



PROGRESS REPORT¹

01 January – 31 December 2023 Annual

01 May 2021 – 31 December 2023 (Final for UZB Output)

Project Aid for Trade for Central Asia (phase IV)

Implementing Agency United Nations Development Programme

Project ID 00105653

Output IDs 00106814, 00106815, 00106816, 00106817

Project duration 01 July 2018 – 31 December 2023

Reporting Periods 01 January – 31 December 2023 (Annual)

01 May 2021 – 31 December 2023 (Final for UZB output)

Gender marker GEN2 (Gender equality is not the main objective of the project, but the project

promotes gender equality in a significant and consistent way)

Digitalization marker Digital Technology Marker 1 (Output partially enabled through digital technology)

Digital Results Marker 1 (Contributing to digital transformation of society and

inclusive digital ecosystems)

Countries Regional, Uzbekistan

Funding partner Government of Finland

Date 25 February 2024

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Approvals To be approved by the Project Board

Purpose As per the project document, the project is monitored through annual and bi-annual

reports. The report is prepared to give a summary of the progress made, present the overall project situation and provide sufficient information for the Project Board to take

decisions and to make recommendations.

¹ This is the Combined report comprising of the AfT Phase-IV Annual 2023 progress report as well as Final report for Uzbekistan output of the project. For the AfT phase-IV Final Report for REG, KGZ and TJK outputs please refer to the Combined report for Y2022 Annual/Final for the phase-IV (approved by the board on 04 May 2023)

Contents

| List of abbreviations | 3 |
|--|------|
| 1. Background and context | 4 |
| 2. Executive summary | 6 |
| 3. Report on 2023 progress and results: progress towards the achievement of the targeted objectives and expected results/outputs | |
| 4. External factors and assumptions | 15 |
| 5. Analysis of Theory of Change (ToC) | 15 |
| 6. Report on 2021-2023 overall results. | 16 |
| 7. Partnerships and Sustainability | 28 |
| 8. Cross-cutting objectives | 29 |
| 9. Risks and opportunities update | 30 |
| 10. Knowledge generation | 31 |
| 11. Key challenges and lessons learnt | 31 |
| 12. Project monitoring | 33 |
| 13. Resources and budget | 34 |
| 14 Annexes | . 34 |

List of abbreviations

AfT Aid for Trade

B2B Business-to-business

BWA Business Women Association of Uzbekistan

CA Central Asia

CBEZ Cross-Border Economic Zone

CCI Chamber of Commerce and Industry

CO Country Office

EPA Export Promotion Agency of Uzbekistan

EUR European Union Euro

FDI Foreign Direct Investment

FE Family Enterprise

GDP Gross Domestic Product
GI Geographical Indications

IPD Import Promotion Desk of Germany

IRH Istanbul Regional Hub

LLC Limited Liability Company

MIIT The Ministry for Investments, Industry and Trade of Uzbekistan

MSME Micro, Small and Medium Enterprise

NGO Non-Government Organization
NQI National Quality Infrastucture
RPD Regional Programme Document
SDG Sustainable Development Goal
SME Small and Medium Enterprise

SOE State Owned Enterprise

TRQ Tariff Rate Quota

TSI Trade Support Institution

UNDP United Nations Development Programme

USD United States Dollar

VC Value Chain

WED World Women Entrepreneurship Day

WTO World Trade Organization

1. Background and context

The Aid for Trade in Central Asia project - Phase IV has been implemented in Kyrgyzstan, Tajikistan and Uzbekistan since 2018 and focuses on supporting these countries in paving inclusive and sustainable growth pathways by promoting green productive capacities and competitiveness. The project aims to bolster the countries' efforts in economic diversification, expanding export baskets, and promoting trade.

The main objective of the project is to support producers as well as government partners to build productive capacities that are forward-looking (future-proof) and that address rapidly changing global market demands or climate change. By strengthening productive and export capacities for niche products in the agricultural and agro-industrial, but also in other employment-rich and potentially green sectors, the project contributes to fostering more economically, socially and environmentally sustainable growth pathways.

The project addresses the development challenges in the three countries at both downstream and upstream levels through the following dimensions:

1. Supporting an enabling environment for job-rich growth through

- 1.1 Enabling policies and regulations for inclusive and trade oriented private sector development (macro level)
- 1.2 Trade support institutions that provide efficient services for the private sector (meso level).

2. Supporting market opportunities for all through more efficient and competitive producers and processors

2.1 More efficient and competitive producers and processors contributing to sustainable human development (micro level).

Basic Project information:

| | PROJECT/OUTCOME INFORMA | ATION | | | | | | | | |
|------------------------------|--|------------------|--|--|--|--|--|--|--|--|
| Project/outcome title | Aid for Trade in Central Asia – Phas | e IV | | | | | | | | |
| Atlas ID | 00105653 | | | | | | | | | |
| Corporate outcome and output | productive capacities that create emp excluded | - | | | | | | | | |
| Country | Kyrgyzstan, Tajikistan, Uzbekistan | | | | | | | | | |
| Region | Central Asia | | | | | | | | | |
| Date project document signed | 3 May 2018 | | | | | | | | | |
| Project dates | Start | Planned end | | | | | | | | |
| 1 Toject dates | 1 July 2018 | 31 December 2023 | | | | | | | | |
| Project budget | EUR 6,014,676 | | | | | | | | | |
| Funding source | Government of Finland | | | | | | | | | |
| Implementing party | UNDP IRH | | | | | | | | | |

Linkages to UNDP's Regional Program Document (RPD) 2018-2021:

Direct linkage with the area of work 2 of the RPD (Addressing poverty and inequalities through more inclusive and sustainable development pathways), Output 2.5 (*Scalable solutions for sustainable commodities and green and inclusive value chains captured and disseminated*).

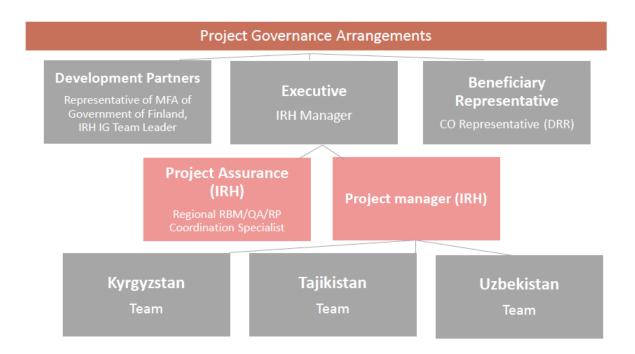
SDGs addressed by the project:

- **Goal 1.** End poverty in all its forms everywhere. Sub-goal 1.1.
- **Goal 2**. End hunger, achieve food security and improved nutrition and promote sustainable agriculture; Subgoals 2.3 and 2.4
- Goal 5. Achieve gender equality and empower all women and girls; Sub-goal 5.5
- **Goal 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Sub-goals 8.1, 8.2, 8.3 and 8.a
- **Goal 9.** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Sub-goal 9.2
- Goal 12. Ensure sustainable production and consumption patterns; Sub-goal 12A
- **Goal 17.** Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. Sub-goal 17.6

Governance and management arrangements:

The project is implemented under DIM modality. UNDP IRH acts as the project implementing partner (agency) and is responsible for the overall project coordination and for implementation of the regional component. UNDP COs in Kyrgyzstan, Tajikistan and Uzbekistan are responsible for implementation of the country components under the Delegated Authority.

The Project Board provides oversight and guidance of the Project and is chaired by the UNDP IRH Manager. The Project Board also consists of representatives from the Government of Finland and the three UNDP COs covered under this project.



2. Executive summary

Economies in Central Asia are confronted with challenges such as high commodity dependence and limited output diversification, which renders them highly vulnerable to changing mega-trends and external shocks. Commodities (e.g. energy, metals, minerals and cash crops such as wheat) dominate the target countries' export baskets, magnifying their susceptibility to price fluctuations. Combined with the soaring pressure on the region's delicate ecosystems, in particular water and energy resources, this makes the current growth and export patterns environmentally unsustainable.

In response to these challenges, Phase-IV of Aid for Trade in Central Asia project has supported the governments to build 'forward-looking' productive and export capacities with an emphasis on higher value-added 'niche' products and decent job creation, while promoting sustainable agriculture and green value chains.

The project identified and implemented concrete sustainable solutions that improved productive and export capacities of the private sector in twelve green and inclusive value chains in agricultural, agro-industrial and tourism sectors in rural areas of Kyrgyzstan, Tajikistan and Uzbekistan, thus contributing to achievement of Output level indicator of RPD 2018-2021 (2.5. Scalable solutions for sustainable commodities and green and inclusive value chains captured and disseminated). The implemented solutions have a potential to scale up for economic opportunity.

Since the start of the activities in 2018 under phase-IV, the project has cumulatively supported creation of 1080 new decent jobs, including 727 for women and supported \$192,6 million in export contracts of the value chain actors. The success in job creation was accompanied by a remarkable 20% increase on average in productivity, income and export volumes of target value chain actors (farming enterprises, agro and food-processing SMEs, tourism sector actors). These results not only signify tangible improvements but also the potential to replicate and scale-up the innovative and sustainable solutions that were implemented.

Lastly, the project planned and organized a set of activities tailored for women entrepreneurs and traders in the countries to increase their capabilities by providing customized mentorship programs for business/trade development, networking and investment, programs on affordable finance or other forms of support throughout the project. During 2018-2023, over 2,500 women in Kyrgyzstan, Tajikistan and Uzbekistan participated and were empowered through mentorship programs, programs on affordable finance, trade promotion activities and other forms of support to build 'forward-looking' productive capacities at target green value chains.

Brief overview of key challenges and lessons learnt

The key challenges and lessons learnt have been associated with COVID-19 implications and adverse spillovers from the war in Ukraine. The COVID-19 pandemic disrupted some of the planned project activities during 2020-2021 in Asia and Europe as well as market penetration targets in Asian and European markets. Limitations have been in place in terms of possibilities to organize exchange visits, study tours, B2B meetings, participation at various exhibitions, forums etc. As the COVID-19 restrictions have unfolded the project has identified that activities such as B2B consultations and trainings can be organized using online digital tools.

The changes in Global Value Chains which the project has witnessed since inception of phase-IV in 2018 are dramatic. The rate of change in global value chains is picking up pace. A pace, which many of the project clients find it hard to match. The drivers of change such as Industry 4.0, climate change, and population and consumers' value changes will increase this pace further. Therefore, it is vital to ensure that the project activities continue to be forward-looking and support businesses and producers to become more resilient to emerging post-Covid-19 context by building 'forward-looking' and smart productive capacities and green value chains which produce high value-added and competitive products, create decent jobs and promote sustainable and circular production patterns.

Taking note of the rapidly emerging trend in usage of e-commerce by exporters worldwide during the pandemic, the project has identified that increased emphasis needs to be made on capacitating TSIs and SMEs in utilizing e-commerce tools to enhance resilience to external shocks. The ability to leverage e-commerce presents a significant opportunity for governments and businesses of Central Asian countries to build on the experience of crisis in order to accelerate recovery. Overall, further support to SMEs in trade promotion should be aligned with the new post-COVID context and embracing digitalization.

Disruptions in supply chains and logistics systems during and after the pandemic have put the work around trade intelligence and market access in the center of trade support/promotion activities of the countries. The project identified that support activities to Trade Support Institutions of the countries should be adapted by putting a stronger focus on development of services critical for MSMEs at crisis times or economic recovery periods, such as foresighting new markets and facilitating market access, accessing and using big data tools for trade intelligence, connecting to digital platforms, e-commerce mentoring, etc.

The COVID-19 pandemic and the war in Ukraine exposed the vulnerabilities of international production, trade and logistics networks and brings changes to them. Therefore, it is vital to ensure that the project is supportive of efforts of the countries to recalibrate their trade, value chain development and export promotion priorities to be more adaptive to megatrends in the regional and global landscape (geopolitics/conflict, climate change, regionalization, digitalization/technological change, changes in production and consumption patterns in post-Covid 19 context).

Overarching indicators (as per the project document) and overall results 2018-2023:

Total number of jobs created: 1080 (727 women)

Number of MSMEs supported: 6,378

Number of women-led enterprises (including women farmers) supported: 4,362

Number of participants in value chain networks/cooperation: 981

Volume of export contracts supported: \$192,6 million.

Phase-IV finalized all its activities as of 31 December 2023. This report covers results related to implementation of one remaining regional activity (research) and the evaluation of phase-IV; in addition, it reports on the results from implementation of all activities in Uzbekistan during phase-IV. For a detailed description of results on the Regional, Kyrgyzstan and Tajikistan outputs, please refer to the 2022 annual report which summarizes all results (2018-2022) under these outputs.

Utilization update:

The total Project expenditures in the reporting period 01 January to 31 December 2023 has reached \$903,796.72. The total budget for 2018-2023 (<u>including for Uzbekistan country component</u>) is EUR 6,151,697.79². Total expenditures until 31 December 2023 have reached \$7,038,573.76 (equivalent to EUR 6,097,516.45) or 99.12% of the total budget in EUR.

The total project budget for 2018-2023 (excluding Uzbekistan country component) is EUR 4,937,021.79. Total expenditure until 31 December 2023 (excluding Uzbekistan) is \$5,693,378.58 (equivalent to EUR 4,932,173.86), or 99.90 % of the total budget in EUR.

