticipated future) national statistical and monitoring and evaluation capacities.

Compared to many other countries, SDG nationalization in Uzbekistan has moved quickly and decisively—particularly in terms of identifying national SDG targets and (especially) indicators. The completion of the SDG nationalization progress by the end of 2018 seems to be a GoU priority. In moving forward on this ambitious agenda, however, two challenges need to be addressed.

First, important gaps remain in Uzbekistan's overall development framework—particularly in light of the policy changes that have occurred since 2016. In addition to rendering portions of Uzbekistan's previous development framework obsolete, the reforms' emphasis on deep systemic and institutional change has not left time for the drafting of an over-arching long-term sustainable development framework. The national Action Strategy is an impressive reform document, and its links to the governance, human rights, and rule-of-law dimensions of sustainable development and the SDGs are undeniable. But its connections to those SDGs that focus on socio-economic and environmental outcomes are more tenuous. This is particularly the case at the target and indicator level—due in part to the absence of a well-defined monitoring and evaluation framework (or even key performance indicators) for the national Action Strategy. While the SDGs can be useful in monitoring the Strategy's implementation, metrics like the World Bank's doing business or governance indicators could be even more useful. Moreover, the national Action Strategy only runs until 2021. This raises questions about how its impact will be judged, about its post-2021 successor, and about how Uzbekistan's nationalized SDG indicators could be best used in this respect.

Second, work on other documents and processes (besides the national Action Strategy) concerning Uzbekistan's longer-term development and reform challenges are now unfolding. This is apparent in World Bank-led efforts to support economic reforms that do not reference the national Action Strategy (*inter alia* via the creation of a high-level reform advisory group), and in the 28-29 June Tashkent forum on the "Strategy of development of the Republic of Uzbekistan until 2035", organized by the *Buyuk Kelajak* Uzbek diaspora NGO and the newly created Centre for Development Strategy.

Effectively addressing these challenges requires early efforts to design a longer-term GoU development strategy that can align the reform impetus of the national Action Strategy with progress made in SDG nationalization. The fact that the shares of the global SDG indicators in the Tier I category, and the SSC's abilities to monitor them, can be expected to grow over time, should make this task easier.

National adaptation of the SDGs in Uzbekistan—Recommendation

1. The GoU may wish to consider early preparation of a successor document to the national Action Strategy 2017-2021 that could: (a) serve as a national sustainable development strategy through 2030; (b) align Uzbekistan's short-term market and governance reform priorities with the longer-term focus of the 2030 Agenda; (c) contain Uzbekistan's nationalized SDG targets and indicators, as well as relevant baseline and terminal values; (d) be linked to the national budgetary framework and relevant sectoral and sub-national development programming; and (e) serve as a programmatic basis for national SDG reporting. The drafting of this national sustainable development strategy should benefit

both from the broad participation of experts and civil society, and from lessons learned in monitoring and evaluating the national Action Strategy 2017-2021.

Measuring Progress—Mapping Uzbekistan's Data Ecosystem

Statistics and Data in Uzbekistan—An Overview

The generation and monitoring of relevant data are critical to measuring progress towards SDG achievement. Moreover, the 2030 Agenda's "leave no one behind" principle requires the use of data that have been disaggregated by vulnerability criteria. For these reasons, global SDG target 17.18 calls for investments in strengthening national statistical capacities,[8] while target 17.19 calls for new statistical measures of progress towards sustainable development.[9] A number of other global targets rely heavily on data availability and quality, most notably 16.6 (on institutions),[10] 16.10 (on access to information),[11] and 17.14 (on policy coherence).[12]

The SSC is charged with: (i) statistical policy making; (ii) guaranteeing the reliability and objectivity of official statistical information; (iii) managing Uzbekistan's national accounts in accordance with international standards; and (iv) implementing the state statistical programme. Data collection, analysis, and reporting are also performed for administrative purposes by line ministries and other government agencies.[13] The regional and district departments of the SSC and other authorized national agencies collect data and report to the national levels. At the community level, *mahallas* are also engaged in the collection of statistical data.

Of the 206 proposed national SDG indicators, the data for 83 are to be produced by the SSC. The State Committee for Environment Protection would be responsible for data for another 24, the Ministry of Finance for 15, and the Ministry of Emergency Situations 11. Moreover, some of the proposed national SDG indicators rely on data managed by international agencies like UNICEF (MICS, 9), UNEP (4), FAO (3), OECD (2), and WHO.

The annual State Statistical Programme[14] provides the schedule of statistical activities, data production and dissemination throughout the year. However, there is no statistical master plan in Uzbekistan, which hampers longer-term capacity building. The MAPS mission strongly recommends the design and implementation of a statistical master plan or long-term statistics development strategy focusing on institutional development and harmonization. Many statistical activities (e.g., population census) require time for planning and implementation, with associated costs spread over a number of years.[15] A statistical

[8] "By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts."

[9] "By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries."

[10] "Develop effective, accountable and transparent institutions at all levels."

[11] "Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements."

[12] "Enhance policy coherence for sustainable development."

[13] The ministries of economy, finance, health, internal affairs, emergency situations, employment and labour relations, preschool, higher and secondary special education, public education, environment, and agriculture, as well as the state meteorological service, play particularly important roles in this context.

[14] For the 2018 version see https://stat.uz/ru/o-kom/normativnye-akty/programma-statisticheskikh-rabot-2018.

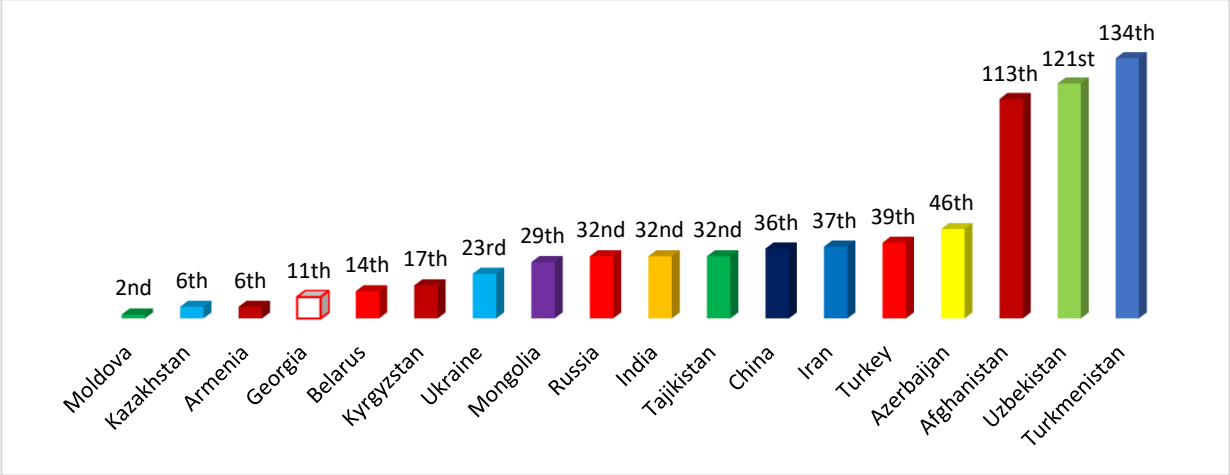
[15] Although census costs tend to be concentrated around the field work, securing finance for preparatory activities and processing and published results are crucial for smooth operation.

master plan would allow for better planning of expenditures and of multi-purpose data collection activities. This could support the optimal utilization of available capacities, prioritization, and help capture synergies between related activities (e.g., population and agriculture censuses, or using population census results for framing samples for other surveys). A statistical master plan could also highlight existing SDG data gaps and indicate when the introduction of new SDG indicators would be possible (as new data and indicators are brought on line).

Global assessments of national statistical systems (conducted regularly by UNECE and Eurostat, as well as at the sectoral level, e.g., by WHO) provide in-depth, comprehensive analyses of countries' abilities to produce official statistics that comply with international guidelines and recommendations, including the United Nations Fundamental Principles of Official Statistics and the European Statistics Code of Practice. Whereas for many East European and Central Asian countries at least one, and sometimes two such global assessments have been conducted, none has yet been carried out in Uzbekistan. A "light" UNECE-supported global assessment is to take place in October 2018, to assess the state of implementation of the UN Fundamental Principles of Official Statistics, and other key global standards such as the System of National Accounts.

The World Bank publishes the statistical capacity indicator, a composite indicator for low and middle-income countries with three major components: methodology, source data, and periodicity. Out of 140 countries surveyed, Uzbekistan in 2017 ranked 121st (Figure 1)—highlighting the extent of official statistical capacity building needed for effective SDG monitoring.

Figure 1—National rankings in the World Bank's Statistical Capacity Indicator (2017)



Source: World Bank Statistical Capacity Indicator Dashboard.

In terms of unofficial statistical data, the Open Data Index (ODIN), produced annually by Open Data Watch, can be a useful source of information. The ODIN scores for Uzbekistan are very low, although an improving trend can be identified; environmental data are found to be particularly scarce.

In response to these challenges, presidential decree 3165 (of 31 July 2017) calls on the SSC during 2017-2021 to:

- introduce modern methods and international practices on data collection and analysis;
- improve the transparency and openness of statistical information;

- enhance cooperation with international statistical organizations, including information dissemination;
- enhance its intra-government coordinating role concerning data collection; and
- conduct systematic training and re-training on statistics in cooperation with national and international academic and research institutions.

National Data Sources

Nationally representative statistical data from census or surveys in Uzbekistan are rather sparse, with the last population census conducted in 1989. The SSC is presently working on a concept note for a new population census; this is expected to result in a presidential decree to have a new population census carried out in the near future. Given the time since the last census, major institutional development efforts may be required if this new census is to be carried out successfully. Since a population (and housing) census forms the backbone of a national statistical system, this undertaking is well worth supporting. Without reliable census data, all other population-based statistics—including the 98 national SDG indicators that are population-based—remain crude estimates at best.

According to the international household survey network database, the latest statistical survey on SDG-relevant topics in Uzbekistan was the third wave of the UNICEF multi-indicator cluster survey (MICS3) conducted in 2006.[16] (A later MICS survey was found deficient to such an extent that it was not officially considered a UNICEF MICS survey.) GoU officials attended a MICS6 survey design workshop in 2017 and expressed a strong interest in conducting such a survey for Uzbekistan; a memorandum of understanding in this regard is currently being finalized.

Only a fragmentary review of Uzbekistan's administrative data is possible. The SSC publishes a range of tables derived from administrative data, some of which are disaggregated by gender.[17] UNICEF's Transmonee database, which focuses on children and youth and contains 1989-2015 data on demographics, health, education, crime and other indicators, may also be useful in this respect.

The quality of civil registration and vital statistics data can be a good yardstick to measure the quality of administrative data systems, as it brings together data from health, judiciary, and statistical agencies. A rapid assessment (based on WHO methodology) carried out in 2016 found Uzbekistan to be at a "satisfactory" level, scoring 80 out of a maximum 100 points. Of the 11 criteria on which this assessment is based, Uzbekistan scored the lowest on "data access, dissemination, and use". A comprehensive health information systems assessment for Uzbekistan, conducted in April 2018, found that, while the Ministry of Health has a strong vision to establish an integrated health information system, realizing this vision requires addressing a number of challenges. These would include moving away from paper-based systems to reduce data entry errors; updating the law on statistics to facilitate inter-sectoral work; strengthening communications between stakeholders; and streamlining data flows.

In the absence of recent census and survey data, it is understandable that official statistics in Uzbekistan largely rely on administrative registers. While several UN agencies report receiving regular reports on selected indicators (e.g., the Health for All database of WHO EURO), reliance on less-than-transparent administrative data can leave much to be desired. (For some data requests, no response is ever received.) The implementation of the July 2017 presidential decree on official statistics is expected to bring positive change in this respect.

[16] Data and the report from this survey are available at http://mics.unicef.org/surveys (filter for 2006, Uzbekistan).
[17] See https://www.stat.uz/en/official-statistics, https://www.stat.uz/en/open-data, and https://gender.stat.uz/en/.

Uzbekistan has not participated in World Bank's International Comparison Programme (ICP) since 2003.[18] Participation in the ICP is necessary for estimating the economy's purchasing power parity index—an essential element for a variety of macroeconomic indicators (e.g., GDP, per capita income), as well poverty rates under SDG Target 1.1.[19] Likewise, Uzbekistan's official demographic data have not been provided to the UN Statistical Commission (for its annual demographics yearbook) for a number of years. This practice resumed during 2016-2017, however, in an effort to correct the UN life expectancy estimates in Uzbekistan.

Data for Nationalized SDGs

Of Uzbekistan's 206 draft national SDG indicators, 84 are classified as having data readily available (Tier I). For 60 indicators, an appropriate national methodology still needs to be developed (Tier II); while 47 of the national indicators are awaiting the finalization of the global methodology (Tier III). For the remaining 15 indicators, the classification has not yet been finalized. Data for most (163) indicators come from a single data producer. For 33 indicators there are two data producers, and in 11 cases there are three. This requires coordination in data production, and in SDG monitoring and evaluation.

SDG-relevant data are often presented in SDG dashboards, which can be used to assess progress towards SDG targets, as well as show the availability of (or gaps in) data for SDG monitoring. The *SDG Index and Dashboards Report*, which is produced annually by the Bertelsmann Stiftung and the Sustainable Development Solutions Network to assess and compare national progress on SDG implementation, is perhaps the best known global SDG dashboard. The most recent (July 2018) Bertelsmann/SDSN report ranks Uzbekistan 52nd (out of 156 countries reviewed); its 70.3 score suggests that Uzbekistan is on average 70.3% "of the way to the best possible outcome across the 17 SDGs".

Although the Bertelsmann/SDSN dashboard seeks to monitor SDG progress at the indicator level, the global SDG indicators approved by the UN Statistical Commission are only one of three groups of indicators actually used in this dashboard.[20] Moreover, issues of missing data are not explicitly addressed in this dashboard.

In order to address these gaps, UNDP develops a prototype SDG dashboard for each country in which a MAPS mission is undertaken. Data provided by the UN Statistical Commission, and preliminary, notional assessments (typically based on regional averages) about whether a country is on track to achieve a given SDG (based on SDG target- or indicator-level assessments), feature in these dashboards. Their primary purpose is not to assess progress in SDG implementation, but rather to offer national statistical authorities an additional instrument for SDG monitoring and reporting. Replacing (as needed) the UNSTATS with other (chiefly national) data and ensuring that assessments of progress towards meeting individual SDGs are based on nationally determined baseline, terminal, and (where necessary) intermediate values for SDG targets and indicators—once this process has been completed—are key steps in operationalizing these prototypes.

The prototype SDG dashboard for Uzbekistan prepared by the MAPS mission (shown in Figure 2) suggests serious data gaps, especially for goals 1, 2, 10, 12, 13, and 16. This may reflect in part the many Tier II and III indicators in the global SDG indicator set, the data for which are not yet available in many countries. But these gaps may also reflect questions about the international comparability of Uzbekistan's data. For

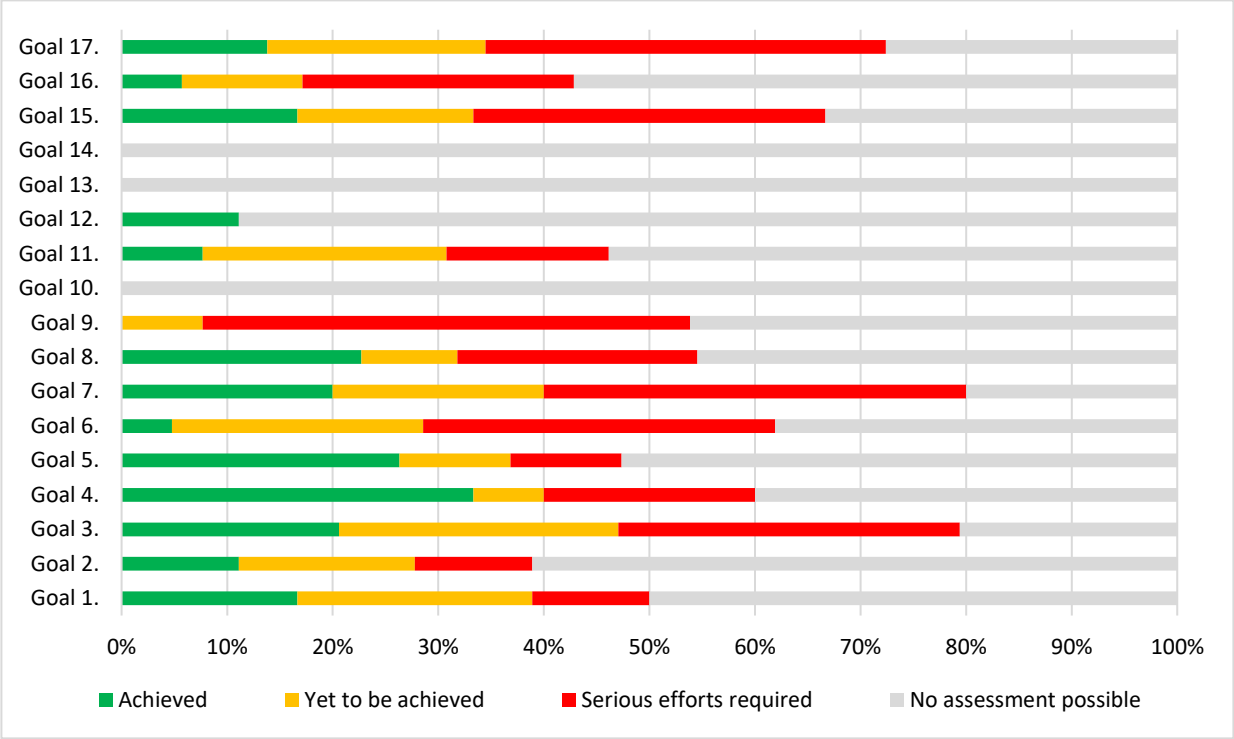
[18] http://www.worldbank.org/en/programs/icp/brief/cis-program

[19] SDG Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 (PPP adjusted) a day.

[20] The other two indicator categories are described as "closely aligned" ("the indicator is closely related, but not identical to an official SDG Indicator"); and "not in UNSTATS database".

instance, the data for monitoring a number of the SDG 1 and 10 indicators come from household budget surveys, which—although routinely conducted in Uzbekistan, have lost international comparability and recognition since 2003, due to questions about transparency in sampling and survey methodology, metadata, and quality assurance mechanisms.

Figure 2—Prototype SDG dashboard for Uzbekistan



NOTES:

- Green bars show the share of indicators for a given SDG for which the notional 2030 value (based on regional averages) is initially assessed as having been achieved. Yellow bars show the share of indicators for a given SDG for which a notional intermediate value (based on regional averages) is initially assessed as having been achieved. Red bars show the share of indicators for a given SDG for which this notional intermediate value (based on regional averages) is initially assessed as having not been achieved—suggesting that achieving this SDG will require serious efforts.
- The absence of an assessment for SDG 14 reflects the fact that it was not included in Uzbekistan's SDG nationalization process.
- For more information about the data and methodological characteristics of this prototype, please contact Mr. Mihail Peleah (mihail.peleah@undp.org).

