



Empowered lives.
Resilient nations.

CLEARANCE SLIP FOR APPROVAL AND SIGNATURE

Name of the Documents:

- The minutes of the virtual LPAC meeting of Aid for Trade in Central Asia project (phase V)
- The Financing Agreement for Third-Party Donors between the Ministry for Foreign Affairs of Finland (the Donor) and the United Nations Development Programme (UNDP)

	Name	Signature	Date
Prepared by	Dilshod Akbarov, Aft project manager	DocuSigned by: <i>Dilshod Akbarov</i>	19-Sep-2022
Cleared by	Vesna Djuteska-Bisheva, Inclusive Growth Team Leader	4FCE3EBFD2C74F3... DocuSigned by: <i>Vesna Djuteska-Bisheva</i>	19-Sep-2022
Cleared by	Yuliya Zhgun, Operations Analyst	3B78146B2C67482... DocuSigned by: <i>Yuliya Zhgun</i>	19-Sep-2022
Cleared by	Abusabeeb Elsadiq, Regional RBM/RP Coordination/Quality Assurance specialist	D0B44533956E4AA... DocuSigned by: <i>Abusabeeb Elsadiq</i>	19-Sep-2022
Approved for signing by IRH manager	Ekaterina Paniklova, Regional Programme Coordinator	DocuSigned by: <i>Ekaterina Paniklova</i>	19-Sep-2022
Comments	I kindly ask your clearance for the minutes of the virtual LPAC meeting of Aft in Central Asia project (phase V); and the Financing Agreement for Third-Party Donors between the Ministry for Foreign Affairs of Finland (the Donor) and the United Nations Development Programme (UNDP). Attached to this clearance slip is LPAC meeting minutes and the Financing Agreement to be signed by Gerd.		

Istanbul Regional Hub

Key Plaza, Abide-I Hurriyet Cad. Istiklal Sok. No:11, Sisli, Istanbul, 34381 TURKEY

E-mail: registry.irh@undp.org; web: <http://europeandcis.undp.org> • Facebook: <https://www.facebook.com/UNDPinEuropeandCIS>

UNDP
Istanbul Regional Hub

Minutes of the Virtual Local Project Appraisal Committee Meeting

Date: 26th July – 15th September 2022

Subject: Aid for Trade in Central Asia project (phase V)

1. Attendance.

Name	Title
Gerd Trogemann	Istanbul Regional Hub Manager, LPAC chair
Louise Chamberlain	Resident Representative, UNDP Kyrgyzstan
Lenni Montiel	Resident Representative, UNDP Tajikistan
Matilda Dimovska	Resident Representative, UNDP Uzbekistan
Ekaterina Paniklova	Regional Programme Coordinator, UNDP IRH
Vesna Dzuteska-Bisheva	Inclusive Growth Team Leader, UNDP IRH
Farid Garakhanov	Chief of Operations, UNDP IRH
Umutai Dauletova	Programme Specialist, Gender Equality Team, UNDP IRH
Laurence LESSIRE	Regional Communications Specialist
Dilshod Akbarov	Project Manager, UNDP IRH, ex-officio

2. Project proposal is presented by: Vesna Dzuteska-Bisheva, Team Leader, Inclusive Growth Team, IRH

3. Background information on the project:

<u>Estimated project budget:</u>	EUR 6,800,000 (est. \$7,000,000)
Programmable funds (incl.GMS):	EUR 6,732,673
UN Coordination Levy (1%):	EUR 67,327
<u>Total requested from UNDP:</u>	\$0
<u>Expected donor (s) funding:</u>	EUR 6,800,000 Government of Finland (est. \$7,000,000)
<u>Planned project starting date and duration:</u>	1 October 2022 – 31 December 2025
<u>Geographic coverage:</u>	Kyrgyzstan, Tajikistan, Uzbekistan
<u>Main counterparts of the project:</u>	MFA Finland, UNECE, ITC, GIZ
<u>Project implementation modality:</u>	DIM

4. Summary of the project

The project will focus on supporting the Central Asian countries in promoting inclusive and sustainable growth through green value chains and increasing the competitiveness of economies. It will aim to foster resilient, secure, and gender-responsive economic structures through economic diversification and adaptation to the COVID-19 emerging trends in Kyrgyzstan, Tajikistan, and Uzbekistan, with a set of regional activities for the Central Asia region in general.