² The budget consists of EUR 6,014,676 as per the project document and EUR 137,021.79 of Phase III unspent funds equivalent to \$161,390.22 at exchange rate USD/EUR 0.851 transferred to Phase IV (Regional component) to support to increase business linkages between Finland and participating countries and for other activities as per the November 2020 board decision.

3. Report on <u>2023 progress and results</u>: progress towards the achievement of the targeted objectives and expected results/outputs

Regional (Output 1. Cooperation between trade policy makers and implementers, as well as private sector entities and national export promotion agencies with a focus on promoting job rich green growth has increased on the regional level).

The implementation timeframe for the Regional output is 01 July 2018 – 31 December 2023. The approved budget of the Regional output for 2023 is \$120,382.34. The total expenditures of the output in 2023 amounted to \$113,673.35 (94,43% of the 2023 budget). The detailed breakdown can be found in the financial report.

2023 progress

During 2023, under the regional output the project has completed the policy paper 'Decent jobs, formalization and inclusiveness - drivers to improve quality of lives in Central Asia'. The policy paper aimed to assess multifaceted dimensions and profile of informality in Kyrgyzstan, Tajikistan and Uzbekistan.

The paper identifies the key drivers of informality in agriculture and agri-industry sectors, main determinants contributing to informality for various categories of workers and analyzing the barriers preventing informal workers to access social protection or formal labor market, which builds the evidence for a set of policy recommendations and options for decision makers to consider. These recommendations are pertinent to expanding labor standards and coverage of social protection, promoting an ecosystem that incentivizes decent employment and formal work, including tax policies and other governance mechanisms.

The regional output also coordinated and finalized evaluation of phase-IV, which has been completed on 25 September 2023. An external evaluator has completed her mission to Kyrgyzstan, Tajikistan and Uzbekistan during 04-21 July 2023. The final evaluation report (<u>Aid for Trade – Phase IV Evaluation</u>) and approved <u>Management Response</u> is available in the UNDP's Evaluation Resource Center.

Overall, most project interventions are described as highly relevant and the project successful in delivering its core overarching goals. The evaluator highlighted the commendable success the project has had in achieving its targets and furthermore commended the good communication and involvement of stakeholders in both the design and implementation. Despite complexities arising from a multi-tiered approach and concurrent crises which presented some challenges, the project's integration of soft and hard support mechanisms yielded tangible benefits, including policy improvements, private sector capacity enhancement, and substantial contributions to women's empowerment. It has proven cost-effective and contributed to favorable intra-regional trade dynamics.

Uzbekistan (Output 4: Support to an enabling environment for job rich growth in Uzbekistan)

The timeframe for implementation of Uzbekistan output was 01 June 2021 – 31 December 2023. The output finalized all its activities as of 31 December 2023.

The approved budget of the output for 2023 is \$848,006.91 (as per October 2023 budget revision). The expenditure of the output in 2023 amounted to \$790,123.37 (93,17% of the 2023 budget). The detailed breakdown can be found in the financial report.

Brief summary of 2023 progress:

During 2023, the project in Uzbekistan provided analytical and advisory assistance to the Ministry for Investments, Industry and Trade (MIIT) and Export Promotion Agency (EPA) to support the design and implementation of trade and private sector development policies that will create policy and regulatory environments more favorable for MSMEs.

Specifically, the project provided support to the accession of Uzbekistan to the World Trade Organization (WTO). The project's involvement in the process included capacity-enhancement activities for government officials on various aspects of WTO accession, preparation of key WTO accession documents, advisory support, raising public awareness on the WTO accession process, and support to negotiations with WTO members.

The project extended its analytical support to the Ministry of Investments, Industry and Trade (MIIT) and Ministry of Agriculture by delivering several analytical reports, including on diversification of market and export opportunities, creating conducive conditions for the development of cross-border economic zones with neighboring countries, studies on foreign market analysis, as well as sector-specific analysis of development challenges in agri-food industry and roadmaps for value chains development in horticulture and viticulture sectors.

The project also supported EPA and export-oriented SMEs working in target value chains by organizing B2B missions and participation at trade fairs, facilitated their access to cutting-edge trade and market intelligence information, and supported skills and capacity enhancement in the use of big data tools for trade intelligence.

The project also finalized all envisaged activities in support of all target value chains (mixtures of nuts and dried fruits, dried vegetables, jams and fruit purees, beans (including mung beans) in Fergana Valley. During 2023, 192 permanent jobs (out of which 91 for women)³ were created across all four values chains supported by the project, predominantly in rural areas. In Fergana Valley, the project identified and implemented concrete sustainable solutions to improve productive capacities of the private sector in target agricultural and agroindustrial value chains.

Lastly, between June-December 2023, the project implemented two cycles of the Mentorship Programme for Women Entrepreneurs in Andijan, Fergana and Namangan regions of Fergana Valley. Overall, the programme connected over 250 young women entrepreneurs⁴ from rural areas with experienced businesswomen and helped the rural women entrepreneurs formulate and further develop their business ideas. The mentorship provided by mentors was seconded by a series of eight online training sessions, which aimed to expand mentees' business skills and knowledge. The topics included financial literacy, business planning, as well as marketing and sales (SMM).

2023 Progress

Sub-output 1.1. Enabling policies and regulations for inclusive and trade oriented private sector development

Activity 1.1.1. Capacity building of staff of MFT, CCI and other state agencies to improve knowledge and skills.

The project provided support to the project partner - Ministry of Investments, Industry and Trade (MIIT) - in developing the methodology on identifying a list of products subject to Tariff Rate Quotas (TRQ)⁵ and to draft the list of goods (agricultural products) subject to TRQ with justification provided for each. 6 experts of MIIT received support to strengthen their skills and knowledge in applying the advanced methodology. TRQ system is also a vital element of the World Trade Organization (WTO). As part of WTO accession process, it is common practice for WTO Members to ask the acceding country to provide a list of goods subject to TRQ. Providing such a list will enhance Uzbekistan's ability to negotiate commitments on market access for goods.

³ Evidence source: 2023 activity reports from target value chain actors/beneficiaries

⁴ Evidence source: 2023 activity report from IP

⁵ Tariff rate quotas (TRQs) allow a pre-determined quantity of a product to be imported at lower import duty rates (inquota duty) than the duty rate normally applicable to that product. In other words, TRQ provides greater trade liberalization and better market access for importers.

MIIT was assisted in conducting an **in-depth analysis of viticultural and horticultural sectors of Uzbekistan**. The report presents concrete recommendations for advancing these sectors based on value chains development methodology and insights from international experience. The report also includes a roadmap outlining specific measures and timelines for implementing the proposed recommendations.

The project responded to a request by the national partner for an **analysis of economic potential of four (pilot) regions of the Bukhara region** (Shafirkon, Olot, Jondor, and Peshku districts) by MIIT. This analysis identified industries in which districts have a comparative advantage compared with other regions and concluded with concrete recommendations on increasing employment and export potential of the industries, and opportunities for attracting investments.

Activity 1.1.2. Support to priority actions of the Strategy Actions on Further Development of Uzbekistan for 2017-2020, aimed at the liberalization of private sector and trade development.

The project supported organization of the 6th and 7th meetings of the Working Party on the accession of

Uzbekistan to WTO during 14-15 March 2023 and 16-17 November 2023 (in Geneva, Switzerland). The events were chaired by the newly appointed Ambassador of the Republic of Korea, Mr. Yun Seong-deok and brought together 25 WTO Members to examine Uzbekistan's foreign trade regime. The meeting also served as an impetus for bilateral negotiations with interested WTO Members on market access for goods and services. Subsequently, protocols were signed with five countries.



Preparation of the **development strategy for the food processing industry of Uzbekistan** has been finalized according to sub-priority No.22 of the Development Strategy of New Uzbekistan for 2022-2026 (Development Strategy). The strategy outlines new priorities for sustainable development of food processing industry and recommendations for improving productivity, development of higher added value and diversified productions in the sector.

In November 2023, in collaboration with MIIT, the project organized a round table to discuss the findings of the study titled "Strategy for the Sustainable Development of the Food Industry of Uzbekistan", prepared by a team of national and international experts. More than 30 representatives of government agencies, associations, and academia had an opportunity to engage into a meaningful discussion on the key aspects and priority areas for sustainable development of the food industry in Uzbekistan until 2030.⁷.

The project provided valuable support to MIIT in the preparation of a **feasibility study on establishing cross-border economic zones**. The outcome study analyzes the development of potential CBEZs between Uzbekistan and (i) Kazakhstan, (ii) Kyrgyzstan, and (iii) Tajikistan, and proposes essential investment plans in priority sectors of the CBEZs. The main goal of CBEZs is to promote the sustainable use of natural, human, industrial, technological and financial resources, develop cross-border economic cooperation, strengthen ties between border regions, and increase the level of economic development, economic interdependence and complementarity between border regions of neighboring states.

On 8 November 2023, the project, in collaboration with the Ministry of Investment, Industry and Trade organized a round table discussion on the findings of the feasibility study named "Establishing cross-border economic zones between Uzbekistan and neighboring countries," prepared by Professor Aradhna Aggarwal.

 $\frac{https://www.facebook.com/UNDPUzbekistan/posts/pfbid01LWaVicmBym6wc7ur4XEHDTqtvtagsb8rjoRzw4TNhozuz8}{r5EGnLyR4UyXeF9N81}$

⁶ Evidence source: https://www.undp.org/uzbekistan/press-releases/uzbekistan-held-6th-working-party-meeting-accession-wto-support-undp

⁷ Evidence source: https://www.facebook.com/UNDPUzbekistan/posts/pfbid01LWaVicmBym6wc7ur4XEHI

Attended by over 40 participants from government agencies, associations, and academia, the roundtable served as a platform for fostering collaboration progressing towards the establishment of cross-border economic zones. This roundtable marked a significant step forward towards advanced regional integration and economic development⁸.





Under the overall objective of promoting export diversification, MIIT has been supported in conducting market research focusing on export opportunities of Uzbek enterprises in the promotion and supply of agricultural products to Japan, China, and the Republic of Korea.

Activity 1.1.3. Support to business services optimization in government agencies involved in exports.

The project provided support to the Export Promotion Agency and Uzbekistan's textile and garment industry association in the development of modules of the 'Textile Map' - a specialized mobile platform aiming to provide comprehensive information about exporting textile companies in Uzbekistan. The information made accessible through 'Textile Map' will potentially create more opportunities for exports of textile products.

The mobile application was developed as a B2B platform containing information about the textile companies, their products and prices, contacts, and other relevant entries in several languages, including Uzbek, Russian, English, Turkish, and Chinese. The free mobile application is available on the App Store and Google Play.

Next, the project supported the Agency for Technical Regulation of Uzbekistan in developing the "Emanagement" automated information system. This system digitized and automated the activities of the quality management system (OMS) of the Agency, through which authorities can receive applications and issue certificates of conformity in electronic form.

All the data about the applicant, an object of certification, and the results of the expertise will be entered into the system in electronic form, which in turn will streamline the procedure for obtaining conformity certificates, reduce time costs, and also increase the transparency of the activities by conformity assessment bodies. In addition, digitalization and automation makes possible maintaining an electronic state register in real time with accurate statistical data in regard to the activities of OMS bodies throughout the country.

Activity 1.2.1. A model of integrated cooperation among SME export promotion institutions is developed and supported.

With an aim to increase the effectiveness and quality of services of the EPA in the regions of Uzbekistan, the project in October 2022 supported MIIT in establishing the Regional Center for Export Support in the Fergana Valley with an office location in Fergana city.

⁸ Evidence source:

In 2023 the project assisted EPA in hiring a technical expert who would support the export activities of SMEs located in Fergana Valley. The Centre works directly with the exporters of Fergana Valley on solving day-to-day tasks (paperwork, customs, and tax matters, etc.) through consultations. It also addresses long-term issues, such as capacity building, marketing research, new markets, and etc. During 2023, the regional export center served to over 300 export companies through mapping /finding foreign buyers and concluding export contracts. As a result, \$28 million worth of products were exported by the supported enterprises.

Activity 1.2.2. Capacity building measures for TSIs to improve and establish new services.

At the request of EPA, the project helped the preparation of the **development strategy of state export promotion companies** (JSC 'Uztrade' and JSC 'Uzsanoatexport') with the relevant implementation roadmap for the next five years. The Strategy includes recommendations on diversification of services being provided to exporters including development of export marketing strategies, export markets assessments, financial forecasts and other relevant information.

During 5-11 October 2023, in cooperation with Import Promotion Desk of Germany (IPD), the project organized trainings on "Capacity building of TSIs regarding the preparation, realization, and follow-up of B2B events and market intelligence" in Germany for the EPA staff. Participants were equipped with relevant knowledge and skills to effectively analyze export market opportunities and compete in the global markets.

The Project conducted a number of **regional training on the topic «How to export to European Union countries»** in all regions of the Republic of Uzbekistan and the Republic of Karakalpakstan, in cooperation with the Ministry of Investment, Industry and Trade, Export Promotion Agency, as well as with the support of the regional Khokimiyats of the Republic of Uzbekistan on November 5-25, 2023. The training aimed to equip local exporters with necessary knowledge and skills that would help them effectively export their products to the European Union (EU) countries, such as company registration, custom procedures and requirements, or marketing strategies. More than 360 (of which more than 100 women) representatives from the SMEs in 12 regions of the Republic of Uzbekistan, the city of Tashkent and the Republic of Karakalpakstan took part in the training.¹⁰





Activity 1.2.4. Technical assistance to stakeholders for the implementation of priority actions of Strategy of further Development of Uzbekistan for 2017-2020 on promotion and increase of production competitiveness.