Monitoring and Evaluation Challenges

National monitoring, evaluation, and decision-making systems in Uzbekistan present a number of weaknesses, many of which are linked to Uzbekistan's data ecosystem. While efforts are underway to tackle these challenges under the implementation of July 2017 presidential decree (PD) 3165, some concerns remain—particularly in the following areas:

- ***Access to official data is often limited, particularly for data that are considered sensitive.***[21] As a result, some indicators are not generated (e.g., on violence, neglect, and abuse). Others are sporadically generated through joint surveys with international agencies (e.g., nutrition indicators such as stunting, wasting etc.). PD 3165 pays specific attention to the improvement of administrative data sources (see points 17 and 18).
- ***When available, official data often present issues of reliability and quality,*** *inter alia* concerning: (i) under- and over-reporting; (ii) the use of outdated sampling, processing and analytical methodologies; and (iii) mismatched data from different sources. Country-specific methodologies/parameters are often applied but not clearly documented, leading to misinterpretation or incorrect comparisons with international data. Good quality metadata that adhere to international standards could play a critical role in improving Uzbekistan's official statistics.
- ***When available, official data are often not disaggregated by vulnerability criteria****.* With some exceptions, disaggregation by age, sex, ethnicity, and at times by geographical area, is generally missing in official data. This tends to obscure the specific circumstances of the most vulnerable. Resolving disaggregation issues often requires dialogue between data producers and data users. It is important to review statistical instruments and institutionalize key disaggregation criteria, in all future data collection, processing and publishing operations, including in routine administrative data. The key disaggregation criteria that are recommended for the SDGs are: (i) gender; (ii) age; (iii) place of residence; (iv) disability status; (v) socioeconomic status (e.g., consumption/income quintile); and optionally (vi) ethnicity; and (vii) migrant status.
- ***Inter-sectoral data coordination is weak****.* The data collection systems of the SSC and line ministries often function in parallel with each other and are fragmented. For instance, the State Committee on Ecology and Environment Protection informed the MAPS mission that five other ministries and agencies are involved in environmental monitoring; and that there was no overall unified environmental monitoring system. This may partly explain the observed gaps in environmental data.
- ***Independent data generation is often restricted****.* UN and international agencies in many countries facilitate surveys and studies to complement official data. However, independent studies and surveys in Uzbekistan tend to be discouraged, or permitted only through national research institutions, whose capacities for performing this work are not always adequate.
- ***Evaluation is not a common practice and there is no evaluation society in Uzbekistan****.* The only evaluations traditionally conducted in Uzbekistan are those promoted and led by international agencies, with GoU involvement at different levels. This may now be changing: the MAPS mission was informed by the Cabinet of Ministers about the adoption of a list of 35 indicators, to be used for ranking all municipalities for performance evaluation purposes.
- ***The use of evidence for decision making remains discretionary****,* often focusing merely on demonstrating that a quota or targets have been met rather than on identifying and strengthening existing policies. In addition, data-related incentives for officials under the current system, including audits and disciplinary action, favour the demonstration of good outcomes rather than accuracy. PD 3165 emphasizes the analytical functions of the SSC and Ministry of Economy; action points 1 and 2 require the use of evidence for monitoring development. Experience from the region suggests that

[21] For example, the 2013 Convention on the Rights of the Child Concluding Observations pointed out that data are missing, in part or in full, concerning: "all forms of child labour, with particular attention to the cotton industry, children with disabilities, children of ethnic minorities, quality of teaching and learning outcomes, school attendance, quality of maternal and child health services, HIV rates, adolescent needs, and the impact of social protection".

ecosystem approaches to data and statistics, which allow *inter alia* for structuring the data generation and use cycle around the monitoring and evaluation of policy implementation, could be particularly helpful.

Uzbekistan's Data Ecosystem—Recommendations

Against the background outlined above, the MAPS mission recommends that:

2. The GoU conduct a full-scale global assessment of Uzbekistan's statistical system, as per UNECE/ Eurostat methodology. Such a comprehensive assessment will be critical to informing the longer-term development of the statistical system and improving the GoU's capacity to monitor progress in SDG achievement as well as in the implementation of the national Action Strategy.
3. The SSC consider designing a statistical master plan/national strategy for the development of statistics, to provide (i) a capacity development strategy for the national statistical system, that would focus *inter alia* on the data/statistical challenges associated with national SDG achievement; and (ii) a vision for where the national statistical ecosystem should be in 5-10 years, with clear measurement yardsticks and milestones along the way. Such a plan could support the continual assessment of evolving user needs and priorities for statistics, and for building the capacity needed to meet these needs in a more coordinated, synergistic, efficient manner. It could also provide a framework for mobilizing, harnessing, and leveraging resources (both national and international) for statistical capacity development—including in terms of emerging open- and big-data opportunities. And such a plan could help to further institutionalize the SSC's leading role in the coordination of national statistical activities, to support their standardization and quality assurance—*inter alia* so that other government agencies can get the higher quality statistical information they need to fulfil their mandates.
4. The SSC better documents, harmonizes, and standardizes metadata. Uzbekistan's nationalized SDG indicators—which were developed collaboratively by the SSC, line ministries, and academia—could represent a very good starting point for this process. They are based on the global SDGs, whose indicators are supported by well documented metadata.
5. The SSC prioritize initiatives that focus on methodological improvements and integration of SDG indicators into the regular household budget and labour force surveys, and on cooperation with UNICEF on the multi-indicator cluster survey (MICS).
6. The SSC institutionalize the collection and dissemination of official statistical data that are disaggregated by gender and other socio-economic vulnerability criteria, in order to improve statistical monitoring of vulnerable households and groups that might otherwise be "left behind".
7. The GoU and its development partners deepen efforts to build a policy culture that values the constructive use of evidence, starting with efforts to institutionalize monitoring and evaluation practices. In particular, coordination between international partners for capacity building in this area—for both the GoU and civil society partners—is highly recommended.

SDG Acceleration Areas

The concept of SDG acceleration can be closely linked to reforms in development planning, policy, and implementation, particularly as concerns monitoring progress in policy reforms that align to national development needs. In turn, accelerators are pivotal policies under the control of government that help reach several or all SDGs earlier or with lower risk through various possible channels, notably by:

- creating preconditions for SDG progress;
- easing bottlenecks or blockages;
- helping reach critical mass of supporting reforms to generate tipping points;
- helping contain or manage key risks which may impede progress;
- setting in motion positive dynamics through feedback loops from improved monitoring and evaluation.

Most accelerators act through more than one of these channels. They also tend to have escalating impact as interactions among policies and programming under various SDGs accumulate over time. The inter-sectoral linkages that are key to attenuating development bottlenecks and promoting SDG acceleration can be particularly important in middle-income countries like Uzbekistan, where rapid (reported) economic growth has been accompanied by significant depletion of natural capital and by relatively slow employment growth (as is explained below).

The conceptual origins of the MAPS platform's "acceleration" component lie in the "MDG Acceleration Framework" (MAF), which was introduced in the run-up to the UN Millennium Development Goals Summit in September 2010. The MAF offered "governments and their partners a systematic way to identify and prioritize bottlenecks to progress on MDG targets that are off track, as well as 'acceleration' solutions to these bottlenecks".[22] It focused on "identifying off-track MDGs—those for which one or more targets are likely to be missed at the current rate of progress", and "accelerating" progress towards meeting these targets, via the:

- prioritization of country-specific interventions;
- identification of bottlenecks to the implementation of these prioritized interventions;
- selection of feasible, multi-partner "acceleration solutions" to overcome the bottlenecks; and
- planning and monitoring of the implementation of the selected solutions.[23]

Yet there are important distinctions between MAF and MAPS acceleration approaches. Because they were conducted during the final years of the MDG timeline, MAF exercises could be based on clear assessments of which MDG targets were "off-track" in which countries. "Off-track MDG" designations and their associated "bottlenecks"/ obstacles were relatively easy to identify, as they could be based on well accepted MDG indicators and data to monitor them. By contrast, MAPS acceleration assessments are being conducted at the start of Agenda 2030 implementation—before the relevant national frameworks for assessing SDG progress (e.g., national baselines, targets) are fully in place (particularly at the indicator level). UN country teams and national authorities are therefore always encouraged to stay abreast of:

- *Ongoing improvements in accelerator identification methodology.* Building on the UNDG SDG Acceleration Toolkit, UNDP in December 2017 released the *SDG Accelerator and Bottleneck Assessment* toolkit (Box 1); and
- *Ongoing improvements in the global indicator framework.* This is important both for international comparison purposes, and because these improvements can accelerate the adaptation of these global indicators to national (and, ideally, sub-national) specifics. While only 41% of the global SDG indicators

[22] *MDG Acceleration Framework Operational Note*, p. 1.
[23] *Ibid*. See also the *MDG Acceleration Framework Toolkit*.

are classified today as Tier I indicators (i.e., they possess robust methodological bases and are supported by regular data collection by significant numbers of national statistical authorities), this share has risen from 35% since April 2017. It is expected to continue to grow in the future, as improvements in SDG statistical methodologies are approved by the UN Statistical Commission, and as institutional capacities in national statistical offices strengthen.

Box 1—The SDG Accelerator and Bottleneck Assessment toolkit

This toolkit presents a five-step methodology for identifying accelerators and their associated drivers and bottlenecks:

- **Step 1: Identifying 'accelerators' and drivers that enable progress across the SDGs,** inter alia via analyses of national development plans/vision statements, sectoral development plans, national SDG (and, where relevant, MDG) reports (including voluntary national reports presented at the UN High Level Political Forum on Sustainable Development), and dialogue with key national stakeholders.
- **Step 2: Identifying and prioritizing interventions that drive progress on the accelerator**, in order to identify and prioritize interventions critical to addressing the drivers identified in Step 1.
- **Step 3: Identifying and prioritizing bottlenecks to acceleration**, ideally via the completion of a pre-prepared template/scorecard completed for each intervention identified in Step 2. Bottlenecks are described as coming under "policy and planning", "budget and finance", "service delivery", and "cross-cutting" headings.
- **Step 4: Identifying and prioritizing bottleneck solutions**, via expert interviews, focus group sessions, case studies, and assessment of government (and other relevant) documents.
- **Step 5: Preparing an "SDG Acceleration Compact",** featuring inter alia the identification of partner roles, designing an accountability matrix and implementation scorecard, and creating a resource plan.

These steps could constitute a robust engagement strategy that, if followed, could produce significant results as part of "MAPS follow up". Fully capturing the promise of this approach may also require the use of input-output/macroeconomic/computable general equilibrium modelling, for which technical training is needed. It could also be combined with the international futures scenario development exercise described in Annex II.

Since President Mirziyoyev's reform announcements of February 2017, the GoU has been moving quickly to implement far-reaching economic reforms, with a particular emphasis on price and exchange-rate liberalization, strengthening the banking system, and reforming the tax system. This agenda is central to Uzbekistan's reform and development processes. It seeks to transform Uzbekistan's economy, which in turn will drive Uzbekistan's transition to upper middle-income status. The realization of this vision enjoys strong support from Uzbekistan's development partners, with International Financial Institutions (including the IMF and the World Bank) playing a leading role.

In keeping with the *integration* principle underpinning the 2030 Sustainable Development Agenda and the priorities outlined in the national Action Strategy, the recommendations in this report take a different, but complementary angle. They are focused on those areas which the MAPS mission identified as critical

to go hand-in-hand with economic reforms in order to ensure alignment of the economic, social and environmental dimensions of Uzbekistan's transformational path, and thus its long-term sustainability.

Governance, justice, and rule of law as well as reforms for social development and more efficient investment in human capital feature prominently in the national Action Strategy. Given their high degree of convergence with the SDGs, the MAPS team took these national priorities and their interlinkages as the starting point to identify "acceleration areas", i.e., catalytic policy and/or programming areas that can trigger positive multiplier effects across the SDGs and targets and provide solutions to bottlenecks that impede progress towards national development priorities and the SDGs. These have been expanded to include natural resource management, and climate and disaster risk reduction—areas which represent national priorities even if less reflected in the national Action Strategy.

This report and its recommendations are structured around three broad "acceleration areas": (1) towards more efficient and accountable governance systems; (2) social policy for inclusive development; and (3) sustainable and resilient natural resource management. An examination of these acceleration areas is supported by a preliminary quantitative assessment of the inter-linkages across Uzbekistan's nationalized SDG targets using a detailed complexity analysis (Annex I of the main report), based on a prototype SDG dashboard. While constrained by the data challenges outlined in the chapter above, the results of this preliminary analysis broadly confirm these areas as having potential to accelerate SDG achievement.

While these three SDG acceleration areas are examined in separate sub-sections, the logic of the 2030 Agenda and the SDGs calls for integrated policy and programming solutions. For example, sustainable approaches to social protection for vulnerable rural households should ideally go beyond cash payments to raise incomes. They should also seek to reduce natural disaster risks and excessive burdens on Uzbekistan's natural capital by encouraging sustainable uses of water, farmland, pasture, and forestry resources. Likewise, regional development programming platforms (such as the joint UN joint programme for the Aral Sea) can be extremely useful in the design and implementation of integrated approaches to sub-national development planning.

As a potential way for the GoU to devise and continuously test its policy options and actual interventions, the MAPS mission initiated a collaboration between UNDP and national stakeholders around "International Futures"—a new modelling tool, resulting from a partnership between UNDP and the Pardee Centre of the University of Denver. The initial results of a scenario development exercise in line with the National Action Strategy and using the International Futures modelling approach (explored in Annex II of the MAPS report) provide initial quantitative estimates of the development benefits that could accrue from policy reforms and programming focused in the acceleration areas outlined in this report.

Acceleration Area 1—Towards More Efficient and Accountable Governance Systems

Governance reform can be a major driver for SDG achievement. If Uzbekistan effectively implements governance reforms in an integrated and sequenced manner, with a strong focus on the separation of powers between executive, legislative and judiciary, protection of human rights and rule of law, capacity development, anti-corruption policies, enhancement of civic space for inclusive decision-making, oversight and monitoring, and public administration reform anchored in civil service reform including transparency, e-governance development and better services delivery for citizens, it can accelerate progress across a range of SDGs. This would also support the implementation of the GoU's overarching reform agenda under the national Action Strategy. The resulting improvements in governance systems could also support sustainable economic growth that leaves no one behind.

In addition to supporting the implementation of the national Action Strategy 2017-2021, governance reform can promote progress in the other two acceleration areas. More institutional capacity among social policy institutions, better protection of human rights by duty bearers, and more effective civic engagement can increase the impact of social protection and accelerate poverty reduction. It can also strengthen incentives for water and energy conservation and open new space for community responses to climate and disaster risks. Improvements in governance systems in these (and other) ways are keys to moving towards sustainable economic growth that leaves no one behind.

The importance of governance reform is also apparent in the "complexity analysis" of leading SDG targets shown in Annex I—particularly as concerns SDGs 16 and 17. This analysis suggests that SDG targets 16.4 (rule of law), 16.6 (institutional development), 16.5 (corruption and bribery), 16.7 (inclusive decision making), 16.10 (access to information), 17.4 (policy coherence) and 17.18 (capacity building for better data) are particularly closely linked/networked to other targets. Governance reforms that come under these SDG targets can pay large dividends in terms of removing blockages to sustainable development, and building on cross-sectoral linkages, in other areas.

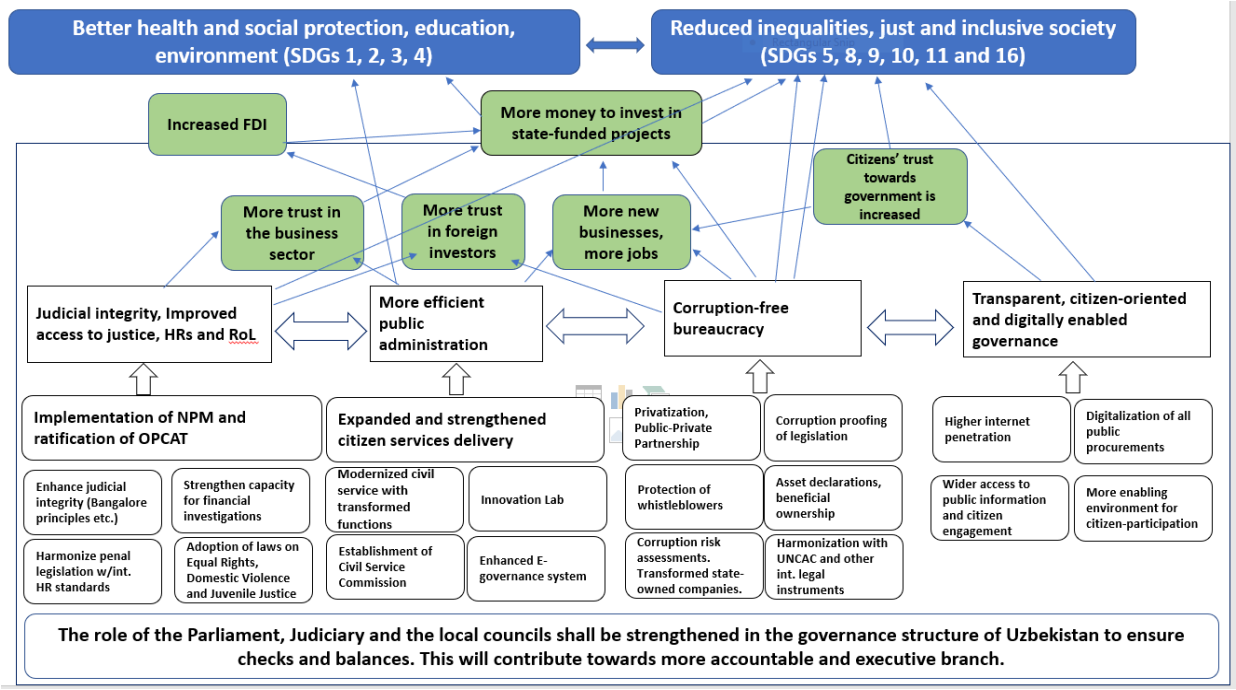
The World Bank ranked Uzbekistan 134th (out of 193 countries) in its governance effectiveness index (in 2016) and 74th in its Ease of Doing Business survey (in 2018). Transparency International's 2017 Corruption Perception Index ranked Uzbekistan 157th (out of 180 countries); judicial integrity, the porous public procurement system, abuse of office, kickbacks, and favouritism are widely regarded as serious distortions to the commercial environment, as well as the rule of law. Uzbekistan was ranked 80th (out of 193 countries) in the United Nations' E-GOV Development Index (in 2016). Prior to 2016, freedoms of association and expression, and other political and civil liberties, were highly restricted.[24] These rankings inform the background for the ambitious governance reform agenda introduced since 2017.

In addition to the five governance reform priority areas highlighted in the national Action Strategy (which can be linked to almost all SDGs—see Figure 3), GoU ministries and agencies are also drafting and implementing various sectoral strategies and regional development programmes (for example, 40 out of 194 districts have already adopted regional development strategies). Uzbekistan has embarked on a digital transformation agenda focused on citizen participation; the President has declared 2018 to be the year of "entrepreneurship and innovations". In addition, the UN Development Assistance Framework (2016-2020), as well as the Action-oriented Roadmap (2017-2020) signed by the GoU and UN, are guided by a people-centred development vision "to build an open democratic and law-governed state with a stable developing economy".[25] This vision requires vigorous transformational efforts—to align with the 2030 Agenda's "leave no one behind" principle, to prioritize the poorest and most marginalized groups, to protect human rights, and to achieve gender equality and empower women and girls, in order to counter deeply rooted gender-based discrimination that often emanates from patriarchal attitudes and social norms.

[24] In addition, Uzbekistan scores 2.5 (out of 100) on World Bank's Voice and Accountability Index, and 7 on Freedom House's Political Rights and Civil Liberties index (on a scale of 1 to 7, where 7 is the lowest). The USAID civil society sustainability index's most recent measurement for Uzbekistan (2013) found that organizational capacity, legal environment, financial viability, capacity to advocate, and public image were below sub-regional averages. The World Justice Project's 2017-2018 "constraints on government powers" by judiciaries and legislatures index (which measures checks and balances on executive power, as part of the rule of law) rated Uzbekistan at 0.12/0.21 out of 1.3.