The strategy is to support businesses and producers to become more resilient to emerging post-Covid-19 context and promote inclusive and sustainable growth by building 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.

The project will work on three different levels that are mutually re-enforcing: (1) the policy level (macro level); (2) business support institutions (meso level); and (3) direct support to businesses (micro level). Cross-

cutting themes throughout all three levels are job creation in green sectors, environmental sustainability, and gender. The project is aligned to the SDGs and will contribute to 7 of the goals (1, 2, 5, 8, 9, 12, 17).

The project will address the development challenge through three sub-components:

- I. Support regional cooperation, connectivity, and integration into regional and global value chains**
 - 1.1. Support regional policy analysis and dialogue among Central Asian countries on opportunities for greater regional cooperation and linking up to regional and global value chains, as well as on regional development perspectives that have an impact on market access opportunities of the countries.
 - 1.2. Support regional cooperation and integration initiatives among Central Asian stakeholders and value chain actors that foster linkages to regional and global value chains.
 - 1.3. Support knowledge transfer on building gender-sensitive and 'future-proof' productive capacities and facilitating market access among stakeholders and value chain actors of Central Asia, as well as with the European Union counterparts, in particular, Finland's institutions.

- II. Supporting enabling environment for building economic resilience, and inclusive and sustainable growth through:**
 - 2.1. Enabling national policies for trade oriented private sector development and enhancing green economic resilience with focus on
 - 2.2. Improving efficiency of public and trade support services for the private sector with a strong focus on services critical for MSMEs in times of crisis or economic recovery periods such as:

- III. Supporting job creation and improving the efficiency and competitiveness of value chains in green sectors:**
 - 3.1. Support to developing of 'green', employment rich and 'future proof' value chains that are gender-sensitive and have high productivity and market potential.
 - 3.2. Increased productivity, competitiveness, and export readiness of target green value chains.
 - 3.3. Enhanced capacities of MSMEs (especially women-led enterprises) to trade online.
 - 3.4. Enhanced capacities of MSMEs to use big data for trade and market intelligence.
 - 3.5. Targeted support for women and youth entrepreneurship development:

The project will focus on Kyrgyzstan, Tajikistan, and Uzbekistan. The project will receive EUR 6,800,000 from the Government of Finland. The funds are earmarked exclusively for implementation in Kyrgyzstan (EUR 1,900,000), Tajikistan (EUR 1,900,000), Uzbekistan (EUR 1,900,000), the regional output (EUR 1,032,673) and the UN Coordination Levy (EUR 67,327).

The project has undergone mandatory QA Assessment for design and appraisal which was reviewed by the Regional RBM Specialist. The results of this assessment are also available online on the QA space. Overall, the project received a highly satisfactory rating.

5. Summary of LPAC member comments

Comments were received on 12 August 2022 from Umutai Dauletova, Programme specialist, Gender Equality Team, and on 1 September 2022 from UNDP CO in Tajikistan.


Government endorsements were received from all three countries (Kyrgyzstan, Tajikistan, Uzbekistan). Along with the overall endorsement of the project, comments were received from the Ministry of Economic Development and Trade of Tajikistan and the Ministry of Investments and Foreign Trade of Uzbekistan.

Detailed comments log is annexed to this document.

- The project is fully supported by LPAC members with some comments to be addressed in the final project document.
- The thematic focus and proposed activities are relevant and aligned with national and Country Offices' priorities.


6. Final LPAC recommendation.

LPAC recommends approving the project. The project design is of sufficient quality to move to the implementation stage. The list of changes incorporated in the project document is attached to the Minutes.