 $\frac{https://www.facebook.com/UNDPUzbekistan/posts/pfbid02rqrwj3D6TCcaJc1GewvfnyznyCUPfx5yjEVe9kaoXg3KkQJ}{26yf1MuyPGtLy7u3L1?locale=pl_PL}$

⁹ Evidence source: cumulative progress report of the Regional Center for Export Support

¹⁰ Evidence source:

The project supported EPA with development of the updated version of the practical manual <u>«Export activity:</u> <u>Step by Step»</u> to assist MSMEs to engage in export activities. The manual provides overview of export procedures and step-by-step guidance to exporting goods from Uzbekistan.

Sub-output 2. More efficient and competitive producers and processors contributing to sustainable human development.

Activity 2.1.2.1. Capacity building measures to farmers and processors on sustainable agri-practices and improving quality, packaging of the products and diversification of target markets.

11 SMEs – value chain actors in dried fruits and vegetables, mung beans, peanuts as well as fruit jams/purees value chains were supported with introduction of innovative solutions to improve productivity, resource efficiency, added value and create decent jobs along the green value chains in three regions of Fergana Valley.

- 1. LLC 'Cibus Natural' (Andijan) fruit puree production.
- 2. LLC 'Garden House' (Fergana region) drying and packaging of fruits and vegetables.
- 3. 'Gulroz-D' Farming enterprise (Chust town, Namangan region) fruit jam production.
- 4. LLC 'Chortoq logistika markazi' (Chortoq town, Namangan region) drying and packaging of fruits and vegetables.
- 5. LLC 'Kosher Rib' (Uvchi district, Namangan region) mung bean processing
- 6. LLC 'Agrobrend ereldi' (Izboskan district, Andijan region) peanut processing
- 7. FC 'SAM BRIGHT LINE' (Izboskan district, Andijan region) mung bean processing
- 8. LLC 'Gold Mustang Star' (Izboskan district, Andijan region) drying and packaging of fruits.
- 9. FC 'Adomax' (Toshbuloq district, Namangan region) mung bean processing
- 10. FC 'Sokin Trend' (Turakurgan district, Namangan region) peanut butter production
- 11. PE 'Ibrokhimova Sevinch' (Qoshtepa district, Fergana region) drying and packaging of fruits and vegetables.

As a result, 192 (91 women) new jobs have been created at the supported enterprises.

Activity 2.1.2.2 Support to VCs stakeholders in the introduction of international standards (Global GAP, HACCP, FSC etc.)

On 21-23 November 2023, the project organized series of workshop on 'Certification on international quality standards: HACCP-ISO22000 and Organic' for more than 70 (25 women) representatives of agricultural sector, regional representatives of the Ministry of Investment, Industry and Trade and the Agency Technical Regulation of project's target regions (Andijan, Fergana and Namangan regions). During the training, the main elements and steps of the certification process according to the international standards HACCP-ISO22000 and Organic were explained to the participants. Participants were also provided with guidance regarding the implementation and certifications according to the HACCP/ISO22000 and Organic standard at processing enterprises.





Activity 2.1.3 Support for women entrepreneurs

In 2023, **two women entrepreneurship support programs were implemented for more than 250 women** of the Fergana Valley. The first program focused on the development of entrepreneurial skills, financial literacy, as well as master classes from successful entrepreneurs. The second program aimed at strengthening entrepreneurial skills with the introduction of ICTs and enable women entrepreneurs to trade on-line.





To ensure sustainability of the initiatives on development of capabilities of women entrepreneurs and traders in Fergana Valley, the project supported the Business Women Association of Uzbekistan in **establishing a Mentoring School**, where women and young people who want to start entrepreneurial activities will be able to receive information and thematic assistance from technical specialists.

In addition, **7 young women entrepreneurs received technical assistance to implement value chain business projects**. As a result, 70 new permanent jobs (all for women) were created.

2.1.2.3. Supporting SMEs to participate in international exhibitions and fairs.





The project supported participation of 6 SMEs representatives, including 2 women-led enterprises, in the international exhibition in Helsinki "Local & Organic Food Fair" during 29 March – 2 April 2023. During the exhibition, Uzbek entrepreneurs negotiated with more than 25 companies, including: "Suomen Chiliyhdistysry – The Finnish Chili Associaton, Esbau, Bioproffa, Kekkila Garden, Sven Siig AG, Finnish Agriculture association" and many other companies for the supply of fresh and processed vegetables and fruits from Uzbekistan; the businesses concluded preliminary agreements on the export of products worth EUR 5 million. ¹¹

 $^{{}^{11}\}text{Evidence source: UNDP website - } \underline{\text{https://www.undp.org/uzbekistan/press-releases/undp-supported-participation-uzbek-entrepreneurs-exhibition-helsinki}}$

The project's cooperation with the Export Promotion Agency supported participation of five Uzbek entrepreneurs in the trade fair "Anuga" held from 7 to 11 October 2023 in Cologne, Germany. During the exhibition, Uzbek entrepreneurs negotiated with more than 15 companies, including SIA "BAS, UAB "Sherevinda", Sia "Kleinod", Dominiki, and others, on the supply of fresh and processed fruits, vegetables, and cereal products from Uzbekistan, following which they signed export contracts worth EUR 1.6 million.

4. External factors and assumptions

Growth in Central Asia is expected to increase modestly in 2024-25 mainly due to investment growth and increased FDI in mining; return of inflation to pre-pandemic rates in tandem with global inflation rates, and lower energy prices. Structural reforms aiming to improve international competitiveness and the private sector are likely to increase growth potential in the longer term. In Uzbekistan, the government aims to partially privatize state-owned enterprises (SOEs) and state-owned banks.

5. Analysis of Theory of Change (ToC)

The project's theory of change remained valid throughout the project implementation period. The holistic approach applied by the project to support structural transformation (of productive capacities) efforts of the governments by developing capacity at the macro (e.g., policy and regulatory reforms); meso (institutional support); and micro levels (e.g., enterprises, especially MSMEs) to promote systemic change in the way markets work, has been effective and resulted in attainment of relevant outputs and sub-outputs that were planned by the project document, and has contributed to creation of sustainable and employment-intensive productive capacities (outcome).

The ToC's employment of a dynamic and participatory approach to intervention implementation, emphasizing stakeholder engagement and collaboration at all stages proved to be effective as the key actors (such as government agencies, local communities, business associations, service providers, enterprises, women, and young entrepreneurs) have been actively involved to foster ownership and collective responsibility. This inclusive approach ensured contextual relevance and addressed diverse needs.

There were two risks materialized during the project implementation including 'the occurrence of pandemic and related quarantine situation impacting project results', as well as 'government or institutional changes, resulting in high staff turnover, which may delay regulatory improvements'. For example, the COVID-19 pandemic situation restricted export and market access opportunities of SMEs. Also, the pandemic and subsequent quarantine measures' imposed by the governments of CA resulted in postponement of activities, requiring travel, both international and local (study tours, trade fairs, exchange visits, local trainings for target VCs actors, etc.), delays with conducting regional trainings/public events especially in remote/rural areas, constraints to field work in target value chains, delays in the supply of inputs and equipment for target VCs. In response to this, the project conducted regular reviews of all activities to ensure they are aligned to emerging needs of the project clientele, increased the use of online tools to be able to fill the gap that has been left by limited travel and personal contact, and has held regular online meetings with contractors to inquire about status of delivery and inform beforehand about risks/issues faced due to pandemic. Despite limitations that were triggered by the COVID-19 crisis the project was operationalized in an effective manner and activities were advanced despite the restrictions. With regards to the risk related to 'government and/or institutional changes' the project team closely monitored the changes in key existing and new governmental partners and maintained close communication and cooperation with them to ensure smooth mplementation of the project.

All assumptions remained valid during the project implementation.

6. Report on 2021-2023 overall results.

Uzbekistan (Output 4: Support to an enabling environment for job rich growth in Uzbekistan)

The timeline for the implementation of the Uzbekistan Output was 01 May 2021 - 31 December 2023. The output finalized all its activities as of 31 December 2023.

The project has fully achieved all 16 targets. The table below shows all targets.

| Outer at the disease | T | Duraman and district | Croon full- |
|--|--|--|--|
| Output indicators | Targets | Progress against targets | Green – fully achieved Yellow – partially achieved (in progress) |
| 1.1.1. # of recommendations on improving policies regulating the private sector provided to the government and integrated in policies, % recommendations include gender lens | Baseline:0 Final: 60 2023 AWP target: 15 | Reporting period: 50 Cumulative total: 65 achieved (end of 2023) | |
| 1.1.2. # of priority actions supported of the Strategy Actions on Further Development of Uzbekistan for 2017-2020, aimed at liberalization of private sector and trade development | Baseline: 0 Final: 6 2023 AWP target: 1 | Reporting period: 4 Cumulative total: 7 achieved (end of 2023) | |
| 1.1.3. # of business services optimized in government agencies involved in exports | Baseline: 0 Final: 5 2023 AWP target: 1 | Reporting period: 3 Cumulative total: 6 achieved (end of 2023) | |
| 1.1.4. # of roadmaps for improving selected value chains in agriculture | Baseline: 0 Final: 6 2023 AWP target: 1 | Reporting period: 5 Cumulative total: 6 achieved (end of 2023) | |
| 1.2.1 # of new clients identified and served through integrated cooperation among SME export promotion institutions | Baseline: 0 Final: 30 2023 AWP target: 0 | Reporting period: 311 Cumulative total: 436 achieved (end of 2023) | |
| 1.2.2 # of linkages established between TSIs and international partners | Baseline: 0 Final: 40 2023 AWP target: 10 | Reporting period: 18 Cumulative total: 40 achieved (end of 2023) | |
| 1.2.3. # of advisory services of TSIs strengthened | Baseline: 0 Final: 22 2023 AWP target: 5 | Reporting period: 3 Cumulative total: 22 achieved (end of 2023) | |
| 2.1.1.1 Number of products/VCs identified that are green and employment rich | Baseline: 0 Final: 4 2023 AWP target: 0 | Reporting period: 4 Cumulative total: 4 achieved (end of 2023) | |
| 2.1.1.2 Number of project/VCs that are green and employment rich are supported | Baseline: 0 Final: 4 2023 AWP target: 0 | Reporting period: 11 Cumulative total: 11 achieved (end of 2023) | |
| 2.1.2.1 # of knowledge sharing events on international practices and certification (Global GAP, GHP, HACCP) at selected areas | Baseline: 0 Final: 7 2023 AWP target: 1 | Reporting period: 3 Cumulative total: 8 achieved (end of 2023) | |
| 2.1.2.2. % increase in productivity, where productivity baselines will be defined during the assessment | Baseline: 0 Final: 15% 2023 AWP target: 15% | Reporting period: 51% Cumulative total: 51% achieved (end of 2023) | |
| 2.1.2.3. % increase of market penetration (sales) of selected products / clients | Baseline: 0 Final: 15% 2023 AWP target: 15% | Reporting period: 38% Cumulative total: 38% achieved (end of 2023) | |

| Output 4: Supporting an enabling environmen | nt for job-rich growth i | n Uzbekistan | |
|---|---|--|--|
| 2.1.2.4. % increase in income of target communities | Baseline: 0 Final: 20% 2023 AWP target: 20% | Reporting period: 69% Cumulative total: 69% achieved (end of 2023) | |
| 2.1.2.5. # of new decent jobs created | Baseline: 0 Final: 150 (75) 2023 AWP target: 50 (25) | Reporting period: 192 (91) Cumulative total: 192 (91) achieved (end of 2023) | |
| 2.1.3.1. Number of mentorship programmes for young and female entrepreneurs established and supported | Baseline: 0 Final: 3 2023 AWP target: 1 | Reporting period: 2 Cumulative total: 3 achieved (end of 2023) | |
| 2.1.3.2. # of young / female headed SMEs supported | Baseline: 0 Final: 80 2023 AWP target: 20 | Reporting period: 51 Cumulative total: 102 achieved (end of 2023) | |

Summary of overall results for 2021-2023:

During 2021-2023, the project in Uzbekistan supported strengthening productive capacities of the private sector in four employment-rich and green value chains (mixtures of nuts and dried fruits, dried vegetables, jams and fruit purees, beans (including mung beans) in the Ferghana, Namangan and Andijan regions of Uzbekistan.

The value chains promoted and strengthened as part of the project have contributed to increase in decent jobs and productive employment (in total, 192 new decent jobs were created -91 for women). Along with the new jobs creation, agro and food-processing SMEs, supported by the project have contributed to increase in productivity (on average by 28%), income (on average by 76%) and export volumes (on average by 38%) of target VCs, with the potential to replicate and scale-up the innovative and sustainable solutions that were implemented. The supported SMEs and value chain actors signed export deals with a total worth approximately \$36.6 million. 12

The project supported a total of 1,273 (453 women-led) SMEs, including 144 in target value chains, 360 (152 women) in capacity-building trainings, 356 (78 women) with the participation in trade fairs/exhibitions, 413 (all women) in women entrepreneurship development activities (mentorship programs, targeted trainings). The project support resulted in the establishment of 11 new businesses (including 7 women-led enterprises following the targeted Women Entrepreneurs Mentorship programme).

