Country Partnership Strategy for the Republic of Uzbekistan

June 2023

The Government of the Republic of Korea

This strategy was drafted in close consultation with the government of the recipient country and may be subject to change depending on the country's local circumstances.

목   차

Ⅰ. Overview

Uzbekistan 2035

New Uzbekistan Development Strategy 2022-2026

Development Cooperation Objectives of Republic of Korea	**Assist in the creation of new growth engines** and **support sustainable development** in Uzbekistan by utilizing Korea's strengths: ICT(digitalization), green technology, and other innovative science & technology

<table>
<tr>
<td rowspan="11">Focus of Assistance by Priority Area</td>
<td rowspan="3">Healthcare</td>
<td>■ Provide intensive support to establish medical clusters (national children's hospital, cancer center, medical school, pharmaceutical cluster, etc.) in order to upgrade healthcare and improve the quality of medical service</td>
</tr>
<tr>
<td>* Relevant Goals in New Uzbek Development Strategy: #37, #42, #44, #46</td>
</tr>
<tr>
<td>* Relevant SDGs: SDG 4.3, 4.4, 4.b, 8.6, 9.2, 9.5</td>
</tr>
<tr>
<td rowspan="3">Education</td>
<td>■ Assist in strengthening vocational training and education in order to develop a high-quality industrial workforce
■ Assist in improving ICT education accessibility and strengthen ICT capacity in preparation for industrial demand in the future</td>
</tr>
<tr>
<td>* Relevant Goals in New Uzbek Development Strategy: #37, #42, #44, #46</td>
</tr>
<tr>
<td>* Relevant SDGs: SDG 4.3, 4.4, 4.b, 8.6, 9.2, 9.5</td>
</tr>
<tr>
<td rowspan="3">Public administration (ICT)</td>
<td>■ Assist with digital transformation of public administration, such as an e-Government system to lay the foundation for transparent and efficient administrative services
■ Assist in building a virtuous cycle of ICT ecosystem by fostering start-ups and small and medium-sized enterprises, based on innovative technology, such as ICT, in addition to supporting youth entrepreneurship</td>
</tr>
<tr>
<td>* Relevant Goals in New Uzbek Development Strategy: #9, #25, #52</td>
</tr>
<tr>
<td>* Relevant SDGs: SDG 16.6, 9.5, 9.b</td>
</tr>
<tr>
<td rowspan="2">Regional development</td>
<td>■ Assist with climate change adaptation and improvement of the environment for local communities which are vulnerable to climate crisis
■ Provide tailored assistance to urban and rural areas for balanced national development</td>
</tr>
<tr>
<td>* Relevant Goals in New Uzbek Development Strategy: #30, #33, #79, #80
* Relevant SDGs: SDG 2.3, 2.4, 11.1, 11.3, 11.5, 11.b, 13.1</td>
</tr>
</table>

II. Priority Cooperation Areas

(1) Healthcare

☐ Development Needs

○ The government of Uzbekistan has expressed its commitment to improving social policies through the implementation of the *New Development Strategy* which encompasses seven priority areas. One of the key areas of focus is the **enhancement of the quality of medical services, including the establishment of medical clusters**.

> **< Relevant Goals for Healthcare in New Uzbekistan Development Strategy >**
>
> ▪ #55. Establish medical clusters in the regions of the country to bring medical services closer to the population and increase their convenience
> ▪ #56. Improve the quality of medical services provided to the population, efficient use of budget funds, centralise medical services, and introduce health insurance practices
> ▪ #60. Improve the system of high-tech medical care for women of reproductive age, pregnant women and children.
> ▪ #62. Increase the share of medicines and medical devices produced in the country to 80%

☐ Basic Directions

○ **Provide intensive support to establish medical clusters** (national children's hospital, cancer center, medical school, pharmaceutical cluster, etc.) in order to upgrade healthcare and improve the quality of medical service

☐ Detailed Implementation Plan

○ Provide comprehensive support to establish a medical cluster, such as constructing tertiary medical institutions like medical hub facilities, increase the supply of medical workforce, build the capacity of healthcare workers, set up a foundation for pharmaceutical and medical industries

    − To create synergy and enhance effectiveness of projects by arranging large scale projects (such as consulting, education and training, and maintenance programs) before and after large loan projects (such as health and medical infrastructure construction) and closely linking the aforementioned two projects together

□ Key Projects

○ Project 1 : Establishment of the Medical University in Tashkent Project

Institution	(Kor) EDCF (Uz) MOEF	Budget	USD 70,000,000
Type	Project	Objectives	Establish an advanced medical system through nurturing of medical professional personnel and integration of education, clinical practice and research
Schedule	Feasibility Study: 2021 / Disbursement: 2023-2028		
Activities	• New construction of a medical university, professors' research rooms, laboratories, and a simulator center • Supply of education equipment and establishment of an ICT system • Provision of education and training service		
Outcomes	• Increase in the number of doctors per 10,000 people in Uzbekistan • Increase in admission rate and graduation rate of the new medical university		