Prepared by:  Dilshod Akbarov, Project Manager

Cleared by:  Vesna Dzuteska-Bisheva
3B78116B2C67482... Inclusive Growth Team Leader

Cleared by:  Ekaterina Paniklova
6DF3B186CB854F5... Regional Programme Coordinator

LPAC recommendation is approved by:  Gerd Trogemann
82665CD7435A41B... Istanbul Regional Hub Manager
19-Sep-2022 LPAC chairperson

Annex 1. Comments log LPAC review

Comments received	Response
<p>Comments from Umutai Dauletova</p> <ol style="list-style-type: none"> 1. The project has provided some gender analysis but missing in identifying challenges in women’s access to digital tools (e-commerce and other relevant digital platforms). It does have a specific output targeted to women, but other outputs are rather gender-blind (e.g., policy level). 2. Unpaid care work and decent work are pronounced in the analysis, but concrete actions are not taken by the project. The team speaks about women’s participation in economy by offering capacity strengthening/starting new businesses/securing jobs but does not ensure conducive environment to be established in place or at least to be discussed at the policy levels. 3. Suggest envisaging cooperation with the regional STEM4ALL platform in the regional approach section, when it comes to digital tools and e-commerce (for women and by women, peer exchange, mentorships etc.) 4. Partnerships section should be strengthened by better articulation of cooperation with women at the level of decision-making/local councils and women’s associations, including trade unions and women’s CSOs. 5. It is quite challenging to measure the gender-related (and not only) expected results in the RRF, as most of the indicators are quantitative. Gender is a soft component which really cannot be measured by numbers. It is also true with the planned activities for the three countries. 6. M&E and reporting should ensure gender-related results are being followed and adjusted when necessary (see more in the attached ProDoc) 	<ol style="list-style-type: none"> 1. The relevant paragraphs are added to highlight challenges in women’s access to digital tools (e-commerce and other relevant digital platforms), pls see p.11. The project has also integrated overall indicator on the gender lens requirement – ‘% of activities include gender lens (min 100%)’ to ensure mainstreaming gender equality issues in project activities throughout all components (pls see p.28). Accordingly, the relevant policy level, meso and micro level RRF output indicators for all three country components were revisited and supplemented with ‘gender lens (min 100%)’ requirement’ (pls see relevant sections of RRF in track changes). Overall, this will ensure that gender considerations are taken into account and integrated into relevant policies and later into implementation. 2. Support in designing gender-responsive and youth-sensitive policies that address labor issues, including informality, labor market inequalities, and others are envisaged to be addressed by the project (as stipulated on p.14). Unpaid care work and decent work issues will be addressed in conjunction with the mentioned issues. Specific analytical support on these issues will be provided both on the regional level (output indicator 1.3) as well as each country component level - within policy analysis work on ‘promoting green, employment-rich and gender-sensitive productive capacities/value chains’ (output indicator 2.1.3.). As noted above, the project integrated min gender lens (100%) requirement for the above-mentioned output indicators to ensure that policy recommendations are gender-sensitive and elaborated policies are inclusive. 3. As suggested, STEM4ALL platform is included in the regional approach with regards to digital tools and e-commerce. 4. Relevant paragraph is added (p.24) emphasizing that all project activities aimed to advance gender equality and women’s economic empowerment will be determined/ implemented in consultations and jointly with relevant women’s committees, associations, local councils and women representing trade unions of three countries, as well as other relevant national stakeholders. 5. +6. As with the phase IV, the project will have ‘Results-based progress monitoring and reporting’ (as part of the progress report) where gender-related results will be monitored and followed.