Training and workshops have augmented the capacity of target value chain actors, improving the quality of their produce and introducing international food quality and safety standards, as well as sustainable agricultural practices, including Global G.A.P., HACCP/ISO22000 and Organic. From 2021 to 2023, more than 120 agricultural firms and farms in Namangan, Andijan and Ferghana regions enhanced knowledge and skills on international standards that would ascertain quality and sustainability of the produce and increase export competitiveness.

<u>At the macro level</u>, the project supported enhancing capacities of the policymakers to design and implement trade and private sector development policies aimed at making the policy and regulatory environments more favorable for MSMEs, promoting export diversification, value addition, and increasing private sector competitiveness to capture trade opportunities.

¹² Evidence source: EPA's and target value chain actors' reports and calculations

The project supported implementation of selected action points of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021, as well as formulation and subsequent implementation of selected goals of the <u>Development Strategy of New Uzbekistan for 2022-2026</u>, which outlines strategic objectives to further development of entrepreneurship, supporting private sector with development of export potential as well as increasing export competitiveness and accessing new markets.

The project also extended its analytical support to the Ministry of Investments, Industry and Trade (MIIT) with several analytical reports on diversification of markets and export opportunities, trade-related support services for the private sector, development of cross-border economic zones with neighboring countries, number of foreign market analysis studies, as well as sector-specific analysis of development challenges in agri-food industry and roadmaps for value chains development in horticulture and viticulture sectors.

The project provided support for Uzbekistan's accession to WTO, including building capacities of the governments' officials on various aspects of WTO accession, preparation of key WTO accession documents, advisory support on substantive issues regarding the accession process, raising public awareness on the WTO accession process, and finally, support to conducting multilateral and bilateral negotiations with WTO members.

At the meso level, the project focused on capacity-building and expanded services provision of Export Promotion Agency (EPA), Chamber of Commerce and Industry of Uzbekistan (CCI) and the Agency for technical regulation, especially targeting increased access to services, markets, information, consulting and outreach.

The project assisted EPA in improving and expanding its export support services through the agency's new web-portal (https://epauzb.uz) and provided technical assistance to for a mobile application serving as a unified portal for exporters «Export Portali». The portal aimed to enhance exporters' access to government trade support services in a one-stop shop.

The technical assistance on digital services continued with the 'TextileMap' – a specialized mobile platform making accessible comprehensive information about the exporting textile companies in Uzbekistan with entries on their products, prices, contacts, and other relevant data in several languages, including Uzbek, Russian, English, Turkish, and Chinese. Completely free, the mobile application is available in the <u>App Store</u> and <u>Google Play</u>.

The Agency for technical regulation was supported with development of the automated information system "E-management" for issuance of conformity certificates, which streamlines the process of issuance of conformity assessment certificates for producers/exporters. The streamlining increases transparency of the process and decreases transaction costs (time, documents) for exports.

The project also supported MIIT and EPA in establishing the first Regional Center for Export Support located in Fergana Valley (with the office location in Fergana city), which provides information and advisory support on all export-related issues and procedures for SMEs in Ferghana Valley. The service lines include support in finding foreign partners, contract conclusion, and assistance for connecting to digital platforms. During 2022-2023, the regional export center served over 300 export companies in mapping /finding foreign buyers and concluding export contracts. As a result, \$28 million worth of products were exported by the supported enterprises.

The project has also facilitated access of the Export Promotion Agency and SMEs to market and trade intelligence information to enhance their capacities to foresight markets and navigate for better market access. Overall, work on improving and streamlining services provision of EPA and CCI for private sector as well as

facilitation of access of SMEs to trade and market intelligence and relevant capacity-building activities to use available big data tools to foresight markets, benefitted over 3,800 SMEs¹³.

Overall, 4 (four) B2B missions (Israel, Latvia, Tajikistan and Azerbaijan) and 4 trade fairs (UAE, Finland, Germany) were supported, resulting in export contracts worth \$36,6 million.¹⁴

Overall results 2021-2023

On the macro level, the project focused on supporting the government in creating an enabling environment for job-rich growth and trade-oriented private sector development.

In 2021, the project provided support to the Ministry of Investments, Industry and Trade with the development of the draft **Development Strategy of New Uzbekistan** for 2022-2026, which was promulgated by the Decree of the President in the end of January 2022. The strategy document defines seven main directions of the development agenda for the next five years. The Project's technical support involved the elaboration of the measures of the Action Plan - in specific, those pertaining the promotion of a conducive business environment, development of entrepreneurship, increasing export potential and competitiveness of the economy, trade promotion including e-commerce, acceleration of accession to WTO, and the creation of free trade and economic zones with neighboring countries.

The strategy underscores especially the implementation of standards on par with international requirements. This parallels AfT project's long-standing work on supporting the countries in the adoption and implementation of international quality and food safety standards to increase export competitiveness.

During 2021-2023, the project provided active support for the accession of Uzbekistan to WTO including building capacities of the governments' officials on various aspects of WTO accession, preparation of key WTO accession documents and advisory support on substantive issues regarding the accession process, raising public awareness about the WTO accession, and support to conducting multilateral and bilateral negotiations with WTO members.

The project participated in the organization of the **6**th **and 7**th **meetings of the Working Party on the accession of Uzbekistan to WTO** during 14-15 March 2023 and 16-17 November 2023 (in Geneva, Switzerland). The events were chaired by the newly appointed Ambassador of the Republic of Korea, Mr. Yun Seong-deok, and brought together 25 WTO Members to examine Uzbekistan's foreign trade regime. Apart from multilateral negotiations, the meeting also served as an impetus for bilateral negotiations with interested WTO Members on market access for goods and services¹⁵. Subsequently, Uzbekistan signed protocols with five countries.

Within the framework of preparatory work to align trade policy measures with WTO requirements, the project supported MIIT with development of the methodology on identifying list of products subject to Tariff Rate Quotas (TRQs) and draft a list of goods (agricultural products) subject to TRQ with justification to be used by Uzbek negotiations team in negotiations with WTO members. Tariff rate quotas (TRQs) provide greater trade liberalization and better market access for importers as they allow a pre-determined quantity of a product to be imported at lower import duty rates (in-quota duty) than the duty rate normally applicable to that product.

¹³ Evidence source: Cumulative, compilation from previous progress reports; CATI portal statistics on users from Uzbekistan for 2021-2023

¹⁴ Evidence source: Report of the EPA and project beneficiaries.

¹⁵ Evidence source: https://www.undp.org/uzbekistan/press-releases/uzbekistan-held-6th-working-party-meeting-accession-wto-support-undp

The project advised the Ministry of Investments, Industry and Trade (MIIT) on the improvement and diversification of trade support services for the private sector. EPA was supported in the working process of the report on 'Analysis on Capacity Building Needs of Uzbekistan's Export Promotion Agency', a process that also involved an international expert from Germany. The key recommendations of the report include: a) further development of "know-how" on export markets and certification to improve SMEs' knowledge of foreign markets, b) expanding the export-promotion network abroad and articulation of a clear value proposition for target markets, c) monitor the work of and impact created by export institutions through a transition towards more complex and outcome-based monitoring systems, which would better inform governments for strategic choices on enhancement and targeting of export-promotion activities.

During 2022-2023, the project supported MIIT and Ministry of Agriculture in the development of four comprehensive analytical studies/researches including:

- 1. The research on "In-depth analysis of viticultural and horticultural sectors of Uzbekistan." The report provides concrete recommendations for further development of these sectors based on value chains development methodology and international experience, along with a roadmap for specific measures and timelines on the implementation of recommendations. 5 roadmaps on improvement of selected by the project value chains (mung beans, mixed nuts and dried fruits, dried vegetables, peanuts and peanut butter, jams and fruit purees) is being analyzed by the Ministry of Investments, Industry and Trade and Ministry of Agriculture to develop relevant recommendations for submission to the Cabinet of Ministers.
- 2. The research on "Analysis of economic potential of four (pilot) regions of the Bukhara region (Shafirkon, Olot, Jondor, and Peshku districts). The study analyzed and identified industries where the districts have a comparative advantage compared with other regions and provided concrete recommendations on increasing employment and export potential of the industries and opportunities for attracting investments.
- 3. Analysis of food processing industry and drafting the development strategy for the food processing industry of Uzbekistan. Finalized according to sub-priority No.22 of the Development Strategy of New Uzbekistan for 2022-2026 (Development Strategy), the strategy outlines new priorities for sustainable development of food processing industry and recommendations for improving productivity, development of higher added value and diversified productions in the sector.
- 4. **Feasibility study on establishing cross-border economic zones** between Uzbekistan and neighboring countries. The zones would develop cross-border economic cooperation, strengthen ties between border regions, and increase the level of economic development, economic interdependence and complementarity between border regions of the neighboring states. The study analyzes the development of potential CBEZs between Uzbekistan and (i) Kazakhstan, (ii) Kyrgyzstan, and (iii) Tajikistan, and proposes essential investment plans in priority sectors of such CBEZs.

The project also supported MIIT and EPA by conducting **2** (two) comprehensive Export Marketing Researches. The first report detailed the export opportunities for Uzbek enterprises on 10 manufactured products with high export potential to the Middle East countries (honey, spices, pharmaceutical products, nuts and beans, carpets, silk products, meat products, leather goods); the second one focused on the same issue of export opportunities of Uzbek enterprises in regard to the promotion and supply of agricultural products to Japan, China, and the Republic of Korea.

In 2022-2023, the project worked with Hilfswerk International to support MIIT with development of the national Geographical Indications (GIs) system to increase the recognition of Uzbekistan as a supplier of high-quality

and unique agricultural produce. The project recommended on GI-relevant legislation and contributed to the identification and branding of traditional authentic products. As a result of the activities, GI Association of producers of Khorezm melon (selected as pilot GI value chain in Uzbekistan) was established in 2022.

The project supported participation of 4 representatives from MIIT, Ministry of Justice, Ministry of agriculture, and Export Promotion Agency at the Regional Forum 'Increasing the recognition of Central Asia as a supplier of high-quality and unique agricultural products: paving the way for successful Geographical Indications systems' 16, organized in Almaty during 03-04 October 2022 jointly with 'Hilfswerk International'. The Forum served as a regional platform to discuss the results of the recent initiatives aimed at development and promotion of Geographical Indications (GIs) in the region and potential areas of collaboration to advance GIs in the Central Asian region. The Forum facilitated exchanges on further approaches needed and policy measures through which GIs can contribute to regional development and creation of new trade opportunities for the countries of Central Asia

In terms of capacity-building of government officials, the project supported MIIT with policy formulation on quality and the strengthening of national quality infrastructure institutions. During 4-8 October 2021, the project organized the study visit for 6 government officials from MIIT and the Agency on Technical Regulation to the European Union (Germany, Netherlands and Latvia). The purpose of the visit was to learn European reforms on the institutionalization of national quality infrastructure and fostering the use of international standards and conformity assessment procedures by the private sector to add value to their products and increase competitiveness.

Over 385 civil servants from all regions of Uzbekistan improved trade-related capacities and knowledge pertaining to trade and SME development policy formulation pertaining to greater market/trade liberalization, WTO regulatory aspects, improvement of NQI (National Quality Infrastructure), trade/market intelligence, trade data analysis, e-commerce, foreign market access requirement, etc. ¹⁷

On the meso level, the project supported trade support institutions (Export Promotion Agency, CCI and Agency for technical regulation) to provide efficient services to the private sector. The focus was on services related to trade and market intelligence, including analysis of export potential of products and assessment of export markets, export marketing strategies development, needs assessment focusing on foreign market penetration for SMEs, as well as services related to quality management and international standards introduction.

The project supported Export Promotion Agency (EPA) with strengthening knowledge and skills on advanced export promotion and trade intelligence tools, as well as improving and expending online export support services provision to the private sector. To highlight:

• The project supported development of **the new web-portal of the EPA** (<u>www.epauzb.uz</u>) to support the export promotion work of EPA. The new platform is an interactive, knowledge and information rich source on trade development and export promotion for SMEs. The project also supported EPA with the development of online services for epauzb.uz platform, including Quarterly Exports Digests and Exporters' Database.

¹⁶ https://ca-wg.net/2022/10/25/forumgoneographicalindication/

¹⁷ Evidence source: Cumulative, compilation of previous progress reports, staff calculations

- The project provided technical assistance to EPA for the **mobile application of unified exporters portal «Export Portali»**, which aims support to exporters through enabling access to relevant government trade support services in a single mobile application.
- The project also provided support with development of 'TextileMap' specialized mobile platform mapping the exporting textile companies in Uzbekistan, providing detailed information on their products, prices, contacts, and other relevant information in several languages, including Uzbek, Russian, English, Turkish, and Chinese. Both mobile applications are available free of charge in the App Store and Google Play.
- The project supported EPA to establish the 'Online School of Export' platform (to be launched in the first half of 2024), including development of the 12 video learning courses on topics most critical for exporters.
- The project enabled 4 EPA specialists to strengthen their knowledge on the Latvian and German experience in regard to export promotion, as well as learning EU regulatory framework for agriproduct imports during a study visit on 6-10 December 2021. As part of this the visit: 1) meetings and negotiations took place with European wholesale companies on promotion of beans and pulses from Uzbekistan (mainly sprouted mung bean); 2) requirements and technical barriers hindering sprouted mung bean exports to European market were identified; and 3) a meeting with the European Sprouted Seeds Association's Secretariat was held with an agenda to discuss export opportunities and market penetration.
- The project organized the study visit to Sweden for 6 representatives of the government counterparts and trade support institutions (MIIT, EPA, State tax committee, National Bank of Foreign Activity in Uzbekistan, Export-import insurance company «UzbekInvest») during 28 November 02 December 2022, to learn Sweden's experience in development of efficient trade support instruments and services to SMEs, as well as advanced approaches in export marketing and entering foreign markets.
- EPA's and MSMEs' access to advanced market and trade intelligence information/services was facilitated through the Central Asian Trade Information Portal (CATI) www.catiportal.org, which was developed and launched by the project in February 2021, and through Passport database of the Euromonitor International. Access to CATI portal and the Euromonitor databases was used to enhance the EPA's and over 4,800 SMEs capacities to use available big data on trade intelligence for market foresight. This would afford them to better navigate market access and develop specific market profiles for a defined group of products. Access to the Euromonitor database has also been used by EPA to develop in total of 6 export market profiles for specific group of products (which have been disseminated to more than 3,000 exporters through the EPA channels).