[25] Uzbekistan, *UN Development Assistance Framework* (UNDAF) 2016-2020.

Figure 3—Links between governance reforms and sustainable development in Uzbekistan



Human rights protection

Uzbekistan since 2016 has witnessed important positive steps towards human rights protection—which lies at the heart of any sound rights-based approach to sustainable development. These have included *inter alia* the release of political prisoners and the reduction in the pre-arraignment arrest time from 72 to 48 hours. In keeping with the Paris Principles on the status of national human rights institutions, the legal mandate of the Ombudsman's Office has been broadened to include human rights education, awareness raising, and monitoring detention and prison conditions. A human rights violation reporting hotline (1096) has been set up; the introduction of a national prevention mechanism against torture is under preparation (annual reports are to be presented to Parliament); and the ratification of the Optional Protocol to the Convention against Torture, the Convention on the Rights of Persons with Disabilities, and the Convention for the Protection of All Persons from Enforced Disappearance, is anticipated. Continuing reforms of the judicial and legal systems, including of the criminal procedure code, criminal code, and penal code, are key priorities.

Although the GoU has taken steps towards strengthening judiciary independence and capacity building for human rights protection in law enforcement agencies, more efforts are needed. According to the 2017-18 Rule of Law Index, Uzbekistan was rated as 91st out of the 113 countries measured (a slight improvement on the 93rd ranking in the previous rating).[26] While the GoU has taken steps towards strengthening fair trial standards and *habeas corpus*, further investments in the performance and independence of key judicial, law enforcement, and security institutions and actors are required. The oversight of the executive branch by legislatures and the judiciary remains insufficient.

[26] The World Justice Project's rule of law index is the world's leading source for original data on the rule of law. Uzbekistan highest scores came on regulatory enforcement, order and security and civil justice; the lowest scores on limits on government powers, anti-corruption, and open government.

The national Action Strategy therefore calls for stronger oversight and representation functions of the Parliament. Respect for the rule of law based on human rights norms is also needed to support the implementation of the government's public administration reform. The rule of law also relies on the effective and equitable delivery of public services, including policing, criminal justice, corrections, and legal assistance, as well as law-making.

The GoU has already adopted several important changes in the criminal justice system, concerning *inter alia* adversarial procedures, strengthening the rights of the accused, rules of evidence, plea-bargaining for petty crimes, and obliging the Minister of Internal Affairs to report to Parliament twice a year. The Parliament also plans to abolish forced labour as a punishment under the penal code. A new framework document on criminal justice reform is to be published by the end of 2018. In addition to these areas, issues of law enforcement (including police and penitentiary reforms) based on fundamental principles of due diligence under human rights frameworks, remain to be tackled. Moreover, those issues that are prioritized in the national Action Strategy may require more technical expertise to institutionalize change.

Reforms to law-enforcement structures, including the police and criminal justice system, based on fundamental principles of due diligence under international human rights frameworks, are central to achieving good governance and SDGs in Uzbekistan. The Ministry of Internal Affairs informed the MAPS mission that it is undertaking major reforms, including strengthening its regional divisions, recruiting more than 10,000 additional police officers to work in partnership with *mahallas* (local administrations) through community patrolling, and dramatically reducing the number of mandatory reports by police officers. Special attention is being paid to problems faced by youth (60% of the country's population), by assigning a youth focal point in every district office.

Enhancing the separation of powers ("checks and balances")

Constitutionally, Uzbekistan's governance system takes the form of a presidential republic with strong powers vested in the head of the state (President) and the executive branch (Cabinet of Ministers). While this centralization of power may help to implement reforms (because of the speed of decision-making), it may also contain serious risks of abuse of power and lack of accountability. The GoU should therefore consider strengthening the Parliament's and judiciary's abilities to hold the executive accountable, while also taking steps to modernize the workings of executive agencies.

An independent and impartial judiciary that operates with integrity is one of the pillars on which the rule of law rests. Further GoU steps need to be undertaken to ensure the institutional and personal independence of judges and lawyers—so that neither the judiciary nor judges are subordinated to other public authorities. Other recommended reform steps include:

- providing judges with adequate salaries and other benefits;
- adopting judicial integrity codes and measures referenced in the Bangalore Principles; and
- invoking disciplinary proceedings against judges who do not comply with international norms and standards.

The "UN Basic Principles on the Independence of the Judiciary" request Member States to inform the Secretary-General regarding progress in their implementation, as well as promise UN support for these efforts. The UN could further support Uzbekistan's judicial reform efforts in these respects.

Uzbekistan has made notable steps towards digitization of civil law cases in the first instance courts, with support from UNDP. In 2017 the "E-Sud" (E-Court) programme was used to file more than 40% of Uzbekistan's civil cases. E-Sud's expansion to the appeal and cassation levels, and to coverage of criminal cases, is expected soon. Another novelty is a creation of the Supreme Judicial Council, which is in charge of the management of Uzbekistan's judicial system.

In addition to the reforms listed above, there is a particular need to ensure and strengthen equal access to justice for the most vulnerable and others at risk of being left behind. Effective free legal aid provision is a key factor in facilitating access to justice in this context. Providing access to legal aid must be done in a gender- and age-sensitive manner and should respond appropriately to issues like violence against women and domestic violence—which cannot be seen any longer as a private matter under the SDGs framework. Legal aid can also play an important role in facilitating the use of community-based sanctions and measures.

The UN Basic Principles on the Role of Lawyers place responsibility on the government and legal profession for ensuring that everyone has access to counsel, to provide for equality before the law. While the Constitution guarantees the right to professional legal assistance at every stage of criminal court proceedings (Article 116), it is important to have free legal aid available in civil law proceedings as well.

Gender equality and the empowerment of women and girls

Gender equality is central to good governance, and fundamental to human rights and social justice; it is also crucial to poverty elimination and to achieving sustainable development. It concerns half of the (potential) labour force—as well as the provision of social care economy services that are essential to the functioning of the household. In addition to taking the stand-alone form of SDG 5, gender equality and women's empowerment are also preconditions for achieving other SDGs. As such, they also cut across multiple dimensions of Uzbekistan's reform agenda. While there is overall gender parity in literacy rates and primary education, women's development prospects in Uzbekistan are limited by structural barriers which result in fewer average years of schooling, reduced access to tertiary education (especially for rural women), their preponderance in informal and low-paid jobs, and lack of access to and control over resources, be it productive assets, information and knowledge, or decision-making at local and national level.

The UN Committee on the Convention of Elimination of All Forms of Discrimination Against Women (CEDAW) provided an exhaustive list of recommendations to Uzbekistan's Fifth Periodic Review (2015), expressing its continuing concern about *"the persistence of deep-rooted patriarchal attitudes and stereotypes concerning the roles and responsibilities of women and men in the family and in society, which discriminate against women and perpetuate their subordination within the family and society and which . . . are reflected in women's educational and professional choices, their limited participation in political and public life, their unequal participation in political and public life, their unequal participation in the labour market and their unequal status in marriage and family relations."*

While the national Action Strategy refers to women only in conjunction with social protection and health issues, its targets include gender-disaggregated markers for employment and entrepreneurship, as well as for women's political and social participation. A national action plan on the implementation of the 2015 UN CEDAW Committee recommendations was approved in 2017; and a February 2018 presidential decree[27] assigned new priorities and responsibilities to the Women's Committee—the key agency in the country's national gender machinery (headed by the Deputy Prime Minister). These included a greater focus on "family values and traditions" through support for women's employment and entrepreneurship and crime prevention. This decree also created a new research centre "Oila" ("Family") under the Cabinet of Ministers, to study women's and family issues and promote the "Healthy family, healthy society" concept. A new public fund to support women and family has been established; and specialists to work with women to "strengthening spiritual and moral values" are being introduced in each *mahalla*.

[27] While the Decree refers to crime prevention among women, it makes no reference to violence against women.

The introduction of a gender-based quota system for Parliamentary elections has helped increase the number of women in political parties, but has not yet translated into 30% representation in office—the proportion recommended by the UN as a critical mass necessary to have influence over decision-making. Women at present constitute 16% of all deputies in the lower house of the national assembly, (compared to the worldwide average of 23%), which places Uzbekistan in 124th rank in the relevant global rating.[28] (The most recent data [from a 2014 study] measured the share of women in high level positions in the executive branch at 14%.[29])

While these steps demonstrate GoU respect for international commitments, they also suggest a continuing propensity to view women through the lens of traditional family structures—rather than in terms of equality and empowerment. Deep-rooted social attitudes and norms that discriminate against women also negatively affect men and boys. Young men often face strong expectations from family and society around their roles as breadwinners, which if not fulfilled, may lead them to look for other ways to prove their masculinity, including through violent behaviour. These deeply ingrained stereotypes may have profound impact on gender equality and need to be challenged and reshaped to remove barriers that prevent women and men from reaching their potential. Additional important steps include:

- The adoption of relevant legislation, including stand-alone laws on the state guarantees for equal rights and equal opportunities for women and men, and on preventing and combatting domestic violence containing definitions of direct and indirect discrimination and gender equality and meeting UN and international standards;
- Gender mainstreaming, and the application of gender analysis in formulating, implementing and assessing all policies and decision-making;
- Collection and analysis of gender-sensitive data, which includes statistics disaggregated by sex, but also specific indicators on time-use, violence against women, access to productive assets, etc.; and
- Ambitious public awareness-raising and advocacy to address the persistence of patriarchal attitudes and deep-rooted stereotypes regarding the roles of women and men in the family and society.

Violence against women and children

Gender-based violence, or violence against women and children, is a human rights violation; its various forms (including domestic violence) must be criminalised. In addition to affecting the well-being of the families, violence against women and children has short- and long-term emotional, psychological, and economic consequences for communities and societies on the whole. Whether in the family, schools, judiciary institutions, the workplace, or the community, violence against women and children in Uzbekistan is sometimes implicitly condoned, and often unrecorded, unprosecuted, and unpunished. Likewise, ending violence against women is critical for women's and family wellbeing, childhood development, women's employment and the human development of society as a whole, and is critical for the achievement of SDGs 3, 5, 10, and 16.

Unfortunately, Uzbekistan's legal system does not define violence against women and children, or domestic violence. The issue is not recognized as a problem at the state level (its discussion has been taboo for decades); and the mahalla committees that are charged with preventing divorces are not able to tackle this problem. Domestic violence remains on the periphery of public discourse; women are too often made to feel culpable for the violence they experience. Anecdotal evidence and small-scale surveys point to high tolerance for various forms of violence, but no statistics are collected at state level to assess

[28] As of 1st June 2018. Inter-Parliamentary Union, http://archive.ipu.org/wmn-e/classif.htm

[29] Комитет женщин Республики Узбекистан (2014), *Национальный обзор реализации положений Пекинской Декларации и Платформы действий 1995 года по вопросам гендерного равенства и расширения прав и возможностей женщин Республики Узбекистан*, p. 30.

its prevalence and severity, or to gauge impediments to reducing it. Laws and policies are not fully in compliance with international standards and norms, and institutions and actors often lack the resources and skills needed to perform their duties. Coordination among judicial, law-enforcement, social welfare, health, and education systems in response to domestic violence and violence against children often seems to be lacking.

In order to address these challenges, a comprehensive approach that encompasses not only prevention but also the protection of victims as well the prosecution of those who are responsible of those acts, is needed. This should be supported by capacity development measures for professional groups dealing directly with victims (police, judges, prosecutors, social services), and for the authorities charged with promoting changes in perceptions and raising public awareness.

Fortunately, the MAPS mission was informed by Uzbekistan's Women's Committee that a draft law on the prevention of domestic violence is now under preparation, as is a framework for establishing shelters for the victims of domestic violence across the country. Indeed, the achievement of SDGs 3, 4, 5, 8, 10, and 16—and in particular targets 5.2 and 16.2 (which call for ending domestic violence and violence against women and children)—is closely linked to the promotion of just, peaceful, and inclusive societies. It requires, among other things, fair, effective, women and child-friendly justice systems with accountable and responsive institutions and actors.

Transparency, e-governance, and citizen participation

The GoU has taken notable steps towards opening the government to more public scrutiny and citizen participation. In 2016 a virtual reception of the President (an online petitions' platform) was launched. To date more than two million questions and complaints have been received from citizens via this platform; 96% of these have been reviewed. (The vast majority of these complaints concerned the work of the Ministry of Internal Affairs, which is one of the biggest providers of such essential public documents as passports, automobile registrations, and driving licenses.) Uzbekistan also has an open data portal, which can be used to access various health, education, cultural, transportation, and real estate documents and data. Another example is a portal launched by Parliament in April 2018 to capture public feedback, and an online platform which enables citizens to post comments on the draft laws being discussed. The Parliament also runs a funding window for civil society organizations.

The Ministry for the Development of Information Technologies and Communications (Ministry of ICT) is the key government agency in charge of e-governance and internet connectivity in Uzbekistan. The Ministry seeks to lift Uzbekistan into the first 50 countries in the Global Innovation Index by 2030. A national Commission on Innovations is expected to be launched soon, under the chairmanship of the President. The Ministry of ICT is also in charge of designing the national ICT Strategy 2030 and a three-year e-governance programme, which seeks to reduce corruption risks and bridge the digital divide. Its goals include:

- The digitization of 90% of public services;
- Placing Uzbekistan within the first 60 countries in the UN-E-gov development index;
- Increasing computer access and use in schools;[30]
- Increasing the internet penetration rate (currently at 65% of the population) and speed (currently 166GB, which by the end of 2018 is to increase to 1.2TB);
- Establishing an innovation centre similar to Silicon Valley;
- Opening an educational institution based on STEM[31] methodology and cyber-security centre.

[30] https://files.eric.ed.gov/fulltext/EJ695791.pdf
[31] https://en.wikipedia.org/wiki/Science,_technology,_engineering,_and_mathematics

The Ministry of ICT is also charged with moving the Ministry of Justice's e-services onto a single portal, and to interconnect all government agencies so as to improve service delivery for citizens.

Anti-corruption

The main drivers of corruption are over-regulation, *ad hoc* or non-transparent decision-making processes, low levels of public service digitization, and low wages for civil servants. Effective public administration reform can be a strong driver for fighting corruption, which is one of the key principles of the national Action Strategy. Uzbekistan joined the United Nations Convention against Corruption in 2008, and in 2010 acceded to the Istanbul Anti-Corruption Action Plan of the OECD Anti-Corruption Network. In January 2017, the President signed a law on "Countering Corruption", which translated these basic principles into national legislation. While the new law is a good start, its implementation and enforcement are critical to ensuring the success of anti-corruption reforms.

While patronage networks, illicit financial flows, bribes for access to the Uzbekistani market for large corporations, and avarice all play a role, addressing the lack of accountability and transparency in state institutions can help solve all these problems simultaneously—thereby ensuring progress towards achieving national SDG target 16.5 ("substantially reduce corruption and bribery in all their forms"). Better understanding is also needed of transnational organised crime, including the drivers of trafficking in persons (women, children, and migrants in particular) and drugs and other related activities.

The confluence of corruption, transnational organised crime, drug trafficking, and related illicit financial flows led to the adoption of a February 2017 presidential decree approving the State Programme on Combating Corruption for 2017-2018 and establishing the Interagency Anticorruption Commission.[32] While some institutional progress has been made on paper, much work remains to be done in ensuring that these advances translate into tangible outcomes. The Anti-Corruption Commission needs solid and pragmatic support, including in the areas of compliance, third party due diligence programmes, and whistle-blower protection. The GoU may consider aligning the criminal code more closely with international standards to recognise non-material benefits as bribery (including of third parties), the liability of legal entities, and beneficial ownership. The strengthening of the financial intelligence unit, clarifying the division of labour between prosecutors and investigators, and enhancing the Prosecutor General's ability to investigate financial transactions would go a long way in laying the groundwork for a more robust and coordinated state-led approach to combatting corruption. There is also a need to educate and empower the general public to hold both officials and private citizens to account. Mechanisms to govern the return of stolen assets must be underpinned by robust oversight mechanisms, the involvement of civil society, and transparent reporting requirements.

The GoU should also institutionalize the corruption proofing of legislation (draft laws, government resolutions, and other legal acts), to detect potential corruption risks and suggest mitigation measures. The adoption of specific anti-corruption measures in sectors most vulnerable to corruption (e.g., the clean construction system in South Korea), in public procurement, licensing, and the like, should also be pursued. At the same time, it is important to investigate possibilities for the vertical and horizontal dissolution of state monopolies and expand private sector development possibilities by abolishing unnecessary commercial regulations, and reducing other rent seeking opportunities.

[32] Resolution of the President of Uzbekistan, On measures of implementation of the Law of the Republic of Uzbekistan "On Combating Corruption", №ПП-2752, 02.02.2017.

Public administration reform

The GoU has acknowledged the need for an efficient, responsive, transparent, and accountable public administration as a key precondition for sustainable development and implementing the national Action Strategy. In recognition of this, a public administrative reform programme was adopted in September 2017; a roadmap, commission, and working groups for its implementation have likewise been approved. A number of government ministries were restructured over the course of 2017, and several new state institutions were established to strengthen policymaking, service delivery, oversight, and accountability. The reform's implementation requires functional reviews and optimization, the re-engineering and digitization of business, administrative, and other processes, and a fundamental shift in work culture towards client-oriented, evidence-based decision-making. The main focus of the reform is on:

- improving the functional effectiveness of government institutions (*inter alia* via functional reviews of state institutions;
- establishing a professional civil service system (*inter alia* with formal job descriptions, targets and indicators for annual performance assessments, expanded training programmes, and higher salaries);
- enhancing public service delivery for citizens—*inter alia* via the expansion and further digitization of the country's 50 single-window public service centres; and
- the adoption of less hands-on approaches to economic regulation in general, and to managing state-owned enterprises in particular (but with an expanded emphasis upon business ethics and internal compliance mechanisms). On-going reforms of the tax, customs, and financial[33] systems, and the introduction of a new legal framework to support public-private partnerships, are particularly important in this respect.

Data challenges

The availability, accessibility, transparency, and quality of data concerning crime, violence, trafficking, access to justice, and the rule of law in Uzbekistan remain limited—complicating the monitoring of rule-of-law and corruption-related SDG targets in Uzbekistan. This is reflected in UNODC's data collections on various topics related to crime and criminal justice, which are the main resources available to the international community for monitoring Uzbekistan's progress towards achieving the relevant national SDG targets. For example, Uzbekistan has never provided national data to the UN-Crime Trends Survey—UNODC's main crime and criminal justice database, which was started in the 1980s. Moreover, the data that are collected in these areas largely rely on administrative registers. These need to be supported by data from household surveys on crime victimisation, corruption (bribery), drug use, and the like. Finally, information about the implementation of the international classification of crime for statistical purposes is not available in Uzbekistan.

These data gaps are due primarily to a lack of institutional capacity to collect, coordinate, and disseminate them. In many cases, there is little cooperation between the various actors involved in the production and analysis of crime data (e.g., police, prosecution, courts, prisons, SSC), which leads to data inconsistencies. The development of sound statistical frameworks and improved data transmission systems (complying with international standards) are needed to allow the authorities to measure progress made towards relevant national SDG targets, and to allow the GoU to develop the evidence-based policies needed to achieve these targets. This would also resonate well with Uzbekistan's national Action Strategy.

[33] The most recent IMF country report notes that "banks are no longer required to keep records unrelated to banking on behalf of the authorities, reducing significantly administrative costs . . . a presidential decree instructs all public officials to refrain from pressuring banks to provide credit at preferential terms to selected borrowers . . . [and] the [Central Bank] has addressed potential conflicts [of interest] by . . . withdrawing its officials from the supervisory boards of banks."