	<p>The project progress reports (Mid-Year and Annual) include section on 'Gender mainstreaming'. The Board reviews gender mainstreaming aspects separately as part of the progress report and can decide on corrective actions to ensure gender-related results.</p>
<p>UNDP Tajikistan</p> <p>1. Comments/revisions/suggested changes to the management arrangements/staffing:</p> <ul style="list-style-type: none"> • The level of National Coordinator for Tajikistan is revised from NPSA10 to NPSA 9. • The scope of Finance Associate engagement is increased from 20% to 40%. • The role of the CO Programme Officer (Team Leader in the case of TJK CO) as the Project Quality Assurance needs to be added in the organizational chart on page 76 and 96. In the current organizational structure, only quality assurance from IRH is indicated. • The narrative has a reference to the National Coordinator having matrix supervision from IRH Project Manager and the CO Team Leader. It would be good to visualize it in the organizational chart on page 99. Currently, it is indicated as two straight lines to both IRH PM and CO TL. Suggest to revise it to indicate a dashed line to the IRH PM (secondary supervisor) and a straight line to the CO TL (primary supervisor). • The cost of the Driver was not included in the organizational chart, so we added it. <p>2. Comments/revisions/suggested changes to the budget:</p> <ul style="list-style-type: none"> • The operational budget for Tajikistan Output 3 should be revised considering actual costs. Suggested revisions are summarized in Table 1 below. In brief, we need to increase expenditures for operation costs and for monitoring line. Cost of staff remains the same with slight change for year 1 (reduced due to short period left). • Cost of the evaluation needs to be included in the project budget in the Section VII. Multi-Year Work Plan. It is recommended to reconsider the amount of \$15,000 – our experience shows that average evaluation cost amounts to \$30-\$40K, including cost of the national consultant supporting the evaluation. <p>3. Comments/revisions/suggested changes to other sections:</p> <p>Numbering of sub-country outputs in RRF and work plan should be consistent (comment is made to RRF). Additional risk is added in SESP based on the checklist response (suggested changes are introduced in the Project Document in a track change mode)</p>	<p>1. Majority of comments/suggestions are accepted and integrated in the prodoc: pls see p.101 – project staffing organigramme in Tajikistan.</p> <p>This pertains to overall organizational structure of the project and Project Board composition. Quality assurance role of CO Team Leader is duly reflected in the Project organigramme in Tajikistan (p.101)</p> <p>2. Comments/suggestions are integrated in the prodoc. The budget of Tajikistan output was revised as suggested (pls see pages 70-71).</p> <p>3. Comments/suggestions are integrated in the prodoc. Pls see pages 39 (RRF) and 87-88 (Part B of SESP).</p>

<p>The Ministry of Economic Development and Trade of Tajikistan (MEDT)</p> <p>Overall endorsement of the project and some comments/recommendations on the draft prodoc.</p> <ol style="list-style-type: none"> 1. Clearly define the role of MEDT as the main national partner of the project. 2. Clearly define the role of MEDT, and other relevant state ministries and agencies in the process of coordination and strategic management of the project as members of the project's National Steering Committee 3. Highlight necessity of close collaboration with local administrations of Sughd and Khatlon regions and DRS in the process of implementation of local activities. 4. Highlight that the project will involve/partner with representatives of MEDT and other national partners in the process of joint monitoring of project results. 5. Highlight that the project will ensure participation of staff of government agencies, as well as representatives of Trade Support Institutions and business representatives in study tours and capacity-building activities. 	<ol style="list-style-type: none"> 1. The relevant paragraph of prodoc revised as suggested (p.30) 2. New paragraph is added to reflect the suggestion (p.30). 3. The new sentence (in the paragraph on micro level support) is added to reflect the suggestion (p.30) 4. The new paragraph is added at the end of 'Tajikistan' subsection (p.30) 5. Tajikistan country output envisages dedicated activities aimed at capacity-building of staff of MEDT, Agency of Export and other state agencies and TSIs to improve knowledge and skills (activity 2.2.1), as well as organization of study tours for TSIs to learn best practice in trade promotion and establishing the business links (activity 2.2.8)
<p>The Ministry of Investments and Foreign Trade of Uzbekistan (MIFT)</p> <p>Overall endorsement of the project and some comments/recommendations on the draft prodoc.</p> <ol style="list-style-type: none"> 1. The ministry highlighted some policy issues which are deemed necessary to be addressed by the project. The suggestions mainly pertain to Trade Facilitation (TF) Reforms agenda of the Government: 1) simplification of foreign trade and customs procedures 2) harmonization of customs administration with international norms 3) simplification of transit procedures along main transport corridors 4) decreasing transaction costs in trade procedures 5) further development of conformity assessment system. 2. It is also recommended to include activities aimed at capacity-building of producers and processors on European Union's technical, sanitary, phytosanitary and other mandatory requirements (to fully benefit from the granted GSP+ status country). 	<ol style="list-style-type: none"> 1. As some of the highlighted TF issues could be complementary to project's work on policy level, a relevant paragraph in '<i>Linkages to the UNDP Country Programme in Uzbekistan</i>' sub-subsection of the 'Strategy' section (p.21) as well as additional output indicator (2.1.5.) in RRF (UZB output) and additional activity (2.1.6) in Multi-Year Work Plan (UZB output) are included. Uzbekistan output budget was slightly adjusted (to accommodate budget for the new activity) accordingly (pages 71-76). 2. Relevant activity (3.2.7.) is added in Uzbekistan output section of MYWP (p.75).