As a result of the project's support to improving and expanding online export support services to the private sector through the Export web-portal, EPA was able to expand its client phase (the number of active web-site users grew from 1,200 in 2018 to 42,000 users in 2023) helping them to develop their export capacities and connecting them with potential buyers from abroad. In addition, over 3,700 users downloaded mobile application of unified exporters portal "Export Portali" and B2B mobile platform "TextileMap" 18.

The project also supported the Agency for technical regulation of Uzbekistan with development of the automated information system **"E-management" for issuance of conformity certificates**, which streamlines the process

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¹⁸ Evidence source: data obtained from Google and Yandex statistics

of issuance of conformity assessment certificates for producers/exporters, contributing to increased transparency of the process and decreasing transaction costs (time, documents) for exports.

In 2022, with an aim to increase effectiveness and quality of services of the EPA in the regions of Uzbekistan, the project supported MIIT with opening of the special **regional Center for Export Support in the Fergana Valley** with office location in Fergana city. The regional export support center in the Fergana Valley began its work on October 1, 2022. This is the first regional center of EPA established in the country and serves to support SMEs located in the regions of the Fergana Valley. During 2022-2023, the regional export center supported over 300 export companies in mapping /finding foreign buyers and concluding export contracts. As a result, \$28 million worth of products were exported by the supported enterprises.

In 2023, the project supported MIIT and EPA with elaboration of the **Development strategy of state export promotion companies** with relevant implementation roadmap for the next five years (focusing on diversification of services provided to exporters - export marketing strategies, export markets assessments, e-commerce and connecting to digital platforms, etc.).

The project provided support with two trainings for more than 30 staff of EPA and CCI as well as over 360 SMEs (incl.100 women-led) to enhance knowledge and skills on better services provision for the private sector, including:

- 1. A series of regional training on "How to start exporting" and "How to export to European Union countries," with modules on 'export from A to Z', customs procedures and requirements, as well as export marketing strategies necessary to attract customers in EU countries during 5-25 November 2023.
- 2. Training on "Capacity building of TSIs on the preparation, realization, and follow-up of B2B events and market intelligence" for the staff of the EPA in Germany during 5-11 October 2023, organized in cooperation with Import Promotion Desk of Germany (IPD). The participants were equipped with relevant knowledge and skills to effectively analyze export market opportunities and compete in the global markets.

The project supported EPA with the finalization of the updated version of the practical manual <u>«Export activity: Step by Step».</u> This manual assists MSMEs when engaging in export activities thanks to an overview of export procedures and a step-by-step guideline on exporting goods from Uzbekistan.

With respect to diversifying and connecting to export markets, **8 B2B matching activities** (trade fairs, B2B meetings) were supported in total by the Project. This type of support was particularly critical in the aftermath of the COVID-19 pandemic and its lasting ramifications for the exporting MSMEs in Uzbekistan. These efforts contributed to increased export volumes (export contracts were signed for the total amount of \$36,61 million ¹⁹), with 155 Uzbek exporters accessing new export markets and establishing new connections. The new markets reached include UAE, Israel, Saudia Arabia, Qatar, Finland and Latvia.

Below is the list of B2Bs and trade fairs supported by the project:

1. 4 (four) B2B missions to Tajikistan (on 22-25 September 2021, for 40 SMEs), Azerbaijan (for 20 SMEs), Israel (on 28-29 June 2022 for 20 SMEs) and to Latvia (in September 2022 for 50 SMEs), aimed to promote exports, increasing trade turnover and establish linkages and cooperation ties between trade support institutions and exporters of the countries. As a result of meetings and negotiations, facilitated

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¹⁹ Evidence source: Cumulative progress report of Export Promotion Agency

by the Export Promotion Agency of Uzbekistan and CCI, export contracts on dried fruits and vegetables, leather and textile products were signed for over \$ 29.2 million.

- 2. In 2021, the project supported Businesswomen Association of Uzbekistan and 23 women entrepreneurs with showcasing their products at the international exhibition 'Middle East Organic and Natural Products Expo Dubai' between 6-8 December. The exhibition was attended by over 6,000 visitors, 250 companies from 48 countries, as well as 14,000 niche buyers. During the exhibition, women entrepreneurs signed export contracts exceeding \$3 million in total.
- 3. In 2022, the project supported participation of 8 SMEs, including 4 women-led businesses (fresh and processed fruits and vegetables producers from Fergana Valley), in the international exhibition 'Dubai Organic Expo' (UAE) held between 13-15 December.
- 4. In 2023, the project supported participation of 6 SMEs representatives, including 2 women-led enterprises in the international exhibition "Local & Organic Food Fair" in Helsinki between 29 March 2 April. During the exhibition, Uzbek entrepreneurs negotiated with more than 25 companies, including: "Suomen Chiliyhdistysry The Finnish Chili Associaton, Esbau, Bioproffa, Kekkila Garden, Sven SIig AG, Finnish Agriculture association" and other companies for the supply of fresh and processed vegetables and fruits from Uzbekistan and concluded preliminary agreements on the export of products worth EUR 5 million²⁰.
- 5. In 2023, the project, in cooperation with the Export Promotion Agency, supported participation of five Uzbek entrepreneurs in the trade fair "Anuga," held on October 7–11, 2023, in Cologne, Germany. During the exhibition, Uzbek entrepreneurs held negotiations with more than 15 companies, including SIA "BAS, UAB "Sherevinda", Sia "Kleinod", Dominiki, and others, on the supply of fresh and processed fruits, vegetables, and cereal products from Uzbekistan, following which they signed export contracts worth EUR 1.6 million.
- 6. During 20-24 February 2023, the project supported EPA and more than 50 SMEs with participation in the international exhibition 'Gulfood 2023' with national exhibition stand, as a part of active promotion of Uzbek products in Middle East.

On the micro level, the project supported strengthening productive capacities of the private sector (a total of 453 SMEs, dekhkan farms) in four employment-rich and green value chains (Mixes of dried fruits and nuts, peanut butter, mush and fruit puree) in Fergana Valley (Andijan, Fergana and Namangan regions)²¹.

The work on strengthening value chains has led to an increase in decent jobs focusing on productive employment (in total 192 new decent jobs were created (out of which 91 went for women). Along with the new jobs creation, support provided to value chain actors (agro and food-processing SMEs, dekhkan farms) has led to an increase in productivity (on average by 51%), income (on average by 69%) of target VCs, with the potential to replicate and scale-up the innovative and sustainable solutions that were implemented²².

<u>In mixes of dried fruit and nuts value chain</u>, the project worked in Andijan, Fergana and Namangan regions and supported:

 $^{^{20}\} https://www.undp.org/uzbe\underline{kistan/press-releases/undp-supported-participation-uzbek-entrepreneurs-exhibition-helsinkii}$

²¹ https://www.undp.org/uzbekistan/stories/fostering-economic-resilience-through-green-value-chains

²² Reports from project clients, and cumulative report prepared by the project monitoring specialist.

- 38 farmers with trainings on sustainable agricultural practices for fruits and nuts cultivation, and efficient harvesting methods
- LLC 'Gold Mustang Star' with innovative equipment for drying and packaging of fruits and vegetables. The produce assortment ranges from dried apples to dates. In total, 8 (2 women) new decent jobs were created. As a result, productivity has increased by 30% and income by 30%.
- LLC 'Chortoq Logistika Markazi' with innovative equipment for drying and packaging fruits and vegetables. The produce assortment includes dried and processed apricots, plums, and tomatoes. In total, 20 (13 women) decent jobs were created. As a result, productivity has increased by 30% and income by 30%.
- LLC 'Garden House' with innovative equipment for drying fruits. The project is one of the most successful since all manufactured products are exported. The produce assortment includes dried apricots, prunes, and fruit mixtures. In total, 55 (28 women) decent jobs were created. As a result, productivity has increased by 70% and income by 30%.

<u>In peanut processing and peanut butter value chains</u>, the project worked in Andijan and Namangan regions and supported:

- 32 farmers with trainings on sustainable agricultural practices for growing peanuts, and efficient practices for collecting and storing the peanuts.
- LLC 'Agro Brend Ereldi' with innovative equipment for peanut processing. The company managed to grow the new peanut variety with a yield of 6 tons/ha has been successfully grown, and production of peanut snacks under the 'Ede' brand has been launched. In total, 38 (14 women) decent jobs were created. As a result, productivity has increased by 30% and income by 100%.
- FE 'Sokin Trend' with innovative equipment for peanut butter production. Since the delivery of the equipment, over 6200 cans of peanuts have been produced. In total, 23 (10) decent jobs were created. As a result, productivity has increased by 30% and income by 100%.

In mung (mush) beans value chain, the project worked in Andijan and Namangan regions and supported:

- 35 farmers on green aspects of mung beans cultivation, such as agricultural technology for growing mung beans (selection of land, seeds, soil preparation for sowing, sowing, care of crops), new highly productive varieties of mung beans and agricultural technology for their cultivation, and the basics of mung beans seed production
- FE 'Sam Bright Line' with innovative equipment for mung bean processing. In total, 20 (8 women) decent jobs were created. As a result, productivity has increased by 48% and income by 100%.
- FE 'Adomax' with innovative equipment for mung bean processing. In total, 3 (1 women) decent jobs were created. As a result, productivity has increased by 30% and income by 100%.
- 'Kosher Rib' with innovative equipment for mung bean processing. In total, 5 (1 women) decent jobs were created. As a result, productivity has increased by 150% and income by 100%.

In jams, jellies, and fruit puree value chain, the project worked in Andijan and Namangan regions and supported:

• 35 farmers sustainable agricultural practices for fruits cultivation and efficient harvesting methods

- LLC 'Cibus Natural' with innovative equipment for fruit puree production. Since the delivery of the equipment, the company has produced 210 tons of product to date, or about 30 tons per month. In total, 10 (7 women) decent jobs were created. As a result, productivity has increased by 25% and income by 30%.
- FE 'Gulroz -D' with innovative equipment for fruit jam production. Since the delivery of the equipment, it has produced 3,000 cans of fruit jams. In total, 10 (7women) decent jobs were created. As a result, productivity has increased by 70% and income by 70%.

During 2022-2023 the project supported building capacities of over 120 farmers in Andijan, Fergana and Namangan regions on sustainable agricultural practices and international quality standards, including:

- Workshops for more than 50 farmers (13 women) on the implementation of the Global G.A.P international standard and general requirements of external markets for agro products quality.
- Workshops for more than 70 (25 are women) farmers, agro-processing enterprises, as well as staff of regional branches of the Ministry of Investment, Industry and Trade, and the Agency Technical Regulation on certification processes according to the international food safety standard HACCP-ISO22000 and main requirements of the standards.
- A study tour organized during 7-15 November 2022 to France, Italy, and Turkey for representatives of Ministry of Agriculture and cherry producers from Fergana Valley (total of 7 participants). The tour created the opportunity to learn from the experience of the countries on the alternative cultivation of sweet cherries and draw up a special agrotechnical algorithm of actions for further implementation in Uzbekistan. As a follow up to the study tour, 3 training workshops were held in Andijan, Namangan and Fergana regions with the participation of specialists from Turkey who shared knowledge and experience of innovative methods on cherry production.
- Practical support was provided for preparation and certification on "GlobalG.A.P." international standard of two export-oriented agricultural firms in Fergana region – "Qo'shtepa Bog'i Boston LLC" (produce of grapes, melons, nectarine, peaches, plums and watermelons) and "Vodil Agro Biznes" Farm (produce of apricots, raspberries).
- Two agro-processing enterprises (LLC Garden House (Fruit and vegetable drying) and LLC Dried Ingredients) have undergone pre-certification audit to receive a certificate HACCP/ISO22000. One agro-processing company (LLC CIBUS NATURAL (Fruit pure production) received the full volume of HACCP/ISO22000 certification services.
- Three SMEs (JSC LLC Siberian Wellness (Namangan), LLC Ilyasov (Fergana), LLC Agro Brend Ereldi (Andijan) have undergone pre-certification audit to receive a certificate GLOBAL GAP.

Support to women empowerment, women entrepreneurship development and gender mainstreaming

Gender equality has been a key programming principle, mainstreamed in all activities of the project. The project implemented three dedicated programs supporting women entrepreneurship (mentorship programme)²³. At the micro level, the project ensured that women-led small business are represented in the activities.²⁴

Overall, during 2021-2023, over than 770 women participated in the activities initiated or supported by the project, including trainings, study tours, master classes, provision of individual consultancies, round tables. Additionally, women entrepreneurs who established new businesses benefited from the provision of tools and equipment as part of the mentorship program.