For these reasons, governance reform as articulated in the national Action Strategy can be a major acceleration area for SDG achievement. The separation of powers between the legislative, executive and judiciary branches of the governance, public administration and civil service reforms, respect for human rights and the rule of law, the use of e-governance solutions for more effective public administration and higher quality public services delivery, anti-corruption policies, expanding civic space for inclusive decision-making, citizen participation, oversight and monitoring—all this is consistent with the rights-based elements of the 2030 Agenda and the SDGs (especially goals 5 and 16), as well as being at the heart of Uzbekistan's reform agenda. More transparent economic governance systems can also drive sustainable economic growth that leaves no one behind. Targets under SDGs 5 and 16 can be seen as both ends in themselves and as preconditions for progress in other goals.

Against this background and the important reform steps which the GoU has been implementing, this report recommends that the GoU considers:

Recommendations

Against this background and the important reform steps which the GoU has been implementing, this report recommends that the GoU considers:

Deepening public administration reform initiatives, by;

8. Establishing a Civil Service Commission and conducting functional reviews of all central and regional state bodies in order to reduce institutional duplication and unnecessary bureaucracy;
9. Applying public administration reform and institutional development principles sub-nationally, to *khokimiyats, kengashes,* and *mahalla* committees—particularly as concerns regional development—to strengthen the openness, transparency, and participatory nature of sub-national service delivery processes;
10. Investing in the institutional capacities of regional and local government offices responsible for strategic planning, implementation, and monitoring of sub-national development planning (e.g., methodologies and techniques, data collection, monitoring tools);
11. Further professionalizing the civil service, *inter alia* via meritocratic recruitment processes and investment in targeted civil servant training and leadership programmes, with a particular focus on addressing gender gaps in the civil service; and
12. Extending the coverage of e-services and improving the quality of the one-stop-shop public services delivery system nationwide.

Strengthening the role of parliament and the judiciary, while also taking steps to modernize the workings of executive agencies, by;

13. Supporting parliamentary oversight and evaluation of progress on SDGs through regular reporting and capacity building of key committees in the parliamentary structure to undertake these processes;
14. Transforming lawmaking and rule-making procedures to ensure high-quality regulations and legal acts, based on an appropriate balance between judiciary, regulatory, and law enforcement agencies' inputs;
15. Considering international capacity-building support for the Central Election Commission and the upcoming electoral process;
16. Improving access to justice through e-governance tools, the specialization of judges in different categories of disputes, providing information and statistical data on court activities to citizens, and

harmonizing domestic trial procedures in line with international human rights law on fair trials and due process; and

17. Using judicial enforcement practices to analyze the practical implementation of laws for ensuring checks and balances with the executive and legislative authorities and promoting legislative amendments to better protect the rights and freedoms of vulnerable groups.

Enhancing anti-corruption frameworks and protection of rights, by;

18. Aligning the penal code and other anti-corruption legislation with the UN Convention on Anti-corruption and other international standards, to ensure that all forms of bribery are covered;
19. Conducting sectoral bribery surveys and corruption risk assessments in customs, taxation, healthcare, education, and public finance and asset management, in order to identify those procedures and rules that are most vulnerable to corruption, and to design risk mitigation strategies;
20. Educating and empowering the general public to hold both officials and private citizens to account, including improving public awareness and understanding of legal issues and human rights treaties to which Uzbekistan is a party;
21. Underpinning mechanisms governing the return of stolen assets with robust oversight mechanisms, the involvement of civil society, and transparent reporting requirements; and
22. Accelerating the implementation of Uzbekistan's human rights commitments by ensuring the implementation of the Universal Periodic Review recommendations to strengthen the protection of rights, freedoms, and the legitimate interests of citizens.

Acceleration Area 2—Social Policy for Inclusive Development

Social policy—encompassing social protection, health and education, and labour market policies and programming—plays critical roles in promoting sustainable development. In addition to promoting human security and social cohesion, social policies drive the investments in employment and human capital accumulation that are essential for longer-term economic competitiveness and prosperity. By reducing poverty risks, social policies can also help rural households to make longer-term investments in sustainable land and water management practices, thereby supporting the ecological dimensions of sustainable development.

The importance of inclusive social development is also apparent in the "complexity analysis" of leading SDG targets shown in Annex I—particularly as concerns SDG targets 1.1 and 1.2 (on income poverty), 1.3 (on social protection), 3.5 (on substance abuse), 3.b (on health research and development), 4.6 (on literacy and numeracy), 4.7 (on knowledge and skills), and 4.c (on teachers). Addressing these bottlenecks—or otherwise building on the networked reform potential represented by these SDG targets—could play an important role in accelerating overall SDG progress in Uzbekistan.

Poverty reduction, social protection, education, health and well-being

Achieving SDG 1 (ending poverty in all its forms) is within reach in Uzbekistan. Available data suggest that economic growth has gone hand in hand with poverty reduction in Uzbekistan. According to official statistics, the share of the population below the nationally defined poverty line fell from 27.7% in 2000 to

12.5% in 2016.[34] Poverty reduction appears to have been accompanied by equity gains, as the incomes of the bottom 40% of the income distribution are estimated to have grown at a slightly faster rate than those of the top 60%—at least during 2008-2013.

On the other hand, the World Bank's 2016 Systematic Country Diagnostic found that a majority of the population subsists near the poverty line, and is at significant risk of falling below it. Many households remain vulnerable to external shocks—which are often linked to climate and disaster risks (especially in rural areas). (The World Bank also notes that poverty measurement in Uzbekistan could be modernized and made more transparent.)

As with other countries in the region, poverty in Uzbekistan is thought to have a strong seasonal component, reflecting the cyclical/calendar nature of economic activity. Some 27% of employed people work in agriculture, and because the seasons dictate production schedules, welfare and consumption fluctuate between seasons. When harvests are gathered, there is more work available, more food, and more income for those who produce and sell agricultural goods. During seasons in which little agricultural activity takes place however, incomes tend to be lower, and food is more often either taken from stocks or purchased. Although this share has steadily fallen over time, food still accounts for some two thirds of consumption expenditures for households in the bottom four income deciles—highlighting important links between agriculture, food prices, food insecurity, and poverty. (Important fluctuations in household incomes also result from seasonal labour migration, and seasonality is present in many other domestic economic activities as well, such as construction.)

The elasticity of poverty reduction relative to GDP growth has been low. Given Uzbekistan's record of high and stable GDP growth, one would have expected even faster poverty reduction, based on the experiences of comparator countries. From 2002 to 2013, per-capita GDP grew 197% and poverty declined by 48.7%; thus, over that period, a 1% increase in per capita GDP in Uzbekistan was associated with a 0.5% decrease in the poverty rate on average, which is significantly lower than the average for developing countries (where a 1% increase in per capita GDP is associated with a 3% decrease in the poverty rate). This observation is important for the design of future policies, as the government is keen to increase the efficiency of its efforts to reduce poverty, including with respect to proposed updates to the social protection system.

Income inequality is low in Uzbekistan by international standards. The Gini coefficient (based on income) was measured at .288 in 2013—low compared to both regional and (especially) global averages. Lower income inequality can be a result of several factors—some positive, such as effective targeting of public transfers to the poor, and some negative, such as wage inflexibility and compression.

Most of the people who have exited poverty globally over the last several generations have done so due to rising incomes from employment. Uzbekistan is an excellent example of this dynamic: between 2008 and 2017 rising labour and small business incomes drove poverty reduction and progress in shared prosperity. Income from salaries and businesses are by far the main source of household earnings among Uzbekistan's less wealthy families. Moreover, the importance of these income sources has increased steadily over the past decade, while the roles of pensions, social assistance programmes, and other forms of income have diminished.

However, important labour-market vulnerabilities are present in Uzbekistan. The most recent IMF country report indicates that reported employment growth continues to lag growth in output and incomes—even though 500,000 new workers enter the labour force every year. Job opportunities are fewer among poorer

[34] Except where otherwise noted, all data cited in this report come from the SSC or were conveyed to the MAPS mission during meetings with national counterparts.

families; more affluent people have much higher average labour incomes. Overall official figures suggest that 38% of the working population is engaged in informal employment (43% for young people). This implies that a high proportion of the work force does not benefit from formal social insurance schemes.

Uzbekistan's labour market is also characterized by gender gaps, with women concentrated in lower-paid jobs that are often socially linked with female gender roles. Women have less access to the labour market than men, due in part to a lack of affordable child care. Vertical and horizontal gender-based segregation across the labour market is also significant. More than half of those working in agriculture (most of whom are women) are unpaid family workers, reflecting the gender dimensions of rural underemployment.

Most adult household members have some type of secondary education. However, heads of household in the bottom 20% of the income distribution mostly have general secondary degrees, whereas the more affluent are more likely to have special or technical secondary degrees. Moreover, heads of household from the top 60% are much more likely to have higher education degrees compared to the bottom 40%. This underscores the importance of further investment in quality education—particularly in post-secondary education, but also in early childhood development.

To achieve SDG 1 and support the wellbeing of the population, previous work conducted by the World Bank and other development partners has underscored the importance of:

- ***Improving productivity****:* long-term sustainable income growth usually comes from better employment opportunities. These can only be durably supported through rising productivity and the equitable distribution of returns from economic growth.
- ***Enhancing resilience****:* many households are at risk from shocks that are outside of their control, and that they struggle to insure against. In Uzbekistan, social transfers can be powerful tools to encourage resilience, as are strong local communities and supportive personal networks.
- ***Strengthening agency****:* in recent years, Uzbekistan has made strides towards engaging the population more fully in development processes. Empowering people to play an active role in governance, policies, and reforms is key to ensuring lasting economic and social progress.

The national Action Strategy envisions rapid progress on these objectives by 2021. It seeks to liberalize the economy, reshape the roles of the state and the market, modernize the agriculture sector, strengthen economic governance, deepen the financial system, enable private sector growth, invest in human capital, and improve social protection and service delivery. The country has therefore embarked on a variety of economic reforms, the more notable of which include exchange rate unification, the discontinuation of forced mobilization in cotton, and raising relative prices for energy and communal services. The 2030 Agenda's "leave no one behind" principle suggests that policy makers would be well advised to consider the impacts of these measures on poor and vulnerable people, and to ensure adequate social protection.

Uzbekistan's potential demographic dividend

Many countries undergo demographic transitions that are driven by movement from higher to lower fertility and mortality rates. While this process involves a transition from a young to an ageing population, it generally also features a phase in which the majority of the population is of working age. This "demographic window of opportunity" (or "demographic dividend") can provide an economic boost, giving the country in question more net producers and fewer net consumers.

In order to reap these potential benefits, the "extra" working age population needs to be productive—healthy, well educated, and available to work in the country (i.e., not migrating abroad). Likewise, the economy needs to provide decent work opportunities—which means conducive investment and business

environments that encourage job creation. Experience from the so-called "Asian tigers" shows that, under the right conditions, this demographic dividend can boost economic growth rates by as much as 30%.

For Uzbekistan, such a demographic window of opportunity opened in 2011. It is expected to remain open until 2053, after which time the population will start ageing. This gives Uzbekistan 42 years during which savings resulting from the temporary surplus of potential over consumers could be invested in human capital and job creation.

For Uzbekistan to reap this potential demographic dividend, its young generations need to be healthy and well educated, with knowledge and skills that match the current and future labour market demands. The economy needs to generate approximately 430,000 new jobs annually, in order to accommodate the large numbers of young people entering the labour market. As the population ages, this number is expected to gradually decrease, dropping to 235,000 annually by 2030. Since it will be difficult for Uzbekistan to create so many jobs (at least in the short run), external migration (chiefly to the Russian Federation and Kazakhstan, as well as to OECD countries) is likely to remain an important safety valve for preventing idle young from taking to unproductive activities. Migration can also help Uzbekistani workers to acquire skills needed for their professional development, as well as start-up and working capital to finance small business expansion.

Uzbekistan's reform programme recognizes the importance of stimulating job growth, especially for young people, both women and men. But while the business environment appears to be improving, the World Bank observes that in some areas (e.g., doing business across borders) much remain to be done. Among the many priorities facing Uzbekistan, the focus on young women and men deserves prioritization. If done right, youth policy holds great promise for the future; while failure in this area can spell disaster.

The magnitude of potential demographic dividends under different demographic and investment scenarios can be estimated via national transfer account (NTA) methodology. Capacity development and the eventual application of NTA analysis to Uzbekistan can help the country to capitalize on the demographic dividend.

Social protection

Social protection has traditionally been a priority in Uzbekistan; many GoU representatives told the MAPS mission that policies to support vulnerable groups are in place. The 2017 presidential decree that unified the exchange rate and improved access to the official foreign exchange market also moved to strengthen social allowances. The national Action Strategy 2017-2021 contains a clear commitment to social protection: "improving social protection system and health" is one of five priority areas, including providing mandatory social guarantees, strengthening social protection to vulnerable populations, and reform of health care.

While market reforms intended to promote international economic integration may accelerate job creation, international experience shows that they can also generate significant socio-economic challenges and dislocation. The potential vulnerability of key social groups has recently been increased due to the introduction of higher thresholds for social allowances, as well as by growing financial pressures on the state pension system and by gaps in the social safety net for the unemployed. A growing youth population, significant climate risks, and already high levels of informal employment make larger investments in social protection essential, both to protect vulnerable households and to raise productivity and incomes. In addition to strengthening human security and social cohesion such investments can enrich human capital and promote longer-term economic competitiveness.

Social protection can be broadly understood as "a set of policies and programmes aimed at preventing or protecting all people against poverty, vulnerability and social exclusion throughout their lifecycle, with a

particular emphasis towards vulnerable groups". At the heart of social protection systems in many countries are social assistance programmes, social insurance programmes, and labour market interventions to support employment of marginalized and excluded groups. Social protection features prominently both in the national Action Strategy and SDG 1; SDG target 1.3 calls for the implementation of "nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable".

In connecting the national Action Strategy and the SDGs, UNICEF has analysed the alignment of SDG targets and indicators and their alignment to national social protection priorities.[35] This includes identification of key goals and targets, and proposed actions—particularly as concerns:

- Targeted social protection aimed at the poor and vulnerable;
- Ensuring poor and vulnerable households have access to safe, nutritious and adequate food;
- Gender equality, and eradication of all forms of violence against women and children;
- Suitable employment for all; and
- An effective migration policy.

Uzbekistan inherited from the Soviet period a comprehensive employment-based social security system, combining a mix of contributory, state enterprise-funded and tax-financed schemes with legislation ensuring protection and income security for workers. Since 1994, there has been a growing transition away from the universal provision of allowances and subsidies. The coverage of the country's social transfers has also declined; the emphasis on directing resources to the poor (to reduce costs) has grown. Available data show financing on family allowances falling from 0.9% GDP to 0.55% between 2000 and 2011,[36] reflecting the fall in coverage (although there was some recovery in spending on childcare allowance during this period). While social assistance benefits are financed from national budget revenues that are managed by district authorities, the criteria and assessments underpinning this budget process do not seem to include poverty analysis or the systematic measurement and monitoring of regional disparities. While a strong social insurance system continues, it is focused on those in formal-sector employment; increasing numbers of working age people (who are engaged in the informal sector) are excluded from the system.

Social assistance

Uzbekistan provides three main social allowances to vulnerable families: the child care allowance (previously the maternity benefit) for households with children 0-2 years; the family with children allowance (formerly the child benefit) for household with children 2-14 years; and the financial assistance to low-income families (formerly the low-income family) allowance. These allowances are administered "on demand" with benefits channelled through *mahallas* (local government bodies), which have increasingly been incorporated into the state administration. Beneficiary eligibility is determined via a mixture of means testing and proxy means testing (they had previously been universal). Eligibility is assessments are relatively complex; reapplication every six months is required.

Dur in part to these complexities, administrative data indicate that the shares of households receiving any kind of social assistance benefit have decreased over time. The share of households receiving social assistance benefits for low income families decreased from 9.2% to 1.2% over the period from 2000 to 2010; those receiving child benefits (share of households with children aged 2-18 years) fell from 24% to 13.7%; the share of households with non-working mothers with children under two years of age receiving

[35] *The Sustainable Development Goals of Uzbekistan: Social protection* (UNICEF policy brief).
[36] *Ibid*.

maternity benefits fell from 100 to 36%; while the share of households with school children receiving winter clothes increased from 5% to 14%. The most recent available data (for 2015-2018) show:[37]

- A decrease in the numbers of families receiving childcare allowances from 286,000 to 223,000;
- A decrease in the numbers of families receiving family allowances from 306,000 to 284,000; and
- An overall net decrease of 65,000 recipients over the time frame.

Social insurance

Uzbekistan has a range of social insurance instruments, associated with old age, disability, sickness, and maternity. Benefit eligibility is often conditioned upon significant time in formal employment, however. The recently unemployed, first-time job seekers, and the long-term unemployed are eligible for unemployment benefits, but these typically provide only 13 weeks of coverage. The latest data from the ILO *World Social Protection Report* suggest that less than 40% of the unemployed in 2008 were receiving unemployment benefits in Uzbekistan.

While Uzbekistan's social protection system addresses risks across the life course, there are gaps—particularly for working age individuals. The small and very limited duration of unemployment benefits do not address the country's real labour-market challenges, many of which are associated with employment in the informal sector. Furthermore, the safety net for working age families is very small, with the low-income allowance providing limited support to very few families (approximately 1% of the total number). In the absence of unemployment benefits for many working people, it would seem that the child benefit system is effectively acting as a *de facto* unemployment benefit and safety net. Furthermore, as the analysis below indicates, there are also significant coverage gaps, in particular for children, and within this, children under three years of age.

Women are entitled to maternity leave of up to 140 days, at full pay. However, since 2009 employers (rather than the state budget) have been responsible for financing maternity benefits—which makes some of them less willing to hire women in the first place. While maternity benefits are set at 100% of salary for women who have been formally employed for at least a year, they are smaller for women with less time in the labour force. Many rural women who work as contributing family members or in subsistence agriculture are not considered to be formally employed—and are therefore ineligible for maternity benefits.

The state pension system is also an area of pressing concern, due to longer-term actuarial trends. Whereas just 6% of the population was over 60 years of age in 2010, this proportion is projected to rise to over 10% by 2025 and to over 20% by 2050. Currently 7% is GDP is dedicated to pensions. The ongoing demographic transition and high levels of labour-market informality raise questions about the state pension fund's sustainability.

While Uzbekistan has a history of universal approaches to social assistance, coverage under some key programmes has fallen significantly. Although some 7% of the state budget is directed towards pensions, financing for family allowances is estimated to have fallen from 0.9% of GDP in 2000 to 0.5% of GDP 2016, while the share of families receiving social assistance for low-income families dropped from 9.2% to 1.2% during this time. Coordinated and systematic approaches to social protection could bring significant efficiencies to the budget, while also supporting clearer assessments of household needs. Tax reform is also under consideration; ensuring a progressive structure with sufficient revenue to support social protection programmes is essential.

[37] Source: Ministry of Finance, Uzbekistan

The commitment to help low-income families get better access to public services and increase their income seems to be deeply entrenched across the GoU. However, this commitment does not necessarily translate into well-coordinated policies and programming in a country where some 566,000 families received social assistance,[38] and where the official poverty rate is 13%. Moreover, as is common in many contexts, social assistance can be seen breeding laziness and dependency. Such perceptions are inconsistent with prevailing international evidence on the productive benefits of social protection (including increased labour market participation) and underscore the need for deeper familiarity with international best practices. (The same could be said for revisiting attitudes towards the institutionalization of children, in which de-institutionalization and movement towards family and community-based care are seen as global standards.) International experience shows that countries tend to expand their social protection as their economies grow, but the opposite seems to have occurred in Uzbekistan, Moreover, there is a risk of moving backward—especially if economic growth slows. Expanding coverage of allowances for child care, for families with children, and for low-income families is essential to ensuring that "no one is left behind".