Mentorship Program for Women Entrepreneurs

The project supported development of the entrepreneurial skills and capabilities of 415 women in Fergana Valley by providing three editions of the Mentorship Programs for Women Entrepreneurs in project target regions (Andijan, Fergana and Namangan) that included business/trade development, networking and investment components. It included mentorship support by 45 mentors (experienced entrepreneurs) provided to the mentees (new or aspiring women entrepreneurs) as well as capacity-building/trainings on expending the mentees' business planning skills, financial literacy, marketing and sales (SMM), crisis management and opportunities for additional financing. Moreover, 12 participants of the mentorship programs have grown from a mentee-beginner to a mentor and started to conduct mentoring activities in their regions.

- 1. In 2022 the project implemented the first Mentorship program on "Entrepreneurship for women and youth in Uzbekistan" in Andijan, Fergana and Namangan regions²⁵. The program was implemented by the Businesswomen's Association of Uzbekistan and supported aspiring women and youth entrepreneurs with series of trainings on theoretical foundations of setting up and growing businesses in rural areas as well as practical examples on how to conceptualize a business idea and business planning through mentoring. The program was attended by 165 participants, of which: women entrepreneurs 81, women outside of entrepreneurship 84 (youth), women entrepreneurs who have experience in the export sector 9.
 - In its final phase, mentors and mentees developed business plans aimed at implementation of business ideas that they presented at the end of the program.
- 2. In 2023 the project implemented two Mentorship Programs for more than 250 women. The first program was aimed at providing specialized trainings on entrepreneurial skills, financial literacy, as well as master classes from successful entrepreneurs. The second programme was focused on enhancing knowledge participants on development of entrepreneurial and trade development skills with the introduction of information and communication technologies, including e-commerce.

As part of the mentoring program for women and youth in 2022, 7 best green value chain business projects prepared by 7 women entrepreneurs were supported with innovative technological equipment: 1) Ferghana - Mixes of dried fruits and nuts, 2) Andijan - Mixes of dried fruits and nuts, Peanut processing and peanut butter, Mung beans. 3) Namangan – Mung beans, Peanut processing, and peanut butter:

²³ https://www.undp.org/uzbekistan/press-releases/women-entrepreneurs-role-models-economic-growth-within-green-value-chains

²⁴ https://www.undp.org/uzbekistan/stories/transforming-future-agri-business-uzbekistan-empowering-women-entrepreneurs

 $[\]frac{25}{\text{https://www.undp.org/uzbekistan/press-releases/role-mentoring-entrepreneurship-new-mentoring-project-girls-and-women-entrepreneurs-was-launched-ferghana-valley}$

- LLC 'Gold Mustang Star' Mixes of dried fruits and nuts (Drying and packaging of fruits and vegetables)
- LLC 'Agro Brend Ereldi' Peanut processing and peanut butter (Producing of peanut butter)
- FE 'Sam Bright Light' Mush, mung beans (Mush processing)
- FE 'Adomax' Mung beans (Mung beans processing)
- FE 'Sokin trend' Producing of peanut butter
- LLC 'Kosher Rib' Mush processing.
- Ibrokhimova Sevinch LLC

In order to ensure the sustainability of the Mentorship programmes, UNDP on collaboration with Business Women Association of Uzbekistan launched **the Mentoring School for women entrepreneurs**, that will serve as a knowledge exchange hub with modern infrastructure. Multimedia equipment was provided within the framework of the joint UNDP project to enhance learning facilities and experience unique exchange environment.

With the aim to build financial resilience of the private sector (particularly women entrepreneurs) to the climate impact by improving access to public, private, and development finances, the project has supported MIIT and Ministry of Finance with elaboration of the **Feasibility study on establishing a climate and gender focused investment fund** (so called **'Green Lady Fund'**), which will help empower women in Uzbekistan by providing financing to businesses owned or run by women in select business areas which are considered to have a significant climate change mitigation or adaptation impact.

Women Entrepreneurship Day (WED)

To promote the importance of women's entrepreneurship in the socio-economic development of the country and women's economic empowerment, the project supported the organization of two World Women's Entrepreneurship Days (WED) in Uzbekistan (2021 and 2023). Having different overarching themes each year, over the three years the high-level event gathered over 1,200 representatives of women-led businesses and organizations. The WED provides women entrepreneurs, including from rural areas, with a platform to network, exchange experiences, discuss common challenges and celebrate achievements.²⁶

7. Partnerships and Sustainability

Partnerships.

The project continuously explores and engages development partners and local stakeholders with the project activities. All national level activities are implemented in coordination with the national implementing partners of the project.

The project has established cooperation/partnerships with the Export Promotion Agency and the lead women business association – Business Women of Uzbekistan on activities related to enhancing efficiency of trade support services to the private sector as well as supporting women entrepreneurship and implementation of mentorship programmes for women entrepreneurs.

Sustainability and scaling up results.

https://www.undp.org/uzbekistan/press-releases/womens-entrepreneurship-factor-economic-welfare-growth-and-social-development-country

 $\underline{https://www.undp.org/uzbekistan/press-releases/women-entrepreneurs-role-models-economic-growth-within-green-value-chains}$

Like other development partners, UNDP is aware of the limits of implementing stand-alone projects in addressing complex development challenges at scale; therefore, UNDP aims to build long-term partnerships while emphasizing on learnings and scaling. Confronted with the large-scale challenge of reducing rural poverty that UNDP is mandated to address, and with the limited resources available from official development assistance (ODA), UNDP overarching priority is to leverage investments in agriculture, trade and countries' development that can scale up results of successful development initiatives.

To deliver on this priority, the project is geared towards supporting all concerned actors and institutions – including rural women and men and their organizations to achieve impact at scale. This requires a shift from a project-centric approach to one that spurs change in the institutional, policy and economic environment. In this regard, UNDP's implementation strategy is not only to enable project clients to work their way out of poverty in the limited time and space of a given project, but to use the positive results to inspire others and leverage policies, knowledge, social and political capital, and financial resources to bring those results to a larger scale in a sustainable manner in partnership with private, public and other development actors.

The principles of scaling up and sustainability are closely linked and feed into each other. The project continuously conducts assessments of key areas and institutional actors that will give a local initiative continuity in the absence of donor funding.

Key achievements of the output in Uzbekistan with good sustainability and scalability prospects are the following:

- Establishment of the Regional Center for Export Support in the Fergana Valley. The project facilitated
 and supported establishment of the Center in Fergana, which is operational (and fully funded by
 governmental budget). The MIIT is planning to submit proposal to the government on establishing three
 more regional centers in Kashkadarya, Samarkand and Khorezm regions.
- Establishment of the Mentoring School to provide capacity-building services for aspiring or new women
 entrepreneurs to enhance knowledge and skills in business and financial management and planning,
 advisory support from skilled mentors.

8. Cross-cutting objectives

Gender mainstreaming:

Gender equality and women economic empowerment is a key programming principle in all project activities. The project implements activities that explicitly support women's entrepreneurship. The specific gender lens applied across all project interventions enable specific gender concerns to be integrated into gender-sensitive analysis of development issues and into proposed policy solutions. At the micro level, the project ensures women are represented in the activities that aim to enhance the productive and export capacities of small businesses.

In Uzbekistan, the project implemented the mentorship program in support of women entrepreneurs that included capacity development, network, coordination and investment components. These interventions form part of the project's targeted approach to work on gender equality and women economic empowerment issues.

Environment

The Aid for Trade project aims to push forward the environmental objectives and transformational interventions to adapt and mitigate climate change (SDG 11, 12, 13) or fight the loss of biodiversity (SDGs 1.5, 8.4, 15). In its efforts to fulfill these endeavors, the project has been supporting only green value chains - adventure tourism, natural honey, as well as mixes of dried fruits, berries, vegetables, and nuts in Kyrgyzstan, honey, mung beans,

peanut/peanut butter, dried fruits & snacks, apricot kernel oil in Tajikistan, dried fruits and vegetables, mung beans, peanut/peanut butter, jams/fruit purees in Uzbekistan, which are also having a strong export and job creation potential.

The project has implemented measures to raise productivity and resource efficiency in SMEs and farms while reducing negative externalities, such as soil erosion, agro-chemical pollution, and agricultural GHG emissions. In particular, the project has supported the introduction of sustainable agricultural practices at farms, innovative resource-efficient technologies, and environmental compliance standards at processing enterprises, which not only reduce the environmental footprint of production but also foster green exports.

Digitalization

The digital economy and e-commerce play a growing role in efforts to achieve the Sustainable Development Goals (SDGs), bringing new opportunities and new challenges to bear.

E-commerce has great potential for diversifying the scope and geographic reach of trading opportunities for Central Asian countries and expanding the range of both established businesses and new enterprises. E-commerce also plays an increasingly important role in linking countries with regional and global value chains. It also provides an income diversification pathway, particularly for women temporarily dislocated from labor markets and youth.

Therefore, the project aims to push wider introduction and use of digital technologies in trade-related services provision by public institutions and TSIs as well enabling e-commerce in the countries through changes in public policy and business practice – to improve digital and trading infrastructure, facilitate digital payments and establish appropriate legal and regulatory frameworks for online transactions and security.

During 2021-2023, notable achievements of the project to support the project partners in Uzbekistan with introduction of new ICT solutions/services include development of the new web-portal of the Export Promotion Agency with additional functionalities (www.epauzb.uz) and new online modules including customs and logistics calculator, interactive online instruments for foreign trade activities, digitalized marketing profiles of priority export markets, and implementation of new features for users with disabilities. The project has also developed the mobile applications of unified exporters portal «Export Portali» and specialized mobile platform 'TextileMap' aimed to provide comprehensive information about the exporting textile companies of Uzbekistan.

9. Risks and opportunities update

| Description | Type | Activities for treatment |
|---|------------|--|
| Institutional changes resulting in high staff turnover within the partners of the project, which may slow down the project progress, particularly with respect to activities of the first component (supporting an enabling environment). | Regulatory | The project team closely monitors the changes in key existing and new governmental partners and maintains close communication and cooperation with them to ensure smooth continuation of project activities. |

10. Knowledge generation

The regional output of the project facilitates knowledge generation and sharing of experience and expertise between participating countries.

The regional output developed the methodology for identification of 'future-proof' and green added value products/value chains on the basis of the work undertaken on analysis of megatrends. The main aim is to include mega trends and ensuring that the productive capacities and value chains are future proofed, as well as environmentally sustainable and employment rich.

Based on the elaborated methodology, the project produced two comprehensive studies on identification of 'future-proof' and green value chains and export opportunities for Tajikistan and Kyrgyzstan and developed its service offer on 'Building forward-looking productive capacities with focus on higher added value and green value chains'.

During phase IV in partnership with ITC, the regional output has developed and launched the **Central Asian Trade Information Portal** (https://catiportal.org/en), the first digital platform in Central Asia, representing the #NextGen of online trade intelligence services and functioning as a one-stop-shop for country and product specific trade intelligence including tariffs and duties, import and export procedures, market requirements and other data for the Central Asian and the European Union region. Based on this work, the project developed its service offer on 'Trade and Market intelligence'.

11. Key challenges and lessons learnt

Lessons learned

Lessons Learned 1: Green Value chains approach as an opportunity for economic diversification.

Protracted instability pushes countries to recalibrate their economies to be more adaptive to global megatrends (geopolitics/conflict, climate change, regionalization, digitalization/ technological change, change in production and consumption patterns in post-COVID 19 context). In this context, the project should continue spearheading its green, job-rich and 'future-proof' value chains approach to support businesses and producers to build 'forward-looking' productive capacities to increase competitiveness and become more resilient to shocks.

Lesson Learned 2: Close monitoring of Procurement cases.

From the Project's experience of working with sub-contractors, including on value chains, it became apparent that close and constant coordination between the project staff and the sub-contractors must be established from the beginning of a contract and maintained throughout the contract duration, especially in the area of monitoring and evaluation (M&E). Procurement, which involves international purchasing, is prone to lengthy delays. Continued and close monitoring of the procurement process and delivery process is required.

Lessons Learned 3: Integrating women economic empowerment and gender equality for inclusive development.

Women entrepreneurship development programs supported by project showed positive results both in terms of used innovations in servicing the women living in rural areas and new jobs creation, as well as in terms of boosting the national efforts in this area. Also, during the current phase it was observed that women tend to benefit better from dedicated activities and interventions; when given opportunities, they are focused, committed, and offer great untapped potential to contribute to economic growth. It is vital to further support women in developing their business, trade and digital skills through mentorship programmes, capacity building trainings, and networking opportunities.

Lesson Learned 4: Promotion of public-private policy dialogue.

Weak coordination between associations and cooperatives which is correlated to the overall fragmentation within the sector, but also results in limited participation of the sector in relevant decision-making processes especially related to the regulatory framework. It is important to continue to support promoting dialogue between producers, processors, associations, and institutions to ensure an informed decision process between stakeholders and the government.

Lesson Learned 5: Inclusive approach that addresses national priorities and ensures contextual relevance.

The governments' initiatives towards improving the national policy on economic development and trade promotion were supported by the project in the current phase and several positive results were achieved such as development of visions to the private sector focused trade policies and export development programs, new export finance products, on-line export promotion platforms. The project should continue to support activities aimed at streamlining trade-related public services provision as set in the national priorities of the countries.

Lesson Learned 6: Prioritizing niche products/value chains.

Given that the production of the countries is highly fragmented, competing on price/quantity remains extremely difficult. The focus on novelty/niche products that are environmentally sustainable and allow for a high value-added to producers proved to be successful during piloting in phase IV. The project should continue to support countries in building 'forward-looking' productive capacities, enhancing efficiency and competitiveness of target 'green' value chains with focus on niche products.

Lesson Learned 7: Ownership is a prerequisite to ensure sustainability.

As such, the project perceives all clients as equal partners both in terms of planning and implementation. This approach was important to establish ownership but also to benefit from existing knowledge. The project should continue with its efforts in building local capacity and supporting/establishing national and local institutions.

Lesson Learned 8: Trade and market intelligence as a vital tool to enhance resilience.

Trade and market intelligence is attracting greater interest as effective tools to analyze big data to expand trade opportunities and reach new markets. Enhancing firms' resilience is closely linked to digital connectivity to take advantage of the continuing boom in e-commerce. Therefore, it is vital to support Trade Support Institutions of the countries to enhance resilience and adapt their support and services portfolios putting a stronger focus on services critical for MSMEs at crisis times, such as foresighting new markets and facilitating market access, accessing and using big data tools for trade intelligence, advanced and innovative trade finance, e-commerce mentoring and connecting to digital trade platforms.

Lesson Learned 9: Promoting trade finance.

Despite the availability of a variety of financial products and international/regional best practices, export financing remains limited in the project's target CA countries. Providing support in the introduction and/or promotion of such instruments would significantly help exporters to expand their production and exports.

Lesson Learned 10: Quality and Food Safety as a pre-condition for internationalization.

As the national quality infrastructures (NQI) of the countries are still underdeveloped, the issue of safety/quality and certifications, including the awareness about its importance for export capacity, remains an acute problem at all levels of VCs (farmers/beekeepers, processors). Efforts should be continued on all fronts in this regard – from supporting the Government in improving the NQI to helping producers and processors/exporters in complying with safety requirements and international quality standards.

Lesson Learned 11: Streamlining trade procedures.

Lengthy exports procedures as well as high trade transaction costs cause a significant burden to exporters and reduce their competitiveness. Therefore, it is important to continue to support further simplification of cumbersome export procedures.

Challenges

COVID-19 pandemic: One of the main challenges that affected project activities has been the COVID-19 pandemic situation that has restricted export and market access opportunities of SMEs. Also, subsequent quarantine measures imposed by the governments of CA resulted in postponement of project activities, requiring travel, both international and local (study tours, trade fairs, exchange visits, local trainings for target VCs actors, etc.), delays with conducting regional trainings/public events especially in remote/rural areas, constraints to field work in target value chains, delays in the supply of inputs and equipment for target VCs. The project should continue the practice of conducting regular reviews of all activities to ensure they are aligned to emerging needs of the project clientele, increase the use of online tools, and hold regular online meetings with contractors.

VC connections/linkages: While the project was mostly successful in connecting farmers'/beekeepers' groups to processors, in some cases it proved to be challenging to build permanent cooperation between them, including, for example, due to inability of the VC actors (farmers and processors) to agree on prices. Therefore, during phase V it should be considered whether the focus should rather be on a processor and his/her existing suppliers.

Access to finance remains one of the main challenges to expanding exports, the project should continue to work with the Government and financial institutions to facilitate exporters' access to finance.

Insufficient capacities for foresight-based policy analysis: Multiple and overlapping external shocks exposed the CA countries' vulnerabilities across socio-economic dimensions and therefore stronger emphasis should be put on strengthening the forward-looking capacity, resilience, and responsiveness of SME and entrepreneurship policy frameworks...

Digital connectivity: Increasing online presence is needed to be able to fill the gap that has been left by restrictions to travel and personal contact. As the COVID-19 restriction has unfolded, the project has identified that activities such as B2B consultations and trainings can be organized using online digital tools. However, limited broadband and the rising cost of connectivity make this more difficult.

12. Project monitoring

The Monitoring framework and tools for monitoring of activities and measuring the progress of results have been developed at the beginning of project implementation.

As per the monitoring plan, the project staff conducts monitoring on regular basis by:

- a) data collection from various sources including field visits and meetings with project clients.
- b) collection of documents to verify obtained data and conducting analyses.
- c) organization of the regular meetings with project counterparts and beneficiaries including via established platforms for feedback/voices collection.
- d) reviewing and quality assurance of the reports produced by subcontractors.
- e) conducting targeted assessments.

13. Resources and budget

The total budget for 2018-2023 (<u>including for Uzbekistan country component</u>) is EUR 6,151,697.79²⁷. Total expenditures until 31 December 2023 have reached \$7,038,573.76 (equivalent to EUR 6,097,516.45) or **99.12%** of the total budget in EUR.

The total project budget for 2018-2023 (excluding Uzbekistan country component) is EUR 4,937,021.79. Total expenditure until 31 December 2023 (excluding Uzbekistan) is \$5,693,378.58 (equivalent to EUR 4,932,173.86), or 99.90% of the total budget in EUR.

The table below indicates the overall expenditure per country:

| Output | Total Budget (EUR) | EXP 2018 (USD) | EXP 2019 (USD) | EXP 2020 (USD) | EXP 2021 (USD) | EXP 2022 (USD) | EXP 2023 (USD) | Total Expenditure (USD) | Total (EUR) | EXP ratio (EUR) |
|-------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------------|----------------|-----------------------|
| Tajikistan | 2,049,840.00 | 198,257.96 | 595,013.68 | 558,994.74 | 734,814.82 | 276,470.42 | 1 | 2,363,551.62 | 2,047,544.77 | 99.89 |
| Kyrgyzstan | 2,050,000.00 | 143,198.40 | 468,365.50 | 607,451.22 | 613,650.72 | 532,613.82 | - | 2,365,279.66 | 2,049,041.77 | 99.95 |
| Regional | 837,181.79 | 0 | 26,412.68 | 199,225.15 | 323,310.33 | 301,925.79 | 113,673.35 | 964,547.30 | 835,587.33 | 99.81 |
| Total Without UZB | 4,937,021.79 | 341,456.36 | 1,089,791.86 | 1,365,671.11 | 1,671,775.87 | 1,111,010.03 | 113,673.35 | 5,693,378.58 | 4,932,173.86 | 99.90 |
| Uzbekistan | 1,214,676.00 | - | - | - | 160,173.40 | 394,898.41 | 790,123.37 | 1,345,195.18 | 1,165,342.58 | 95.94 |
| Total (With UZB) | 6,151,697.79 | 341,456.36 | 1,089,791.86 | 1,365,671.11 | 1,831,949.27 | 1,505,908.44 | 903,796.72 | 7,038,573.76 | 6,097,516.45 | 99.12 |

A detailed breakdown can be found in the financial report.

14. Annexes

• Results-based progress monitoring (based on the project's logical framework and annual work plan and reporting.

²⁷ The budget consists of EUR 6,014,676 as per the project document and EUR 137,021.79 of Phase III unspent funds equivalent to \$161,390.22 at exchange rate USD/EUR 0.851 transferred to Phase IV (Regional component) to support to increase business linkages between Finland and participating countries and for other activities as per the November 2020 board decision.

| | | | BASE | LINE | | | | | TA | RGETS (by | frequency | of data co | llection) | | | | | |
|---|--|--|-------|------|---------------------------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| EXPECTED OUTPUTS | OUTPUT INDICATORS | DATA SOURCE | Value | Year | July- Dec 2018 Targets | July- Dec 2018 Results | 2019 Targets | 2019 Results | 2020 Targets | 2020 Results | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 target | 2023 result | Final target | Final result |
| Output 1 Cooperation between trade policy makers and implementers, as well as private sector entities and national export promotion agencies with | 1.1 Number of productive capacities studies that focus on environmental sustainability and job-rich growth supported and percentage of recommendations applied | Reports produced 2019: KGZ and TJK VC study jointly with KGZ and TJK 2020: Brief on megatrends 2021: 0 (research on decent jobs and informality in CA initiated) 2023: The analytical paper in Informality in KGZ, TJK and UZB | 0 | 2017 | 1 | 0 | 1 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 4 | 4 |
| a focus on promoting job rich green growth has increased on the regional level | 1.2 Number of cooperation activities established between participating countries with at least 2 cooperation across activities per year | 2019: 1. CATI 2. Regional conference on productive capacities 2021: 1. Annual (5 th) regional meeting of Central Asian Working Group (CAWG) on Export Promotion of Agroproduce 2. Launch of CATI portal 3. Business Forum "Dialogue of women entrepreneurs of Kyrgyzstan- Uzbekistan" (21-22 September 2021) 4. 3 regional trainings on agricultural quality and sustainable value chains 5. 2 regional trade and export promotion trainings for SMEs and representatives of CA Trade Support Institutions 2022: | 0 | 2017 | 2 | 0 | 2 | 2 | 2 | 0 | 2 | 5 | 2 | 3 | 0 | 0 | 8 | 9 |

| | 1. Annual (6 th) regional meeting of Central Asian Working Group (CAWG) on Export Promotion of Agroproduce 2. Study tour for CA stakeholders to Austria on agroclusters and GIs 3.Regional GI Forum in Almaty | | | | | | | | | | | | | | | | |
|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.3 Number commercial or educational linkages between Finland and participating countries supported | Contracts/agreements 2019: University of Eastern Finland on quality management systems 2020: B2B tourism sectors 2021: Fam tour and B2B tourism sector 2022: Study tour to Finland on Sustainable tourism B2B Finland- Uzbekistan in Tashkent | 0 | 2017 | 0 | 0 | 0 | 1 | 1 | 3 | 1 | 1 | 1 | 2 | 0 | 0 | 3 | 4 |

| | | BASELINE | | | _ | | | 1 | | | | Progress | | | |
|---|---|----------|------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---|--|--|--|
| EXPECTED OUTPUTS | OUTPUT INDICATORS | Value | Year | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 Targets | 2023 Results | Final targets | Final results | | | | |
| Output4: Supporting an | 1.1 Improved private sector related policies | | | | | | | | | | | | | | |
| enabling environment for trade and private sector development in Uzbekistan through 1.1 Enabling policies and regulations for inclusive and trade oriented private sector development; 1.2 Trade support institutions that provide efficient services to the private sector. | 1.1.1. # of recommendations on improving policies regulating the private sector provided to the government and integrated in policies, % recommendations include gender lens (SDG 9.3.1)s | 0 | 2019 | 30 100% | 0 | 15 100% | 15 | 15 100% | 50 | 60 100% | 65 | Recommendations on diversification of trade-related public services provision through analytical report 2023: 1. Recommendations on a new procedure for distributing tariff quota volumes between importers. 2. The economic analysis and development proposal for Shofirkon, Olot, Zhondor, and Peshkuy districts of Bukhara province includes 22 recommendations. 3. 9 Recommendations to address the identified challenges and promote private sector growth by implementing effective measures to comply with technical barriers and sanitary and phytosanitary measures 4. Roadmap for the implementation of priority measures to promote private sector growth in Uzbekistan while complying with technical barriers and sanitary and phytosanitary measures+ | | | |

| | | BASELINI | E | | | | | | | | | Progress |
|------------------|--|----------|------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---|
| EXPECTED OUTPUTS | OUTPUT INDICATORS | Value | Year | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 Targets | 2023 Results | Final targets | Final results | |
| | 1.1.2. # of priority actions supported of the Strategy Actions on Further Development of Uzbekistan for 2017-2020, aimed at liberalization of private sector and trade development (SDG 9.3.1) | 0 | 2019 | 4 | 1 | 1 | 2 | 1 | 4 | 6 | 7 | The project supported quality policy formulation, and the strengthening of national quality infrastructure to increase export competiteveness 2022: The project provided concrete recommendations to MIIT and EPA on development of export strategy and access Middle East countries through analytical report the project assisted in the organization, as well as in the participation of representatives of relevant Ministries and agencies at the Regional Forum "Increasing the recognition of Central Asia as a supplier of high-quality and unique agricultural products: paving the way for successful Geographical Indications (GI) systems (2-5 October Almaty, Kazakhstan) 2023: 1. On March 14-15, Uzbekistan held the 6th Working Party meeting on the accession to the WTO, nine months after the last meeting UNDP organized a visit by 5Deputy Prime Minister Jamshid Khodjaev. members of the Negotiating Group (Development Strategy of New Uzbekistan for 2022-2026 Aim No. 97) 2. prepared a strategy for the development of the food industry in Uzbekistan (also called research) in accordance with Aim No. 22 of the Development Strategy. 3. feasibility study on establishing cross-border economic zones between Uzbekistan and neighboring countries, Aim No.28 of the Development Strategy 4. market research on the export opportunities of Uzbek enterprises in the promotion and supply of agriculture products to Japan, China, and the Republic of Korea, as well as the market opportunities of agriculture products in Japan, China, and the Republic of Korea. |