Social services

The importance of linkages between social services and other dimensions of Uzbekistan's social protection system cannot be overemphasized. Not only are social care and support services often underdeveloped, but they tend to be delinked from social protection benefits. Residential institutions are predominant, rather than family care to support families to care for their children. The range of social protection interventions to support de-institutionalisation is insufficient.

Uzbekistan was the first CIS country to pass a law on social protection for persons with disabilities, regulating *inter alia* the provision of technical assistance devices, barrier-free environments, and access to education and employment. Many services are closely integrated into the social work structure, but responsibilities are dispersed across under-resourced government agencies. Retraining has been limited and social workers are dispersed. A strong government social work function can provide the connective tissue for integrated approaches in social protection, bringing cash and services together to lift families out of low-income status and other difficult life situations.

Education

Uzbekistan has long enjoyed almost universal and gender-balanced participation in primary and secondary education, with 100% adult literacy and trained primary school teachers. However, challenges remain—particularly in terms of access to quality education, the governance and financing of the education system, and links to the labour market. While the shares of out-of-school children in Uzbekistan are estimated at only 3% for primary school-age children and 5% for secondary school-age children, these high enrolment numbers mask over-crowding in (with double shifts in place in some) schools and a lack of trained teachers. Strengthening the quality and relevance of curriculum and pedagogy, *inter alia* via better teacher preparation and support, movement towards safe and inclusive learning environments, and better assessments of learning, are key challenges.

In addition to the national Action Strategy, the Education Sector Plan 2013-2017 plays a key role in defining policy directions in Uzbekistan's education system. The GoU seeks to develop and improve the quality of primary and secondary education, and enhance access to pre-school education, universities, and technical and vocational education and training. The current governance structure for education consists of four ministerial-level institutions responsible for: (i) pre-school education (the Ministry of Pre-

[38] Information on material assistance to low income families. 2015-2018.

School Education); (ii) primary and secondary education (the Ministry of Public Education); (iii) free special and professional education (the Centre for Professional Education); and (iv) tertiary education and teacher training (the Ministry of Higher and Secondary Specialized Education). The Ministry of Labour also has its own network of training centres that provide skills development training courses for the unemployed.

Strengthening the quality and relevance of curriculum and pedagogy requires stronger reliance on evidence-based teacher policies, qualifications, and training. It also means improved financial planning in the education system, in part by introducing some elements of decentralized budget planning, to strengthen links between education policy, planning, and budgeting. This may involve the harmonization of data, methodologies, and processes used for costing and budgeting, responsibilities for which are currently fragmented across the four line ministries. The Ministry of Pre-school Education already has a strong strategic planning framework (until 2031); state finance for pre-school education is supplemented by private funding. Support is nonetheless needed in monitoring and evaluation, and in addressing teacher training needs. Establishing a solid and transparent education data management system can help increase the efficiency of teacher deployment and financial allocations. Such a system is also critical to adopting evidence-based policies and programmes, and in monitoring accountability for results across different education sub-sectors.

Issues of roles and responsibilities in education policy formulation are also blurred by ambiguities around the "education development" function, which indicate a lack of strategic approach to education policy and planning. This fragmentation combined with a very hierarchical system reduces financial efficiency and complicates monitoring and evaluation and data collection. The efficiency and flexibility of education spending (which absorbs about one-third of the GoU budget) is further limited by the fact that three quarters of these funds go to teacher's salaries. Despite this, no systems for performance evaluation or centralized and disaggregated data collection are in place, which prevents detailed analysis on access to education and efficiency. Very limited data on access to education for children with disabilities is one consequence of this state of affairs.

Until September 2017, formal education in Uzbekistan was 12 (9+3) years and free for all—a right inscribed in article 4 of the Constitution. Despite this, access to preschool and basic education for many children remains restricted—especially for children with disabilities, and for children in locales with inadequate physical school infrastructure. The new government has announced that formal and compulsory education in Uzbekistan will be offered for 11 years of schooling, which has started from September 2017 as a pilot.

Inadequate physical infrastructure also leads universities to restrict enrolments; the general enrolment rate in tertiary education in 2017 was only 9%, compared to 26% in Tajikistan, and 46% in Kyrgyzstan and Kazakhstan. Enrolment levels for public universities are controlled by admission quotas set annually by the Ministry of Economy, which allocates fewer than 60,000 seats annually for new undergraduate entrants. (This is around 12% of the relevant age cohort.) University enrolment pressures are exacerbated by the fact that higher education in Uzbekistan has limited private sector participation, with no fully private universities and only three private-public partnerships linked to foreign universities. In addition, women, and particularly rural women, have considerably lower university enrolment rates than do men.[39]

These physical infrastructure constraints reflect in part Uzbekistan's demographics, which are producing rapid growth in the numbers of young people in and graduating from the education system. Demographic trends also underscore the importance of addressing youth unemployment and measures to increase the employability of young people. This particularly concerns professional training, which involves many agencies in policy, regulation, and service delivery. Uzbekistan's general education curriculum needs to

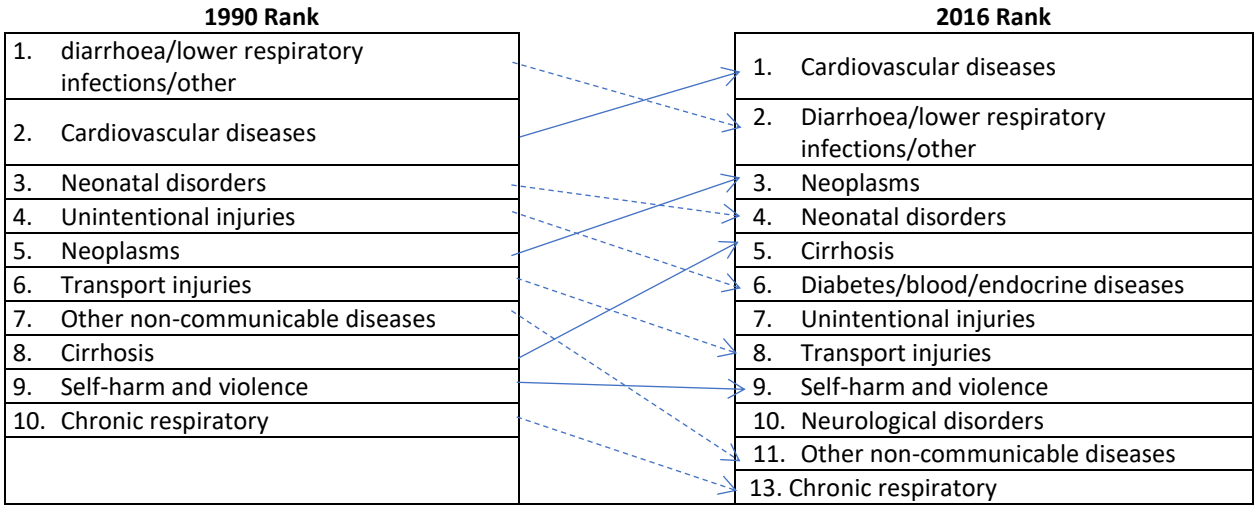
[39] Women's Committee (2014).

move from a knowledge-based system to competency-based system, to prepare students for life-long learning (SDG 4). Private sector partnerships could be an essential addition to the tertiary education landscape, where no private institution currently operates.

Health

Health and well-being are essential for development and stability and are a key GoU priority; they also contribute to virtually all the SDGs. Guaranteeing access to health services and nutrition is a critical social protection function. Health system reform in Uzbekistan has increased the emphasis on primary care, but the coordination of different levels of care is a major challenge and universal health coverage remains elusive. While a state-guaranteed health benefits package has been established, a number of essential services—including secondary and tertiary services and outpatient pharmaceuticals— have been left outside of the package for the majority of the population. As a result, medical expenses pose significant burdens for many households. The three most important causes of premature mortality are: (i) cardiovascular diseases; (ii) diarrhoea, lower respiratory infections and other common infectious diseases; and iii) cancer (Figure 4).

Figure 4—Leading causes of premature mortality in Uzbekistan (all ages) 1990, 2016 rankings



Source: http://vizhub.healthdata.org/gbd-compare/

As in other Central Asian countries, officially recorded infant mortality rates in Uzbekistan do not fully reflect actual trends, so that official statistics overestimate life expectancy. Survey-based estimates put life expectancy at birth in 2014 at 75.9 years for women and 72.1 years for men—on average about 3.8 years higher than estimated life expectancies in 1990, but significantly below European averages (fortunately, the trend is increasing). Estimated infant mortality stood at 21.4 per 1000 live births in 2014. Estimated maternal mortality (WHO/UNICEF/UNFPA estimates) in the same year stood at 36 per 100,000 live births. Although neonatal disorders (accounting for 6% of disability-adjusted life-years) have been declining since 2000, neonatal sepsis and encephalitis have been increasing, suggesting a need to improve neonatal care quality. Despite improvements in maternal and child health services, neonatal disorders are the fourth highest cause of premature mortality in the country. Further progress will require additional strengthening of the quality of maternal and child health care, as well as removal of key bottlenecks and barriers related to enabling environment, supply, demand and quality.

While the share of disability-adjusted life-years due to tuberculosis and HIV/AIDS has been declining since 2000, the prevalence of multi-drug resistant tuberculosis has been increasing rapidly and presents a serious challenge (SDG target 3.3). While immunization coverage against traditional vaccine-preventable diseases is high, some other communicable diseases (e.g., hepatitis A and rabies) are on the rise. And although HIV is still in a concentrated phase, the growth rate of new infections is close behind trends reported for Russia and Ukraine. Moreover, the sexual transmission of HIV has recently become predominant, underlining the importance of prevention and control measures in the general population.

The GoU (with grant support from the Global Fund against AIDS, Malaria, and Tuberculosis) is providing anti-retro-viral (ARV) treatment, but insufficient psychosocial support to children and adolescents are among the bottlenecks in ensuring access to this treatment. Work on HIV prevention and response in Uzbekistan remains challenging in many respects; HIV-related stigma and discrimination is still quite high. Greater efforts are likewise needed to take the tuberculosis programme towards the global "End TB" strategy and targets.

Non-communicable diseases are Uzbekistan's leading cause of death and sources of significant economic losses. WHO estimates that the high prevalence of cardiovascular diseases, cancer, diabetes, and chronic respiratory diseases gives Uzbekistanis a 31% chance of dying between the ages of 30 and 70. In addition to being a source of pain and suffering for the families, the economic costs of non-communicable diseases (in terms of treatment costs and lost productivity) were estimated at 4% of GDP in 2014 (as per SDG target 3.4). Of this amount, less than 20% was due to treatment costs; the rest reflected productivity losses and premature death. Thus, while the government spends 3.1% of GDP on health expenditures, Uzbekistan loses more than this in economic losses alone, because the health system is not adequately preventing and controlling the burden of non-communicable diseases.

An estimated 63% of premature mortality in Uzbekistan is attributable to behavioural risk factors which, if properly addressed, could potentially save an estimated 3.9 million life years. The single most important risk factor is high blood pressure, followed by dietary risks, high body-mass indexes, child and maternal malnutrition, and high total cholesterol. While addressing these risk factors could significantly improve health and wellbeing and reduce the associated economic costs, actions would need to go beyond the health sector—particularly in terms of promoting healthy lifestyles and disease prevention. Stronger tobacco control and nutritional policies that would ban trans fats and reduce salt and sugar consumption could be particularly important in this respect.

Uzbekistan's health system is at present not well equipped to handle the population's health needs in general and non-communicable diseases in particular. Particularly important challenges include:

- Many health facilities are in need of reorganization and rationalization; much of the infrastructure and equipment is outdated.
- The health workforce lacks modern education and training as well as up-to-date, evidence-based clinical protocols, thereby reducing the effectiveness of much of the care that is provided.
- The effective management of non-communicable diseases requires health professionals (e.g., dieticians, podiatrists, therapeutic health educators, diabetes nurses) who are not presently available in sufficient numbers in Uzbekistan.
- The absence of electronic patient records and clinical databases complicates the monitoring of patient treatment and outcomes.
- The availability and affordability of medicines pose major problems and contribute to high out-of-pocket payments—particularly for patients who fall outside the groups that are covered for outpatient medications.

Addressing these challenges will require both significant investments in virtually all aspects of the health system and major reforms in health care financing and the health service delivery system.

The current health care financing system is tax-based and covers approximately 53% of total health expenditures, with private out-of-pocket payments accounting for 44%. Evidence from the region indicates that this 53% share is insufficient to ensure access to quality health services, and that the burdens of inadequate access fall disproportionately on the poor and vulnerable. Without reform of the ways in which health care is financed, resources allocated, and health care workers paid, it will be impossible to achieve the desired improvements in health system performance. For example, inflexible "line-item" budgets discourage effective financial management, thereby delaying and reducing the effectiveness of those health services that are delivered.

Current quality assurance mechanisms, which emphasize compliance with clinical protocols without measurement of process or outcome quality indicators, work against better patient care. As health care workers risk job loss or criminal prosecution if they make a mistake, they are often reluctant to speak openly about the reasons for such outcomes, which limits opportunities for preventing such mistakes in the future. In addition to contributing to unnecessarily poor clinical outcomes, such practices may also threaten the success of health care reforms, which necessarily require a period of adapting to new ways of working and learning from mistakes. This underscores the need to establish a culture that recognizes that "to err is human", and that there can be no progress without mistakes or failures along the way.

Uzbekistan's health information system, which is exceptionally complex in its information and analytical dimensions, is likewise unable to meet the needs of health care providers, managers, and decision-makers. Urgent improvements are required, particularly in terms of stronger inter-agency coordination, the adoption of international standards concerning integration and interoperability, and training in death certification and reporting. Efforts to digitize the health information system have begun, but administrative data and patient records remain largely paper-based. Moreover, the types of the administrative and clinical data that are needed to increase efficiency and improve clinical outcomes are in many cases not available. As a result, the capacity to use data to inform policy and programme development, or to monitor and evaluate health system performance, is extremely limited.

Inadequate institutional capacity has undermined previous reform efforts and poses significant risks to the implementation of new reforms. Uzbekistan's Ministry of Health at present has about 100 staff. While this is a significant increase over the previous 66-person limit, a ministry with such minimal staffing (for a country of 32 million people) is unlikely to be able to design and implement the transformative changes needed to bring about better health outcomes. Moreover, the technical competences of current staff are unlikely to prepare them for the new roles and responsibilities that they will have as a result of the envisioned reforms—both at the central and (especially) sub-national levels. A District Health System Bottleneck Assessment (UNICEF, 2016) conducted in selected regions of Uzbekistan identified important barriers resulting from health managers' limited abilities to *inter alia* analyse data for decision-making, or design, implement, and monitor quality improvement plans, as well as limited knowledge and skills on equity-focused prioritization. Developing the capacity of the Ministry of Health as well as of regional and district governments is urgently needed.

The GoU is making significant progress in responding to these challenges. More than 100 health-related presidential decrees have been issued in the past 18 months. Funding for health services has increased significantly, and measures are being taken to improve access to and quality of medical services for mothers and children. Funds have also been allocated to strengthen infrastructure and equipment of health institutions.

The Ministry of Health is currently developing a long-term "Concept on the Fundamental Improvement of the Health System of the Republic of Uzbekistan 2019-2030". This health reform (which is being supported by ten working groups under a high-level intersectoral committee established by a May 2018 presidential decree) focuses on three national goals, which are closely linked to improvements in the quality of governance, both in general and in the health sector in particular:

- *Increasing life expectancy at birth,* by improving outcomes for diseases and conditions most likely to cause premature mortality and disability. Mechanisms for effective intersectoral collaboration, strengthening public health, and reform of health care delivery systems (to emphasize health promotion and disease prevention, early detection and other ways to improve management of non-communicable diseases) are key priorities. For the diseases that account for the largest share of preventable mortality and disability (e.g., cardiovascular diseases, cancer, and diabetes) clinical guidelines will be updated to reflect the latest evidence. In addition, a multisectoral non-communicable diseases action plan, a mental health action plan, and an infectious disease surveillance plan will be introduced.
- *Reforming health financing and organization*, to increase efficiency and improve access to health care, financial protection, and equity in financing. The driver of health financing reforms will be the introduction of a single-payer state health insurance organization that will act as a strategic health purchasing agency to procure the health services that will be defined by a new state-guaranteed benefits package. Government funds currently spent at different levels of the health system (district, regional, and national) will be pooled in the single-payer state health insurance organization, which will rely on state-of-the-art mechanisms to purchase health services from both autonomous public and private providers offering best value for money.
- *Enhancing the Ministry of Health's governance capacity*, via restructuring to better monitor and evaluate, to design and implement evidence-based strategies and programmes; develop new clinical governance and health information systems, as well as strengthening the education, training, and performance of the health workforce.

Recommendations

The confluence of Uzbekistan's demographic window of opportunity, economic growth, declining coverage in certain areas of the social protection system, socio-economic data gaps, governance reforms, and not-unlimited fiscal space argues for the design and implementation of a national social protection strategy. Such a strategy could be linked to the UN global Social Protection Floor Initiative—which takes a broad approach to social protection, integrating social assistance and insurance with health, education and other social and labour market services. The engagement of the Social Protection Floor initiative could help align Uzbekistan's social policy framework with the national SDG targets and indicators, as well as with Uzbekistan's emerging demographic, policy reform, and financing opportunities and constraints. It could also help to clarify the horizontal and vertical division of labour among GoU bodies and their development partners (e.g., the UNCT, bilateral donors, civil society organizations). A national social protection strategy could assign clear institutional leadership in social protection to a single agency—either as a standalone body or included into an existing ministry. This clarification of institutional responsibility at the central level could go hand in hand with the establishment of a local-level social work function, integrating social assistance and at least some social services.

For a long-term and sustainable development path, targeted social policies are needed to address human development and health challenges, aligned with the key principle of the SDGs' "to leave no one behind".

Against the backdrop of national and international lessons learned, this report recommends that the GoU considers:

National social protection strategy (with support from the UN Social Protection Floor Initiative):

23. Assigning clear institutional leadership in social protection, either to a standalone body or within an existing ministry. While social protection is implemented by many state agencies, there is no institutional lead charged with ensuring a coherent and comprehensive approach to social protection (*inter alia* by engaging in international forums on social protection);
24. Taking steps to assess and ensure the fiscal sustainability of the state pension system, without putting funding for other (youth-oriented) components of the social safety net at risk;
25. Expanding the coverage of flagship social assistance programmes. While Uzbekistan has a history of universal approaches to social assistance, coverage and financing for these programmes have recently fallen significantly. Expanding coverage of allowances for child care, families with children, and low-income families is essential to ensuring that no one is left behind—particularly in terms of women's access to the labour market; and
26. Further developing and professionalizing the social work function, including via its closer integration with social assistance and social services.

Quality education:

27. Improving the quality of education (particularly at the preschool and general secondary levels) by: (1) revising curricula to better reflect competency-based approaches, textbooks, and teaching methodologies; (2) reviewing standards and norms related to access, equity, and quality of education, especially as concerns instructional time and quality; (3) reforming student learning assessment, including via the establishment of national learning assessment and quality assurance systems; (4) implementing new teacher training programmes; (5) participating in large-scale international learning assessments (e.g., PISA examinations); and (6) developing a national qualification system with functional recognition mechanisms of prior learning, to improve the quality of professional education and lifelong learning; and
28. Increasing investments in education at the pre-school and post-secondary levels, where enrolment rates in Uzbekistan lag behind those reported in some neighbouring countries and enhancing the efficiency and effectiveness of investments in general secondary education. Such investments are needed in order to address gender disparities, reduce labour market supply/demand imbalances, and expand the human capital resources needed for deeper integration into knowledge-based global value chains.

Health system reform:

29. Enhancing the Ministry of Health's capacity to monitor and evaluate, design and implement evidence-based strategies and programmes, including through a master plan for hospital and health services development as well as a new clinical governance system and a comprehensive health information system;
30. Strengthening education, training, and performance in the health workforce;
31. Strengthening intersectoral collaboration and reforming the health care delivery system, in order to increase life expectancy at birth;

32. Establishing a multisectoral non-communicable diseases action plan, a mental health action plan, and an infectious disease surveillance plan; and
33. Reforming the state-guaranteed benefit package as well as health financing and organization to increase efficiency and improve access to health care, financial protection, and equity in financing.

Acceleration Area 3 - Towards Sustainable and Resilient Natural Resource Management

The sustainable management of Uzbekistan's natural capital—especially energy, water, and land resources—must underpin a national transition to sustainable development. This is important not only in terms of resource conservation and efficiency, but also for climate and disaster risk management, as well as for development prospects and poverty reduction in lagging rural areas.

The importance of sustainable natural resource management is also apparent in the "complexity analysis" of leading SDG targets shown in Annex I—particularly as concerns SDG targets 2.3 and 2.4 (on agricultural productivity and food production), 6.1. (safe water), 6.5 (integrated water resources management), 7.1, 7.2, and 7.3 (on access to sustainable energy, renewable energy technologies, and energy efficiency), and 9.1. (resilient infrastructure). Addressing these bottlenecks—or otherwise building on the networked potential for reform represented by these SDG targets—could play an important role in accelerating overall SDG progress in Uzbekistan.

Rural and area-based development

Rural and area-based development are key GoU priorities. Many of Uzbekistan's rural areas face important environmental, socio-economic and demographic challenges—particularly as concerns climate change, increased health risks, few decent job opportunities, poor infrastructure, and inadequate access to basic services. These challenges are particularly stark in the disaster-affected Aral Sea basin, where some 77% of irrigated lands are classified as infertile and 55% have high salinization levels. More than 60% of the population and 75% of the most vulnerable population groups live in rural areas and rely heavily on incomes that are earned in the informal sector (UNDP, 2015). (Informal labour arrangements mainly take the form of self-employment or workers employed in short-term, casual and seasonal jobs without formal contracts.) Cotton production, ineffective irrigation systems, and livestock herds are producing serious ecological problems in many rural areas. For these reasons, the third pillar of the national Action Strategy prioritizes rural development, with a special focus on:

- deepening structural reforms, to raise agricultural productivity, strengthen food security, and expand clean production technologies, *inter alia* to increase agro-food exports;
- reducing the share of irrigated lands devoted to cotton production, and increasing the production of vegetables and other foodstuffs;
- constructing new and renovating old food processing enterprises;
- the construction of additional infrastructure for the storage, transport, and supply of agro-food products, as well as of financial, research, and market services;
- further improvements in the irrigation infrastructure, *inter alia* via the accelerated introduction of water saving technologies; and
- mitigating the negative consequences of the Aral Sea's desiccation for local agricultural development and improved livelihoods.

Sustainable water resources management

Sustainable water resources management in Uzbekistan faces two key challenges**.** First, some 80% of Uzbekistan's water resources come from neighbouring countries. This underscores the importance of

regional cooperation for sustainable water resources management, in Central Asia more generally as well as in Uzbekistan.

Second, the country is experiencing significant water shortages, which could easily worsen with population growth, increasing aridity due to anticipated climate change, and continued reliance on irrigated agriculture. The extent of these pressures is apparent in the declines in annual per-capita water intake from 3048 to 1589 cubic metres during 1991-2017.[40] This is despite the fact that large shares of the rural population rely on irrigated farmland for agricultural production, both for subsistence and for sale.

Legacies from, and the continuation of, Soviet-era water management practices contribute to these problems. Large farms, which occupy about three fifths of Uzbekistan's irrigated land, are subject to state production orders (prioritized output targets) for cotton and wheat, and often receive subsidized inputs (in addition to water) to meet these targets. These practices strengthen incentives to use production methods that are inconsistent with sustainable long-term water and land resource management. Moreover, many of the larger Soviet-era (formerly collective and state) farms were dissolved during the 1990s, leaving the small household farms that resulted to jointly manage "their" portions of the country's water infrastructure. Collective action problems and inadequate central finance resulted in the decapitalization of this infrastructure. If current water intensity levels in agricultural production continue, water shortages will threaten not only the further growth of farm production, but also plans to develop and diversify industrial production. Water shortages could also result in water rationing for households.

Whereas many state-of-the-art horticultural practices (e.g., advanced drip irrigation systems) have been introduced in Uzbekistan, most farmers continue to use outdated land cultivation and irrigation practices. Irrigation today is generally managed as it was done a thousand years ago—crops are watered by directing water into soil furrows. In addition to causing 80-90% water losses, this water use pattern causes secondary salinization and water logging that reduce soil quality and productivity.

Climate change is further exacerbating these problems, as drought years are now recorded three years out of ten. Farmers in drought years do not adopt vegetation cover conservation techniques, due to lack of water; soil is further degraded and lost to wind and water erosion; leading to further declines in yields. A 0.29^0C increase in annual average temperatures has been reported for the 1951-2008 period,[41] with minimum temperatures rising more than maximum temperatures. Gradual increases in the intensity and frequency of events such as droughts, mudflows, and sand storms (which may be seen as evidence of growing variability around average temperature and precipitation levels) have also been noted and are likely to intensify as the Aral Sea crisis unfolds.

The growing aridity projected for the Aral Sea basin in most climate change scenarios seems poised to aggravate many of Uzbekistan's water management problems. Water runoff is generally projected to decline due to both glacial melting and changing rainfall patterns. Small watercourses and the Amu-Darya river basin seem particularly vulnerable to both longer-term reductions and increased short-term variation in runoff, resulting in earlier spring floods and less run-off during the growing season. Compensating increases in groundwater consumption could deepen problems of secondary salinisation, land degradation, and reduced crop yields.[42] Under pessimistic scenarios, Uzbekistan's total water deficit could rise from three billion cubic metres in 2015 to 11-13 billion cubic metres in 2050.[43] The World Resources Institute, therefore, projects Uzbekistan to be among the world's 33 most water-stressed

[40] Stat.uz.
[41] Government of Uzbekistan (2008). The Second National Communication of the Republic of Uzbekistan to the UNFCCC: p. 205.
[42] Second National Communication of the Republic of Uzbekistan to the UNFCCC, 2008.
[43] Centre of Hydrometeorological Service at Ministry of Emergency Situations of the Republic of Uzbekistan.

countries by 2040. By 2050, cotton and wheat yields are projected to decrease by 11-13% and 5-7%, respectively, in the Syr-Darya basin; and by 13-23% and 10-14%, respectively, in the Amu-Darya basin.[44] Such declines could have major implications both for food security and the balance of payments—further underscoring the need to shift to more sustainable water- and crop-management practices.

National water resource planning and management is coordinated by the Ministry of Water Resources, by the country's ten basin irrigation system administrations, and by 1510 water users' associations at the local farm level. Water management decisions are based on annual operational plans that are often designed without the support of longer-term vision. Water infrastructure maintenance is financed from the state budget, and while there have been large investments in the water sector during past decades (including with loan financing from international financial institutions), these have not always been coupled with long-term improvements in water planning and use.

While experts acknowledge that the country's water pressures are likely to be further aggravated by climate change, water users are not necessarily familiar with climate risks. This is due in part to the absence of a comprehensive early warning system to guide water allocation and crop and pasture planning and management. Despite the strong capacity of the State Meteorological Service, high resolution, tailored forecast products are not readily available to potential users—ministries, local authorities, and especially farmers. More generally, the water sector is in dire need of more and better capacity development mechanisms. Training of water managers and specialists does not receive adequate financial support; there is no reliable information on the number, content, and duration of water management trainings; and training materials and methodologies too often contradict each other in terms of contents and concepts.

In short, Uzbekistan's water sector has been better at investing in infrastructure than in institutional and human capacity for sustainable water management. This could pose critical threats for rural households engaged in subsistence agriculture, who are less likely to be prioritized than large-scale commercial farms (especially cotton and wheat growers) as access to water tightens. Unsustainable water management practices could, therefore, mean additional socio-economic challenges for those most at risk of "being left behind". Improvements in the quality of governance once again emerge as key to the integrated development approaches that are needed to reduce rural/urban disparities while also sustainably managing Uzbekistan's natural resources.

Sustainable land management

Uzbekistan is an arid country - 70% of its land area is classified as arid or semi-arid[45] - and is therefore very vulnerable to land degradation and desertification, particularly when aggravated by climate change. The most acute land management problems include soil salinity, erosion, and deforestation—all of which reduce agricultural (and pastoral) yields. Moreover, large shares of the rural population rely on irrigated land for commercial and subsistence agriculture. Land degradation and population growth reduced per-capita irrigated land available from 0.310 to 0.146 hectares during 1960-2013. If current trends continue, Uzbekistan's irrigated land area will decline by 20-25% over the next 30 years. Desertification and biodiversity loss have been particularly severe in the Aral Sea region, the Ustyurt plateau, and in the Kyzylkum desert and foothill regions. Uzbekistan loses over $1 billion annually due to salinization and other forms of land degradation. Close to 50% of Uzbekistan's irrigated farmland is salinized, to various degrees. Declining access to irrigated lands has contributed to reductions in income-generating opportunities and to large labour out-migration from rural areas. Moreover, state support during the past

[44] Second National Communication of the Republic of Uzbekistan to the UNFCCC, 2008.
[45] National report on the state of land resources of the Republic of Uzbekistan, Tashkent (2017).

20 years for maintaining or improving the use of non-irrigated arid lands (such as extensive pasture or forestry) has been limited. The continuation of current trends implies that irrigated land area could decline by 20-25% over the next 30 years.

Due to unclear land tenure rights and legislation, and corruption, pasture lands in Uzbekistan are not properly assigned, guarded, and used. Pastures are used by whomever has administrative rights to them, or are simply used illegally, without payment for pasture services. Continuing population growth and rural households' propensity to invest their savings in livestock (rather than in banks) have aggravated the impact of these problems. Overgrazing also destroys vegetation cover, making lands prone to water and wind erosion and further deepening land degradation. Similar vegetation cover threats are associated with rural household reliance on firewood for cooking and heating. Much of this wood is taken from public forestry resources and is not followed by replanting/reforestation activities; larger-scale logging activities can make vegetation cover regeneration almost impossible.

Sustainable forestry management

A modern, evidence-based national forestry resources inventory has never been established in Uzbekistan. The last such inventory was conducted during Soviet times (1987-1988), when forestry metrics were based largely on ocular and subjective assessments, and spatial coverage was restricted to lands managed by the State Forest Fund. A review of Uzbekistan's forestry resources reveals the following:

- Approximately 20% of the country's land (9 million hectares) is classified as State Forest Fund land and is mostly managed by state forestry agencies. But the share of these lands covered with forests may be as small as one third. While other (non-Forest Fund) lands may contain significant forested areas, they are not managed according to forestry objectives, and data/information on these forestry resources are not available.
- More up-to-date estimates suggest that Uzbekistan's total forested area (according to standard international definitions) is much smaller (450.2 ± 81.8 thousand hectares, or about 1% of Uzbekistan's total land area) than previously estimated.
- By contrast, other wooded lands are much larger than previously thought (9230.4 ± 257.8 thousand hectares, or about 21% of Uzbekistan's total land area). But these lands typically display bushland physiognomy and are mainly found in the western steppes and Kyzylkum desert. While the density of the forestry resources (biomass, carbon stock, etc.) represented by these woods is rather low, their overall importance is much higher because of their very large total area and many protective, ecological, and socio-economic functions.
- Significant shares of forest and bushlands suffer from overgrazing, which can make their natural regeneration next to impossible. This is particularly the case in mountainous areas, where trees need many years to regenerate but provide important biodiversity and soil erosion protection. Forestry enterprises generate significant shares of their revenues from grazing leases; weak awareness of the long-term impacts of grazing is an important concern.[46]
- Considerable investments into afforestation have been made, for example, in Karakalpakstan, to address the impact of the Aral Sea's desiccation. (These have been aimed at sand stabilization, reducing the impact of the storms that deposit seabed salt onto arable land, improving/expanding pasture lands, and protecting/improving rural livelihoods.) However, there is evidence that some of

[46] Despite the importance of the agricultural sector, Uzbekistan does not provide systematic extension services to its over 100,000 agricultural and pastoral farms; and those extension services that do exist tend to favour larger farmers. Moreover, the extension services that are offered do not always reflect climate risk management perspectives.

these investments have been unsuccessful, due both to the technical challenges they face and to sometimes inadequate institutional capacities of the local forestry units engaged in these activities. National afforestation data may not reflect the share of areas where afforestation has failed.

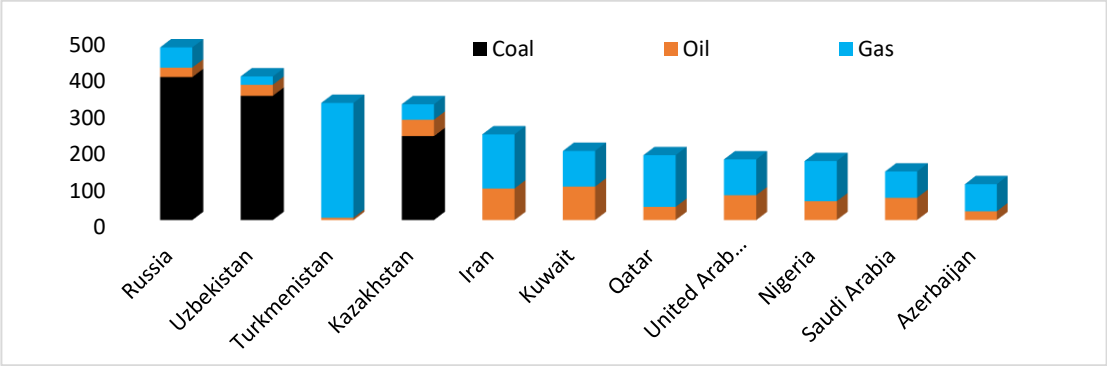
Climate change mitigation, energy efficiency and renewables

World Bank data indicate that Uzbekistan is one of the world's most carbon-intensive economies,[47] with electricity generation, heat supply and buildings being particular important sources of energy losses. Buildings (mainly residential) are responsible for half of all energy-related greenhouse gas emissions (approximately 80 million tonnes of CO_2 equivalent emissions annually).[48] Due to anticipated population and economic growth rates, residential energy consumption and greenhouse gas emissions are projected to rise by 30% by 2050. Continued investment in inefficient housing can lock Uzbekistan into a high emissions trajectory for the foreseeable future.

Uzbekistan is also a net exporter of energy; the country produces an estimated 120% of its energy needs. When assessed in terms of proven reserves, Uzbekistan compares very favourably (in national energy security terms)—data in the latest *BP Statistical Review of World Energy* indicate that Uzbekistan has some 400 years' worth of proven of hydrocarbon reserves (Figure 5).[49]

However, Uzbekistan's energy bounty comes with two important caveats. First, irrespective of proven reserves, gas and electricity shortages are present (particularly for households), which reduce living standards and cause health and social problems, especially in rural regions and during the winter. A number of factors—including the prioritization of industrial production and gas exports (rather than the social sector and household needs), spatial mismatches between power generation plants and electricity demand, and weak incentives for energy conservation (domestic energy tariffs are generally set below cost-recovery levels)—contribute to these shortages. Second, power and gas shortages have supported increases in the role of coal in Uzbekistan's national energy balance, which further contribute to greenhouse gas emissions and other forms of air pollution. Although Uzbekistan is a net exporter of oil and gas, most of the country's hydrocarbon reserves are actually in coal (Figure 5).

Figure 5—Years of proven hydrocarbon reserves



Source: <<BP Statistical Review of World Energy, 2018>>. Data are for total proven energy reserves divided by annual energy production (per type of energy), as of 2017.

[47] Uzbekistan's carbon intensity is 0.64 kg of Co2 equivalent emissions per 2011 PPP $ of GDP. Source: World Bank (https://data.worldbank.org)

[48] Inventory of anthropogenic sources and sinks of greenhouse gases in Uzbekistan 1990-2012. National Report. Tashkent: 2016.

[49] Defined as total proven energy reserves divided by annual energy production, per type of energy. While national assessments provide different estimates, the BP data are cited here, for international comparability reasons. Both national and international data indicate that Uzbekistan's proven coal reserves are significant and exceed its oil and gas reserves.

Overall, consumers—households, companies, public offices—do not have strong incentives to invest in energy efficiency. This is matched by a continuing lack of knowledge/skills in relevant GoU agencies, energy supply organizations, and utilities—which often reflects gaps in professional education, as well as in access to reliable statistics on energy generation and consumption. There is a risk that, in the absence of policies to encourage energy efficiency and decarbonization, Uzbekistan by 2030 will find itself facing sharp reductions in oil and gas production (and exports) and will be increasingly reliant on coal for heat domestic and power—with all its attendant health and climate risks.

Increasing energy efficiency and use of renewable energy are top GoU priorities. The national Action Strategy 2017-2021 calls for:

- reducing energy consumption and resource intensity in the economy;
- the widespread introduction of energy-saving technologies;
- increasing the share of renewables in the national energy balance, in order to improve living and housing conditions;
- the introduction of feed-in and other flexible energy tariffs;[50]
- the gradual establishment of energy tariffs at cost-recovery levels—accompanied (as needed) by expanded social protection for vulnerable households; and
- the introduction of new building codes and standards, to accelerate the introduction of energy saving and renewable energy technologies.

In addition, the "National Energy Saving Company" was established in 2017, in order to expedite the supply of goods and services needed for energy-efficient solutions to household, commercial, and public-sector construction and design activities.[51]

Uzbekistan's intended nationally determined contribution to climate change mitigation (as per the 2015 Paris climate change accords, which the GoU signed in April 2017) envisions reductions in GDP carbon intensity by 10% by 2030 (relative to 2010 levels). To achieve this target, the GoU's Low Emissions Development Strategy prioritizes decarbonization in electricity generation, heat supply, and buildings.

A well-functioning public transport system is the backbone of integrated economic, social, and environmental policies in urban areas. While the technical quality of the fleet of transport vehicles in Uzbekistan is relatively good, public transport management in many cities faces important questions. Meanwhile the private auto fleet is expanding rapidly, and while domestically produced cars are more energy-efficient than the highly polluting used cars that dominate in some neighbouring countries, petrol and oil product consumption and imports continue to increase. While the conversion of cars to natural gas is on-going, it is not clear how quickly or extensively this process can be implemented—particularly in light of other, growing demands on Uzbekistan's gas reserves.

Climate change adaptation and disaster risk management

Nearly 10 million Uzbekistani citizens live in areas prone to natural hydro-meteorological disasters (droughts, mudflows, landslides, floods, avalanches, frosts, dust storms, heat waves). The associated risks are in many cases aggravated by climate change, in the form of increased intensity of rainfall, temperatures, and aridity. In 2016, 67 hydro-meteorological emergencies were recorded, affecting some 8 million people (26% of the population) and causing an estimated $2.2 million in direct economic damages. Despite the investment of additional financial resources, activities by sector ministries and local

[50] https://www.uzdaily.com/articles-id-41551.htm
[51] https://www.uzdaily.com/articles-id-40552.htm

governments, and the absence of a comprehensive database on previous accidents, disaster losses and their consequences in Uzbekistan do not seem to be decreasing.[52]

Uzbekistan's second and third National Communications to the UN Framework Convention on Climate Change (UNFCCC) state that climate change is likely to further reduce the availability of agricultural land and crop yields' increases in national and household food insecurity could result. Moreover, many of Uzbekistan's poorest households live in the most arid parts of the country and rely on subsistence agriculture for their livelihoods—and are therefore most vulnerable to unfavourable climate trends. All this makes the introduction of climate risk adaptation and management measures particularly urgent. However, awareness and knowledge of climate-resilient solutions are limited—especially in rural areas. The lack of reliable statistics on damage and losses associated with extreme weather events and climate risk management also poses challenges.