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| D S | OUTPUT INDICATORS | Value | Year | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 Targets | 2023 Results | Final targets | Final results | |
| | 1.1.3. # of business services optimized in government agencies involved in exports (SDG 9.3.1, 17.11.1, 8.1.1) | 0 | 2019 | 3 | 0 | 1 | 3 | 1 | 3 | 5 | 6 | 2022: - the project supported development of mobile abblication "Export portali" - the process of developing the "Export School" online platform was launched the project developed and launched a new website of the Export Promotion Agency with an updated design and additional functionality 2023: the project supported the EPA and Uzbekistan textile and garment industry association in the development of necessary modules of a specialized mobil platform aimed to increase the export potential of textile companies of Uzbekistan. 2. By the request of the national partner, the project purchased a camera for the Uztrade. 3. the project developed an automated information system "E-management" as per the request of the Agency's technical regulations. |
| | 1.1.4. # of roadmaps for improving selected value chains in agriculture (SDG 2.3.1, 2.3.2, 8.1.1, 9.3.1) | 0 | 2019 | 3 | 0 | 2 | 1 | 1 | 5 | 6 | 6 | 2022: The project in cooperation with partner organizations, organized a study tour to France, Italy, and Turkey for representatives of Ministry of Agriculture and Regional leading cherry producers in Uzbekistan, 7-15 November 2022. roadmap on development of innovative cherry production and processing is being developed and will be provided to the Government of Uzbekistan 2023: the project hired national consultant Mr. D. Ismaild to preprare analytical paper on current situation of selected VCs in Uzbekistan abd 5 roadmaps on improvement of them. |

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| EXPECTED OUTPUTS | OUTPUT INDICATORS | Value | Year | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 Targets | 2023 Results | Final targets | Final results | |
| | 1.2.1 # of new clients identified and served through integrated cooperation among SME export promotion institutions (SDG 17.11.1) | 0 | 2019 | 20 | 55 | 10 | 70 | 0 | 311 (8) | 30 | 436 | 2021: - Agency for export promotion jointly with CCI Azerbaijan organized B2B mission of 20 Uzbek producers to AZR. Export contracts signed for \$13,5 mln Agency for export promotion jointly with CCI Tajikistan organized B2B mission of 35 Uzbek producers to TJK. Export contracts signed for \$8,72 mln. 2022: the project jointly with the MIIT, has initiated setting up of the special regional Center for Export Support in the Fergana Valley with office location in Fergana city. The during 2022 Center provided advisory support to 96 (7 of them are women) exporters of Fergana Valley in solving day-to-day tasks (paperwork, customs, and tax matters, etc.) as well as long term issues (capacity building, marketing research, new markets, etc.). as a result of support 32 entrepreneurs concluded export contracts. 2023: The regional export center supported 300 export companies in concluding an export contract, finding a foreign buyer, and entering new markets were provided through the Centre. Furthermore, the project in cooperation with EPA supported participation of 11 SMEs companies in exhibition |

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| EXPECTED OUTPUTS | OUTPUT INDICATORS | Value | Year | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 Targets | 2023 Results | Final targets | Final results | |
| | 1.2.2 # of linkages established between TSIs and international partners (SDG 17.11.1) | 0 | 2019 | 20 | 8 | 10 | 14 | 10 | 18 | 40 | 40 | 3 linkages established between Export promotion agency with Tajikistan (1. CCl; 2. Ministry of Agriculture of republic of Tajikistan; 3. Ministry of Economic Development and Trade;) 5 linkages established between Agency for export promotion with CCl Azerbaijan, Ministry of Economy of Azerbaijan, Azerbaijan Export and Investment Promotion Foundation (AZPROMO), Azerbaijani Founder Club, and the Union of Entrepreneurs of Azerbaijan 2022: 5 linkages established between Export promotion agency with Latvia (1.Memorandums of mutual cooperation between the trading houses of Uzbekistan and Latvia, 2. An agreement between the Latvian Ministry of Agriculture and Uzkimeimpeks LLC on the supply of mineral fertilizers to Latvia) Sweden (Swedish Export Credit Corporation, Swedish Agency for Economic and Regional Growth, Business Sweden, National Board of Trade «Open Trade Gate Sweden», Swedish Institute, Developers of the platform «Verksamt.se») 5 linkages established between Uzcharmsanoat Association with Israel (1.the Israeli Export Institute; 2. Chamber of Commerce 3. Association of Industrialists of Israel; 4.Manufacturers Association of Industrialists of Israel; 4.Manufacturers Association of Industrialists of Israel; 4.Manufacturers Association of Industrialists of Israel; 6. CORPEI; 7. Federación Ecuatoriana de Exportadores - FEDEXPOR from Ecuador; 8. ANDI - Asociación Nacional de Empresarios de Colombia 9.Sri Lanka Export Development Board; 10. ASMEX from Morocco.) 8 linkages established with Belgian and EU institutions (1. European Commission's Directorate-General for Trade; 2. European Parliament's International Trade Committee; 3 European Commission's Directorate-General for Trade; 2. European Parliament's International Trade Committee; 3 European External Action Service; 4. European Investment Bank 5. European Committee for Standardization; 6. Brussels Enterprises Commerce and Industry; 7.Walloon Foreign Trade and Investment Agency (FIT).) |

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| EXPECTED OUTPUTS | OUTPUT INDICATORS | Value | Year | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 Targets | 2023 Results | Final targets | Final results | |
| | 1.2.3. # of advisory services of TSIs strengthened | 0 | 2019 | 12 | 1 | 5 | 18 | 5 | 3 | 22 | 22 | 2021: -Support with access of Export Promotion Agency to trade intelligence information to enhance the agencies capacities to foresight markets and navigate for better market access2022: -12 topics on exportation procedures and mechanisms developed (Online Export School) study tour to Sweden was organized for representatives of 5 TSIs of Uzbekistan (November 28 - December 2) where Swedish experience of support of export were studied and relevant recommendations were elaborated among TSI's of Uzbekistan support provided with access to market and trade intelligence information/services of the Euromonitor International company (Euromonitor will be used to enhance the EPAs and SMEs capacities to foresight markets and navigate for better market access and develop market profiles for specific group of products) 2023: -Support with preparation of development strategy of "Uztrade" 2. trainings on "capacity building of TSIs regarding the preparation, realization, and follow-up of B2B events and market intelligence" for the staff of the EPA in Germany. 3. regional trainings on topic «How to export to European Union countries» in all regions of the Republic of Uzbekistan and the Republic of Karakalpakstan. |
| | 2.1.1 Support to estab | lishing or d | eveloping | green niche p | roducts and | VCs that are | e employm | ent rich and | have high p | roductivity and | l market pot | ential |

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| EXPECTED OUTPUTS | OUTPUT INDICATORS | Value | Year | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 Targets | 2023 Results | Final targets | Final results | |
| | 2.1.1.1 Number of products/VCs identified that are green and employment rich (SDG 2.3.1, 2.3.1, 2.4.1, 8.5.2, 10.2.1, 15.3.1) | 0 | 2019 | 3 | 0 | 1 | 0 | 0 | 4 | 4 | 4 | As a result of the business trip conducted to EU on December 6-10 promotion of sprouted beans from UZB was identified as a promising for development 2022: 3 niche products/VCs identified in Fergana Valley for further support 2023: 11 business projects in dried fruits and vegetables, mung beans, peanuts as well as fruit jams/ purees value chains were supported with introduction of innovative solutions to improve productivity, resource efficiency, added value and create decent jobs along the green value chains in three regions of Fergana Valley. |
| 2. More efficient and competitive producers and processors which will contribute to sustainable human development | 2.1.1.2 Number of project/VCs that are green and employment rich are supported(SDG 2.3.1, 2.3.1, 2.4.1, 8.5.2, 10.2.1, 15.3.1) | 0 | 2019 | 3 | 0 | 1 | 0 | 0 | 11 | 4 | 11 | 2023: 4 pilot business projects in dried fruits and vegetables, mung beans, peanuts as well as jams/fruit purees value chains were selected for further support in introduction of innovative solutions to improve productivity, resource efficiency, added value and create decent jobs along the green value chains in three regions of Fergana Valley. Equipment purchased and installed. 7 women were supported as part of Mentorship programme (purchase of technological equipment). |
| development | 2.1.2 Higher productivi | ity and exp | ort readin | ess of target p | roducts/VC | s through th | e use of in | novative tec | hnologies | • | • | |
| | 2.1.2.1# of knowledge sharing events on international practices and certification (Global GAP, GHP, HACCP) at selected areas (SDG 2.3.1) | 0 | 2019 | 4 | 2 | 3 | 3 | 1 | 3 | 7 | 8 | 2021: 2 agrocompanies in Fergana region supported with implementation of Global GAP international standart in agricultural practices/production and further certification 2022: More than 50 agricultural firms and farms in Namangan, Andijan and Ferghana regions were supported in the implementation of the international standard Global G.A.P. to increase their competitiveness in the markets 2023: More than 70 agricultural firms and farms in Namangan, Andijan and Ferghana regions were supported in the implementation of the international standard HACCP ISO 2200 and Organic to increase their competitiveness in the markets. |

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| EXPECTED OUTPUTS | OUTPUT INDICATORS | Value | Year | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 Targets | 2023 Results | Final targets | Final results | |
| | 2.1.2.2. % increase in productivity, where productivity baselines will be defined during the assessment (SDG 2.3.1, 2.3.2, 8.1.1) | 0 | 2019 | 15 | 0 | 15 | 0 | 15 | 51 | 15 | 51% | 2023: 11 pilot business projects in dried fruits and vegetables, mung beans, peanuts as well as jams/fruit purees value chains were selected for further support in introduction of innovative solutions to improve productivity, resource efficiency, added value and create decent jobs along the green value chains in three regions of Fergana Valley. Equipment purchased and installed. |
| | 2.1.2.3. % increase of market penetration (sales) of selected products / clients(SDG 2.3.1, 2.4.1, 17.11.1) | 0 | 2019 | 15 | 0 | 15 | 8 | 15 | 38 | 15 | 38% | 2021: Trade contracts are signed during: B2B mission to Azerbaijan - \$13.5 mln B2B mission to Tajikistan - \$8.72 mln 2022: Trade contracts are signed during: B2B mission to Latvia- \$3 mln, 2023: Trade contracts are signed during: Finland Fair Trade: 15 contracts signed for \$5.0 million Germany, Anuga: «FERGANA EXIM AGRO» LLC signed contract with SIXI 2000 KFT (Hungary) for \$3.397 million. |
| | 2.1.2.4. % increase in income of target communities (SDG 2.3.2, 5.5) | 0 | 2019 | 5 | 0 | 10 | 0 | 20 | 69 | 20 | 69% | 11 pilot business projects in dried fruits and vegetables, mung beans, peanuts as well as jams/fruit purees value chains were selected for further support in introduction of innovative solutions to improve productivity, resource efficiency, added value and create decent jobs along the green value chains in three regions of Fergana Valley. Equipment purchased and installed. |
| | 2.1.2.5. # of new decent jobs created (incl. 50% for women) (SDG 8.5.2, 5.5) | 0 | 2019 | 50 (25) | 0 | 50 (25) | 0 | 50 (25) | 192 (91) | 150 (75) | 192 (91) | 2023: 192 (91) provided with a permanent job |
| | 2.1.3 Support for wom | en entrepre | eneurs es | tablished thro | ugh | | | | | | | |

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| EXPECTED OUTPUTS | OUTPUT INDICATORS | Value | Year | 2021 Targets | 2021 Results | 2022 Targets | 2022 Results | 2023 Targets | 2023 Results | Final targets | Final results | |
| | 2.1.3.1. Number of mentorship programmes for young and female entrepreneurs established and supported (SDG 5.5) | 0 | 2019 | 1 | 0 | 1 | 1 | 1 | 2 | 3 | 3 | 2022: Mentorship Programme for women entrepreneurs Finalized in three regions of Fergana Valley. As part of the mentoring program for women and youth in the Ferghana Valley, 7 green niche business projects were identified 2023: 2 Mentorship programme for women entrepreneurs launched in three regions of Fergana Valley: - on value chains - IT entrepreneurship |
| | 2.1.3.2. # of young / female headed SMEs supported (SDG 5.5) | 0 | 2019 | 40 | 25 | 20 | 26 | 20 | 51 | 80 | 102 | 2021:- 23 women enterpreneurs and 2 representatives of Business Women Association were supported with participation at Organic and Natural Products Expo Dubai 2021 on December 4-9, 2021. Export contracts signed for \$3,0 mln. 2022: 5 women entrepreneurs and 1 representative of Business Women Association were supported with participations at international exhibition: SIAL India and Dubai Organic Expo. 7 women were supported during the Mentorship programme. 6 women were supported during B2B mission to Latvia. Assistance was provided to 7 female entrepreneurs in concluding export contracts, finding a foreign buyer, and entering new markets. 2023: the Regional Center for Export Support in the Fergana Valley supported following women led SMEs 8 female, «Sadokat Mirzaeva, "Zubaida Kelajagi" Ismailova Manzura from Baghdad district, "Mashad Buva" from Rishton district "Agro Spetsi" Rahmonova Sadoqat, "Abu Ali Ibn Sina" Mamaeva Hilola, "Munira Boynazarova" from Beshariq district, "Fergana Mukammal Servis" from Ferghana, Yagudina Nailya, Novaya Volna, Dangara district Dangara Anori 2020», as a result 3 million US dollars' worth of products were exported by these enterprises. Also project purchased an equipment for 2 women led SMEs: Farming Gulroz-D LLC Chortoq logistika markazi - 14 women received technical equipment - 4 women enterpreneurs were supported with participation in international exhibitions (Finland fair trade and Anuga fair trade) - More than 23 women led SMEs in Namangan, Andijan and Ferghana regions were supported in the implementation of the international standard Global G.A.P. to increase their competitiveness in the markets. |