Uzbekistan is a signatory to Sendai framework (2015-2030) and the GoU is designing a national disaster risk reduction strategy (with UN support) for its implementation. In general, however, Uzbekistan has placed greater emphasis on emergency preparedness and prevention than on building disaster resilience, or on post-emergency response and recovery. Although national partners claim that the emergency response proved effective during the 2010 refugee crisis and in the aftermath of the 2011 earthquake, the GoU's capacity in this area has yet to be tested in a major humanitarian/crisis situation. Concerns include a lack of practical implementation of disaster risk reduction strategies; the absence of effective early warning systems at community and other levels; insufficient capacity to monitor and prevent natural hazards; a need for more effective disaster risk reduction legal frameworks; insufficient disaster risk management planning and funding; the absence of grassroots level drills; weak communication and cooperation at national and regional levels; and non-functioning cross-border arrangements.[53]

Stronger community and institutional resilience is also needed, especially in terms of disaster risk reduction knowledge, in areas such as best global practices for community-based or school-level preparedness, as well as in sharing best practices from other countries. While all schools should have emergency plans and conduct drills, the extent to which these actually occur is unclear.

Recommendations

The extension of the national Action Strategy's emphasis on market reforms and strengthening property rights to the management Uzbekistan's natural capital could play a significant role in making natural resource management more sustainable. The creation and enforcement of new user rights with respect to grazing, forest management and biodiversity conservation, and the raising of energy and water tariffs towards cost recovery levels, can help align private and social costs and strengthen incentives for investments in resource conservation and modernization. Such policies would need to be supported by appropriate social protection initiatives to ensure that vulnerable households are protected from reductions in real incomes that may result from these measures.

Against this background and the strong emphasis placed by stakeholders met during the MAPS mission on natural resources management, this report recommends that the GoU, supported by development partners, fosters engagement in the following key areas and consider:

[52] UNICEF and UNISDR, *Children and Disasters: Building Resilience through Education* (2011).
[53] United Nations System in Uzbekistan, *Common Country Assessment*, 2015 (pp. 122-123).

Resilience in the Agriculture Sector

34. Adopting and implementing legislation to promote the sustainable management of pastures, forestry resources, and recyclable wastes by reconciling these goals with local communities' income-generation needs;
35. Investing further in the institutional capacities of agricultural extension offices, relevant universities and other agricultural training institutions, particularly as concerns climate and disaster risk management;
36. Investing in the institutional capacities of water user associations and small businesses involved in water measurement and water-saving technologies (e.g., drip irrigation, improved furrow watering);
37. Revising state support systems, removing barriers and expanding financial and extension service support to access to finance for small and medium-sized farmers (ensuring equity for women, migrant households), to (1) facilitate the establishment of new businesses, which can in turn (on a cost-sharing basis) provide community access to food, basic services, and employment; and (2) finance small investments in resource-efficient/climate adaptation technologies, energy-efficient greenhouse development (e.g., with insulation and drip irrigation); and
38. Reviewing the state procurement system in agriculture to strengthen market-based incentives for resource conservation, both in the pricing of current inputs and outputs, and in investment projects.

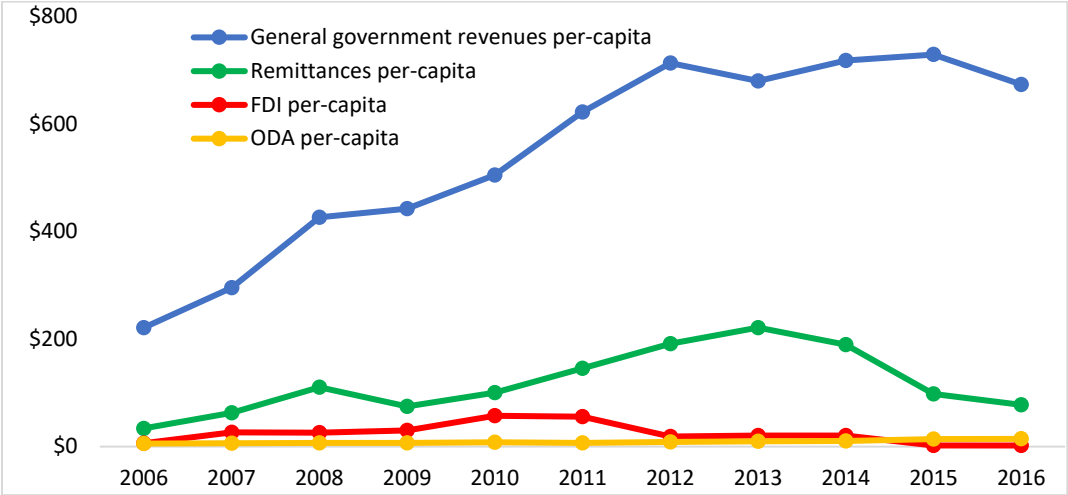
Capacity Building for Resilient Natural Resources Management

39. Expanding the use of commonly accepted international tools to measure natural capital, *inter alia* to conduct a forestry resources survey and to invest further in reforestation/afforestation, sand stabilization, and pasture improvement in areas threatened by desertification, particularly in Karakalpakstan;
40. Implementing long-term (i.e., to 2030) national energy and water strategies, with a focus on (1) the energy/water linkages; (2) investments for institutional as well as productive capacity development; and (3) water and energy conservation and efficiency as well as renewable energy technologies;
41. Supporting the broader dissemination and use of climate and meteorological data and information via early warning systems, to enhance preparedness for and resilience to extreme events, among nature conservation agencies, local authorities, and civil society organizations, as well as central government agencies; and
42. Ensuring that all infrastructure/investment projects undergo climate- and disaster-risk screenings.

Financing the SDGs in Uzbekistan

The Addis Ababa Action Agenda for global development finance emphasizes that, for middle-income countries, official development assistance (ODA) can at best serve to galvanize other, larger financial flows (both international and domestic) on behalf of SDG achievement. This would seem to be the case in Uzbekistan, where net ODA inflows have been quite small relative to remittances and foreign direct investment (FDI), and especially compared to government budget revenues (Figure 6).

Figure 6—Possible sources of development finance in Uzbekistan (2006-2016)



UNDP calculations, based on World Bank and IMF data. All figures are for annual flows in current dollars.

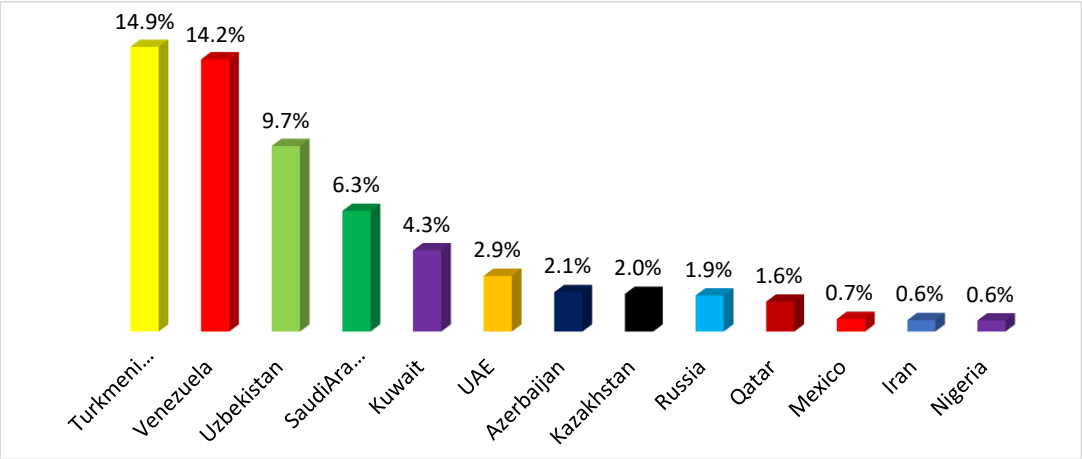
Moreover, IMF data indicate that Uzbekistan during 2000-2017 averaged surpluses on its balance-of-payments current account to the tune of 4% of GDP—making Uzbekistan a net provider (rather than recipient) of international capital flows. These surpluses (many of which were captured by the country's fiscal accounts) made possible the accumulation of billions of dollars in the national Fund for Reconstruction and Development. Combined with the fact that the country's large financial institutions are state-owned (which seems unlikely to change in the near future), Uzbekistan's external and fiscal positions further underscore the importance of domestic public finance for SDG achievement.

Two specific domestic public finance sources are referenced in the SDGs. SDG target 16.4 calls on UN Member States to "significantly reduce illicit financial . . . flows, [and] strengthen the recovery and return of stolen assets"; Tier III indicator 16.4.1 calls for monitoring of the "total value of inward and outward illicit financial flows". SDG target 12.c calls on Member States to "rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions . . . including by restructuring taxation and phasing out those harmful subsidies, where they exist"; Tier III indicator 12.c.1 calls for the monitoring of "fossil-fuel subsidies per unit of GDP (production and consumption)". Budget funds freed up by reductions in these subsidies can be redeployed to finance sustainable development in other areas.

Internationally comparable time-series estimates of fossil-fuel subsidies have been developed by the International Energy Agency (IEA), IMF, and others—typically in the form of estimated shares of GDP devoted to energy subsides since 2013. The IEA figures (for 2014-2016) suggest that that these subsidies were quite large in Uzbekistan (Figure 7)—well above the estimates for many similar economies (for the years in question).[54] Reductions in their size could both save budget money and help to strengthen market-based incentives for decarbonization. Indeed, Uzbekistan's post-2016 market reforms would seem to have already moved energy policies in this direction: IEA data show the ratio of fossil-fuel subsidies to GDP falling during 2014-2016; and further efforts to bring utility tariffs closer to cost-recovery levels have been made since then.

[54] The IMF data (which are available for 2013 and 2015) generally show larger estimated fossil fuel subsidies, both for Uzbekistan and for other countries. This may be because the IMF data include estimates of quasi-fiscal losses due to electricity tariffs set below cost-recovery levels, or due to collection losses; and because world energy prices/production costs were higher in 2013 and 2015 than they were during 2014-2016.

Figure 7—Estimated fossil-fuel subsidies (relative to GDP, 2014-2016 annual averages)



UNDP calculations, based on International Energy Agency, IMF data.

Higher tariffs can help encourage energy conservation and renewable energy technologies, but they can also depress real incomes in vulnerable households. And they can encourage increased reliance on coal, biomass, and other off-grid solutions for winter heating, which can have negative implications for the management of land, water, and forestry resources, as well as for public health. These factors place a premium on protecting these households from the unintended side effects of higher tariffs. Better (energy) poverty metrics (*inter alia* via more reliable measures of the share of low-income household budgets devoted to energy, as well as on the types of energy used by these households) could be particularly important in this respect. The possible introduction/expansion of "block" or "lifeline" tariffs, to ensure that basic energy supplies are available at affordable prices for low-income households, could also be considered. These questions—which have important economic, social, and environmental policy dimensions and therefore require integrated approaches—could be taken up under efforts to improve Uzbekistan's national social protection framework.

Internationally comparable time-series estimates of illicit financial flows have not yet been calculated for Uzbekistan,[55] due to the absence of publicly available data in sufficient detail. Nevertheless, reducing or facilitating the return of illicit financial flows is of relevance for Uzbekistan, and the GoU is taking measures to address this challenge—recently confirming that Uzbekistan's General Prosecutor's office will serve as the secretariat of the newly established Asset Recovery Inter-Agency Network for Western and Central Asia. Moreover, press reports indicate that over $1 billion (2% of GDP) may have been illegally spirited out of the country during the first two decades of independence; the GoU is currently in negotiations with governments and banks in a number of OECD countries concerning the return of these funds. As well as underscoring the importance of successful governance and anti-corruption reforms, these developments highlight the potential utility of global SDG indicator 16.4.1 (which calls for monitoring of the "total value of inward and outward illicit financial flows") in finance for development metrics. They also underscore the importance of using best international practices in managing the return and utilization of illicit

[55] While an internationally comparable global data base of estimated illicit financial flows for the 2005-2014 period has been developed by Global Financial Integrity, this data base does not contain estimates for Uzbekistan.

financial outflows—particularly as concerns engaging civil society and ensuring transparency among the various parties involved.[56]

While not always considered to be a form of development finance, remittances have assumed important dimensions in Uzbekistan (as in other Central Asian countries). They can also be blended with ODA and public budget funds to magnify their development impact.[57] However, while World Bank data placed Uzbekistan's annual remittance inflows at $6.7 billion (nearly 12% of GDP) in 2013, by 2016 these had dropped to some $2.5 billion (less than 4% of GDP), due to economic slowdowns and depreciating currencies in Russia and Kazakhstan (the chief destination countries for Uzbekistani labour migrants, and which also feature large and growing Uzbekistani diasporas). Despite these declines, remittance inflows in Uzbekistan continue to significantly exceed ODA and FDI (Figure 6). International evidence indicates that large shares of remittances go to households that are in or are vulnerable to poverty; this could easily be the case in Uzbekistan as well.

More broadly, the economic and governance reforms now being pursued in Uzbekistan are critically important also for SDG financing. In addition to raising Uzbekistan's profile in the eyes of international investors and development partners, improvements in the business and investment environments could significantly increase private investment inflows (both FDI and other forms of finance) into the country. Such inflows can play critical roles in boosting Uzbekistan's international competitiveness and strengthening growth prospects. Governance reforms can also be expected to improve public finance management—freeing up additional fiscal resources and making it easier to align state budget spending with development programming and SDG reporting.

Uzbekistan differs from many middle-income countries in that—should it choose to do so—it could significantly increase foreign capital inflows. This is apparent in Uzbekistan's perennial current-account surpluses, coupled with the absence of significant foreign debt. The accumulation and maintenance of this strong external position has until now been a GoU policy priority—and in light of Uzbekistan's relative successes in avoiding macroeconomic instability precipitated by variable capital flows, many policy makers in Tashkent believe this priority has served the country well. While such views may be difficult to gainsay, they do tend to preclude significant increases in external finance for sustainable development.

In addition to these macro-financial issues and major public finance reforms, sustainable development finance in Uzbekistan could benefit from advances in project finance. While not unrelated to overall efforts to strengthen public finance, project cycle management, and evidence-based policy-making, the modernization of project finance in Uzbekistan could focus in particular on such issues as:

- Modernizing the legal framework for public-private partnerships (PPPs), in order to increase the efficiency of investments in connectivity and social infrastructure (the GoU is currently drafting framework PPP legislation and designing a roadmap on PPP development);
- Supporting training and other forms of institutional development for commercial and civil society actors in the design of bankable projects—including in the area of corporate social responsibility; and
- Ensuring that efforts to reform and modernize Uzbekistan's financial system also include support for impact investing and social entrepreneurship.

In order to develop a more comprehensive overview of these finance for development issues in Uzbekistan, the GoU and its development partners may wish to consider drafting a development finance assessment. Introduced in some 35 developing countries (including Tajikistan and Mongolia) to date. Development finance assessments can help governments and development partners to: (i) identify,

[56] For an example of the concrete issues associated with the return of illicit financial outflows in Central Asia, see Lasslett, K. and T. Mayne, *A Case of Irresponsible Return? The Swiss-Kazakhstan $48.8 Million*.

[57] For more on this, see *Labour Migration, Remittances, and Human Development in Central Asia*, especially pp. 58-59.

quantify, and forecast the magnitudes of different development finance flows (private/public, international/ domestic, FDI/remittances, etc.); and (ii) improve their management of these flows, *inter alia* by blending them and promoting their transparent management.

Against this overall background and the specific context of Uzbekistan, the MAPS mission's initial recommendations for GoU consideration include:

43. Working to improve the transparency of trade, fiscal, and balance-of-payments data, to support more transparent estimation and monitoring of possibly illicit financial flows;
44. Working with the OECD-UNDP Tax Inspectors Without Borders project, to strengthen institutional capacity for reducing tax evasion and related illicit financial flows;
45. Participate in international initiatives to reduce fossil fuel subsidies while simultaneously exploring measures (e.g., block/lifeline tariffs, reform of social assistance instruments) to limit unintended side effects of higher tariffs on vulnerable households;
46. Integrating measures to expand impact investment and social entrepreneurship into on-going financial-sector reform initiatives;
47. Conducting a development finance assessment for key areas such as climate financing or social policy reforms;
48. Establishing Government-led development partner coordination mechanisms, at both strategic and sectoral levels, to strengthen coherence and impact in ODA management, and operationalise the aid information database, to allow effective tracking and transparency on aid flows; and
49. Promoting the alignment of both GoU and multilateral/bilateral financing (including budget support loans) to agreed national SDG priorities.
50. Prioritize, with the support of development partners, institutional development to help modernize the legal and regulatory frameworks for public-private partnerships, and to help commercial and civil society actors to better design and implement bankable projects.

Annex I — SDG Complexity Analysis

The 2030 Agenda and the 17 SDGs, with their mutually inter-linked 169 targets and 230-plus indicators, are a much more complex development agenda than the Millennium Development Goals that preceded them. Their complexity and inter-linkages imply that the SDGs can be seen as a network—reflecting the fact that progress along a given target may also influence progress under other goals, in addition to the one to which the target is subordinated. They also imply that some development priorities that are not clearly associated with the global goals (e.g., the green economy, or more effective migration management) may also be addressed by the inter-linkages within the SDGs and their targets. Network analysis can help to identify these important themes, as well as inter-linkages among the SDGs.

In such a networked context, the pursuit of coherent policies and strategies requires a systematic analysis of these inter-linkages. This includes but goes beyond simple synergies and trade-offs; knowledge of how interventions in one sector may affect another is also needed. Nilsson *et al* have developed a conceptual framework (Table 1) for managing this complexity (and aligning it to national priorities) by organizing evidence about inter-SDG linkages along a seven-point scale. This framework could help policymakers and researchers to identify and test development pathways that minimize negative network interactions and enhance positive ones—including in Uzbekistan.

Table 1—Types and scale of interactions between SDGs

Interaction	Type	Explanation	Example(s)
+3	Indivisible	Inextricably linked to the achievement of another goal.	Ending all forms of discrimination against women and girls is indivisible from ensuring women's full and effective participation and equal opportunities for leadership.
+2	Reinforcing	Aids the achievement of another goal.	Providing access to electricity reinforces water-pumping and irrigation systems. Strengthening the capacity to adapt to climate-related hazards reduces losses caused by disasters.
+1	Enabling	Creates conditions that further another goal.	Providing access to electricity in rural homes enables education, because it provides the lighting needed to do homework at night.
0	Consistent	No significant positive or negative interactions.	Ensuring education for all does not interact significantly with infrastructure development or conservation of ocean ecosystems.
-1	Constraining	Limits options on another goal.	Reducing climate change can constrain the options for energy access.
-2	Counteracting	Clashes with another goal.	Boosting consumption for economic growth purposes can work at cross purposes with waste reduction or climate change mitigation.
-3	Cancelling	Makes it impossible to reach another goal.	Full protection of natural reserves precludes public access for recreation.

Example:

In many countries, ending hunger (SDG 2) interacts synergistically with several other goals, including poverty eradication (SDG 1), health and well-being (SDG 3), and life-long learning (SDG 4). The "indivisibility" of ending hunger and reducing poverty is recognized by assigning a score of +3 to this linkage. Tackling malnourishment "reinforces" (+2) educational efforts (SDG 4), because children who are not hungry perform better in school. (Likewise, not addressing food security "counteracts" (-2) education, as children may be kept out of school in order to earn income or grow/gather food.) Food production interacts with climate-change mitigation in several ways, *inter alia* because agriculture is responsible for 20–35% of total anthropogenic greenhouse-gas emissions (SDG 13). Climate mitigation "constrains" (-1)

some types of food production (SDG 2), particularly concerning meat production (e.g., methane release from livestock contribute nearly 40% of global agricultural emissions). By contrast, food security is "reinforced" (+2) by a stable climate (SDG 13). Securing food from fisheries (SDG 2) is also "reinforced" by climate-change mitigation, because that limits ocean warming and acidification (SDG 14). Finally, promoting food production (SDG 2) can also "constrain" (-1) renewable-energy production (SDG 7) and biodiversity conservation (goal 15) by competing for water and land.

Acceleration entry points? Acceleration possibilities can be identified by combining complexity analysis with the SDG dashboard presented above, in a two-step process:

1) First, nationally adapted "connection tables" are used to calculate the total "influence" of each SDG target. "Influence" is measured both in terms of:
   a) direct (first-order) linkages; and
   b) indirect (second-order) influence, as shown by a coefficient of 0.5 (to reflect a negative correlation to distance of connection).

2) Second, the "connection tables" are linked to an extended version of the SDG dashboard, which assesses the status of each indicator and target as follows:
   a) targets and indicators for which the terminal (2030) level is already achieved are **green**;
   b) targets and indicators for which a desired intermediary value is achieved, but not the terminal (2030) value, are **yellow**;
   c) targets and indicators for which desired intermediary levels are not achieved, and serious efforts are required are **red**; and
   d) targets and indicators for which data are not available are **grey**.

The targets are ranked (colour-coded) based on indicators and expert opinions, to reflect the incomplete capture of broad targets by narrow indicators. This framework allows for the application of the following taxonomy:

- Highly influential **"indivisible", "reinforcing", and "enabling" targets**—highly connected targets on which the country has made/is making good development progress, and which can have a further, positive impact on other targets—are possible ***acceleration areas***.

- Highly influential **"cancelling", "counteracting", and "constraining" targets**—which are likewise highly connected, but reflect significant sustainable development challenges and which hold back progress in other areas—represent ***bottlenecks*****.** Addressing these could likewise open the road for accelerated progress.

- **Yellow targets** represent development uncertainties. If they are improved to green status, they could become (or contribute to) accelerators; if they slip into red, they could create new bottlenecks.

Summary information showing the possible acceleration (or bottleneck) potential for those nationalized SDG indicators for Uzbekistan for which this methodology suggests that networked inter-linkages (vis-à-vis other nationalized indicators) are relatively significant is provided in Table 2 below.[58]

[58] For a full listing of Uzbekistan's nationalized SDG targets and their complexity/networked rankings, as well as for further information on the methodology underpinning these calculations, please contact Mr. Mihail Peleah (mihail.peleah@undp.org).

Table 2—National SDG targets with the strongest potential networked inter-linkages

High influencers / Acceleration Points					
Green Targets		**Yellow targets**		**Red targets**	
10.3. Eliminate discrimination	+278	8.3. Development-oriented policies	358	16.6. Develop institutions	-664
7.1. Access to energy	+191	9.1. Resilient infrastructure	248	16.5. Corruption and bribery	-425
10.2. Inclusion of all	+186	4.7. Knowledge and skills for Sustai	237	7.3. Energy efficiency	-330
8.1. Economic growth p.c.	+130	6.5. Integrated water resource man	226	7.2. Renewable energy	-283
3.5. Substance abuse	+100	17.14. Policy coherence	226	9.c. Access to ICT	-273
16.10. Public access to information	+85	17.1. Domestic resources for develo	203	16.3. Rule of law	-224
4.c. Teachers	+79	10.4. Fiscal, wage and social protect	202	17.3. Mobilize additional resources	-199
11.1. Housing and basic services	+76	12.8. Information and awareness or	202	13.1. Resilience and adaptive capac	-193
3.b. Health R&D	+72	2.3. Agricultural productivity	201	6.1. Safe water	-185
4.6. Literacy and numeracy	+67	16.7. Inclusive decisionmaking	185	9.b. Domestic R&D	-185
8.b. Global Jobs Pact	+47	1.2. Low incomes	181	13.2. Climate change awareness	-183
17.4. Debt sustainability	+38	1.3. Social protection	180	17.18. Capacity building for data	-181
15.2. Forests	+36	1.1. Extremelly low incomes	176	2.4. Food production systems	-179

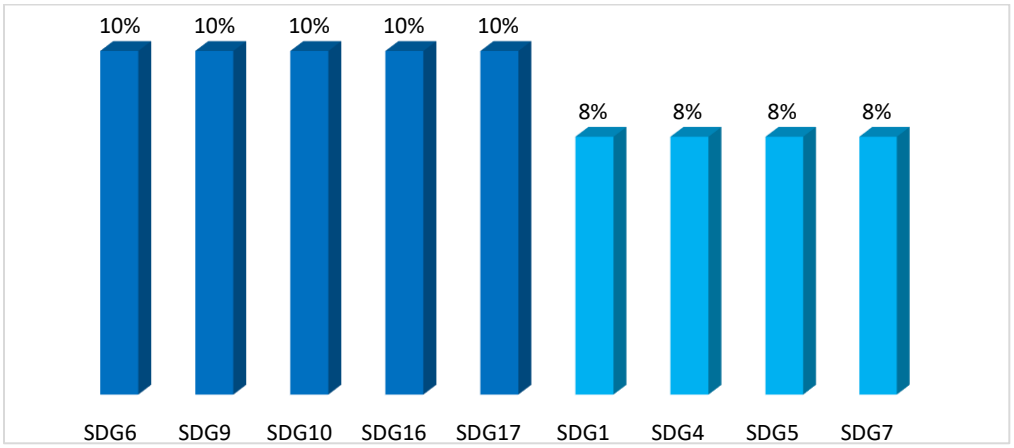
The SDGs whose nationalized targets appear with the greatest frequency among the targets with the 40 highest scores (indicating the greatest potential network effects) are shown in Figure 8. This analysis suggestions that targets coming under SDGs 6 (water and sanitation), 9 (industry infrastructure, and innovation), 10 (reduce inequalities), 16 (inclusive governance), and 17 (partnerships) are particularly important, in terms of their networked inter-linkages to other targets. This analysis suggests that the inter-linkages associated with targets coming under SDGs 1 (ending poverty), 4 (lifelong learning), 5 (gender equality and women's empowerment), and 7 (access to sustainable, modern energy services) are also relatively strong.

Institutional complexity. The official list of national SDG targets also shows the ministries (and other organizations) co-responsible for managing/reporting against each target. These numbers can be seen as highlighting the institutional complexity associated with Uzbekistan's national SDG targets. As Figure 9 shows, a few targets require massive coordination efforts, involving 6-8 institutional actors. Most targets require the coordinated engagement of 2-4 institutions; only 19 (out of 129) national targets are the responsibility of a single coordinating agency. The largest burdens are placed on the Ministry of Finance, the Ministry of Economics, and the State Committee for Ecology and Environmental Protection. The Council of Ministers of the Republic of Karakalpakstan and regional khokimiyats are involved in some 30 targets—reflecting the importance of local development context.

The complexity analysis can also show the indivisible targets that require close inter-agency coordination. For instance, targets 11.3 ("sustainable urbanization") and 13.1 ("climate change resilience and adaptation") are indivisible; relevant work in these areas requires close coordination between the Ministry of Construction, the Council of Ministers of the Republic of Karakalpakstan, regional khokimiyats, the Hydrometeorological Service, the State Committee for Ecology and Environmental Protection, and the Ministry of Economics. The management of trade-offs between targets likewise requires inter-agency coordination. For instance, unsustainable agriculture practices focusing solely on boosting short-term yields increases may increase vulnerability to climate or disaster risks—highlighting the trade-off between targets 2.3 ("agricultural productivity" and 13.1 ("resilience and adaptive capacity"). Coordination in managing this trade-off is needed between the Ministry of Agriculture, the Council of Farmers of

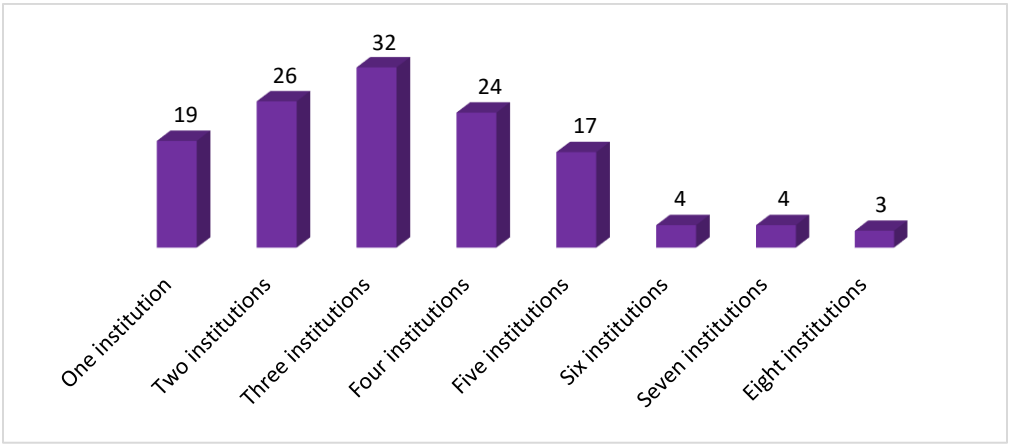
Uzbekistan, the Hydrometeorological Service, the State Committee for Ecology and Environmental Protection, and the Ministry of Economy.

Figure 8—SDGs with the greatest numbers of nationalized targets with strong* links to other targets



UNDP calculations.
** "Strong" linkages are defined in terms of nationalized SDG targets whose complexity scores are among the 40 largest (in absolute value terms). Targets under the 9 SDGs shown here account for 82% of all targets in this "top 40" category.*

Figure 9—National SDG targets to be co-managed by different numbers of institutions



UNDP calculations.

This analysis has a preliminary character, as it is based in part on subjective (expert) analyses of the strength of networked inter-linkages among Uzbekistan's nationalized SDG targets. Its presentation is intended first and foremost to inform national partners of its existence, as a tool that can support national SDG management and reporting in Uzbekistan. The national adaptation/refinement/correction of the data and assessments that underpin the results presented here could play an important role in identifying and clarifying SDG acceleration possibilities. Work in this direction could be pursued in follow up to the MAPS mission and the finalization of this report.[59]

[59] For more information please contact Mr. Mihail Peleah (mihail.peleah@undp.org).

Annex II — Integrated scenario analysis: Applying the International Futures (IFs) forecasting model in Uzbekistan

The International Futures forecasting model (IFs) is a long-term integrated modeling system consisting of multiple interlinked submodules[60] each representing different dimensions of development. The model is developed and maintained by the Pardee Center at the University of Denver. Through the partnership between the Pardee Center and UNDP, the model has been augmented with an SDG dashboard that lets the user track SDG impacts from interventions implemented under the model. In short, the integrated modeling system provides a framework that ties together all dimensions of development; economic, social and environmental. It can be used independently or as a complement to other analysis, e.g., by using the analytical outputs from applying "sector specific" tools to assess broader/multiple development impacts.

IFs allows the user to assess impacts from interventions/changes to one dimension of development on other related dimensions of development. An intervention is implemented through one of the submodules and carries direct or indirect links (positive or negative) to other submodules, and in some cases also feedbacks. Over time, the modeling system reaches a new (higher or lower) development trajectory compared to the trajectory under a "no-intervention" assumption, also called the baseline. The user decides on the size and speed of implementation of the different interventions made—called "benchmarking". The strength of the model is its ability to deliver insights into how multiple dimensions of development (economic, social and environmental) are integrated, and thus how changes implemented to one dimension can generate positive spillovers and/or trade-offs to other dimensions in the long-term.

For all countries included in IFs, internationally recognized and public data sources are used. However, this also means that for many countries a lot of data is missing. In IFs, this means that many data points are estimates performed by the IFs modeling framework based on projections from a few, and potentially far back, historical values and/or cross-country comparisons/regressions. Where possible, datasets by other organizations or institutions (e.g., national statistical offices) which have the particular (in IFs) missing variable or variables. The model allows for significant flexibility on the user's side to make data revisions and modify causal assumptions if considered needed in a specific context. In using the IFs model, it is therefore important to consult or work closely with national experts and partners to ensure that the different benchmarkings (size and implementation time) are both ambitious and feasible.

IFs analysis for Uzbekistan

As part of the MAPS process, the IFs forecasting model was used to perform a preliminary test analysis based on the priorities set forth in Uzbekistan's national action strategy. This resulted in the formulation of three scenarios each analysed individually, and in a combined, "integrated push", with a forecasting horizon till 2030. The three scenarios cover: (1) democratic governance and rule of law; (2) Development and liberalization of the economy; and (3) Human capital. As a simple benchmarking approach, the upper middle-income (UMI) country group average was used to guide the different interventions.

The preliminary analysis resulted in the following summary conclusions:

- Much depends on whether Uzbekistan is able to capitalize on its demographic window of opportunity. Doing so requires significant investments in human capital, to ensure long-term economic growth and stability. While significant economic gains under this scenario may take longer to materialize, they are

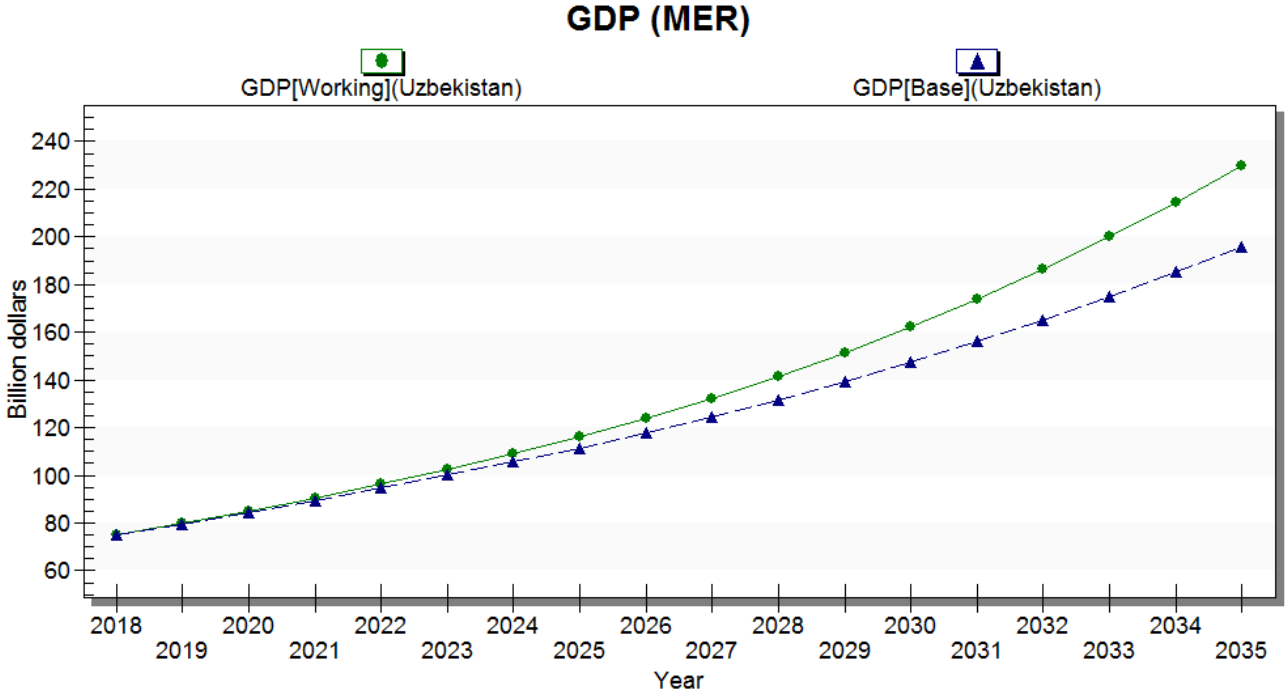
[60] Some of the main submodules are; governance, international politics, education, health, agriculture, infrastructure, environment, technology, energy, economics, demographics and international politics.

less likely to be reversible, they will have many positive synergies and will significantly accelerate progress beyond 2030.

- Left unresolved, constraints on Uzbekistan's water resources will eventually have large negative consequences across all dimensions of development. Agriculture accounts for most water use, but only about 17% of value added and a quarter of the labour force. Increased agricultural water-efficiency emerges as the sine qua non of success under all development scenarios.
- The largest improvements in GDP and poverty reduction are associated with the economic scenario, which focuses on such targets as foreign direct investment, exports, business regulation, connectivity, agricultural productivity, and water efficiency. Under this scenario real GDP per capita is projected to be about 4.5% larger in 2030 than under the current (baseline) path. Significant reductions in poverty and the size of the informal economy also result, as do moderate declines in water stress as a direct consequence of a water-efficiency intervention representing a "diversification and technology investment".
- The results of the "Governance" scenario indicate that improvements in the quality of governance can yield important economic gains—on the order of 3% larger real per-capita GDP in 2030 than under the current path (baseline). Improvements in the quality of governance are shown to reduce poverty as well.
- The human capital scenario focuses on raising educational attainment by targeting particularly tertiary education (where Uzbekistan performs relatively poorly) as well as gender gaps. Health interventions focus on reducing deaths from cardiovascular disease and targeting reductions in infant mortality and malnutrition. Social policy focuses on improved targeting of social protection to unskilled households. The scenario has the largest positive impacts on life expectancy and poverty reduction, and as mentioned earlier the associated economic benefits will pick up significantly after 2030.
- The "integrated push" scenario which includes all interventions from the three scenarios is also implemented to illustrate the importance of integrated policy approaches. This scenario results in (relative to the baseline):
- an increase in the average annual real GDP growth rate of 0.85 percentage points from 2018-2030—i.e., from 5.78% to 6.63% annual real growth;
- real GDP per-capita that is some 10% larger in 2030;
- 2.7 years added to life expectancy;
- reductions in the national poverty rate by 2-3 percentage points;
- moderate reductions in the water stress level; and
- a reduction in the size of the informal economy (relative to GDP) by 5 percentage points and a reduction in informal labour (relative to total) of 12.1 percentage points.

Figure 10 below depicts the development trajectory for the "integrated push" (green line) versus the baseline trajectory (blue) for real GDP from 2018 to 2035.

Figure 10—IFs: Real GDP ($2011) – baseline versus intervention (integrated push), 2018-2035



The IFs tools along with the result of the preliminary analysis were presented at an in-country roundtable discussion involving national counterparts from government, think tanks and academia. The purpose was to provide an introduction to the IFs modelling framework and to solicit feedback from national experts on the preliminary country analysis. The roundtable showed significant interest in the integrated modelling framework, which was seen as well aligned with current thinking about development and as complementary to both, existing analytical tools and ongoing work by national partners. As an addition, IFs was welcomed as a valuable tool for bringing together the different stakeholders. With regards to the preliminary IFs analysis, there was agreement that the chosen scenarios and interventions were relevant with a few additional important suggestions to target the informal economy and energy-efficiency more explicitly. Parameters and data were in general perceived as accurate, but in a few cases would benefit from a revision/update.

As part of the ongoing MAPS process it is planned to conduct a training and consultation workshop for and with national partners and work in close collaboration to further refine and complete the scenario analysis for Uzbekistan which would involve: (1) a review/update of baseline data where necessary; (2) in some cases, a rebasing of benchmarkings on national analytical insights and not the UMI approach; and (3) a revision of some of the causal assumptions to reflect the country context better.