○ Project 2 : Project for Education and Research Capacity Empowerment for Tashkent Pediatric Medical Institute

Institution	(Kor) KOICA (Uz) TashPMI	Budget	USD 5,000,000
Type	Project	Objectives	Achieve quantitative and qualitative improvement in healthcare workforce in a sustainable way
Schedule	• Project initiation: 2022 • Project implementation: 2023-2027		
Activities	• Improvement of medical curriculum and evaluation system • Improvement of nursing curriculum and strengthening faculty capacity • Strengthening professors' research capabilities and systematizing research support systems • Establishment of industry-academia cooperation strategies related to digital-based medical technology innovation		
Outcomes	• Improved medical education curriculum and evaluation system • Improved research capacity of medical personnel		

(2) Education

□ **Development Needs**

○ The government of Uzbekistan has expressed a **strong commitment to implementing** its *New Development Strategy*, with a particular emphasis on the education sector, which has been **identified as a high-level policy agenda**

  * Among the seven priority areas outlined in the strategy, the fourth goal focuses on the fair social policies and human capital development

> **< Relevant Goals for Education in New Uzbekistan Development Strategy >**
> - #37. Create vocational education opportunities for every citizen to study at public expense. Double the scope of training for 1 million unemployed people in vocational trades and increase the participation of non-governmental educational institutions in this process to 30%.
> - #44. Improve the quality of education in schools while raising the knowledge and skills of teachers to international standards.
> - #46. Increase the coverage of higher education to 50% and improve the quality of education.

○ **Industry-linked education is crucial** for addressing the slow progress in achieving SDG 9 (2022), and **tackling the high youth unemployment rate**, which stood at 13.7% in 2021 according to the World Bank.

□ **Basic Directions**

○ **Strengthen vocational training and education** to support the diversification of Uzbekistan's industrial structure and nurture and develop a high-quality industrial workforce

○ **Intensify education in science, technology and ICT** to prepare for industrial demand in the future, such as the quaternary sector of the economy

□ **Detailed Implementation Plan**

○ **(Vocational training and education)** Provide comprehensive assistance to establish and advance vocational training centers, develop curricula for technical training, nurture vocational trainers, and introduce a state-certified test system

○ **(Capacity building in science, technology and ICT)** Provide assistance to **create an ICT-based educational environment** in elementary, middle schools and universities, **develop curriculum**, and build capacity for research & development in applied science

---

※ **Relevant SDGs**
- (SDG 4.3) By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
- (SDG 4.4) By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- (SDG 4.b) By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries
- (SDG 8.6) By 2020, substantially reduce the proportion of youth not in employment, education or training
- (SDG 9.2) Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries
- (SDG 9.5) Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

---

☐ Key Projects

○ Project 1: Establishment of Vocational Training Center in Urgench district of the Khorezm region, Strengthening Capacity for Establishing the National Skills Testing and Certification System and Establishment of Teachers' Training Center in Uzbekistan

Institution	(Kor) KOICA (Uz) Ministry of Poverty Reduction and Employment	Budget	USD 14,000,000
Type	Project	Project Objective	Establish educational training system for excellent skilled workers
Schedule	• Project initiation: 2020 • Project implementation: 2021-2024		
Activities	• Establishment and operation of Urgench VTC • Establishment of qualification system and development of qualification system manual • Establishment of Teaching Training Center		
Outcomes	• Trained skilled workers matched with industrial needs in Khorezm region • Strengthened capacity for development of qualification system, training standards, and testing standard • Enhanced capacity of trainer through trainer training system		

○ Project 2: Equipping Secondary Schools with Laboratory Kits for Chemistry, Physics, Biology and Modernizing ICT in the Sphere of Public Education

Institution	(Kor) EDCF (Uz) MOEF	Budget	USD 140,000,000
Type	Project	Project Objective	Quality enhancement of science and ICT education through the supply of science and ICT education equipment to public schools, as well as assistance in capacity building of teachers
Schedule	Feasibility Study : 2023 / Disbursement : 2024-2028		
Activities	• Supply of equipment for science and ICT laboratory • Improvement of infrastructure in science, ICT and technical education laboratories • Provision of advisory service dedicated to building teachers' capacity educational contents development		
Outcomes	• Improvement in the utilization of educational equipment • Increased in students and teachers' satisfaction		

(3) Public Administration(ICT)

□ **Development Needs**

○ The government of Uzbekistan has **expressed a strong commitment** to **improving the ICT-based public administration system**, with a specific emphasis on **developing an e-government platform** as a national goal in the *New Development Strategy*.

- Additional key areas of focus are fostering the digital economy and building national innovation capabilities.

> < Relevant Goals for Public Administration (ICT) in New Uzbekistan Development Strategy >
> ▪ #9. Develop an "e-government" system that increases the share of e-government services to 100% and eliminates bureaucratic challenges for our citizens.
> ▪ #25. Increase the size of the digital economy by at least 2.5 times, making it the primary economic driver of the economy.
> ▪ #52. Improve the position of the Republic of Uzbekistan in the Global Innovation Index and enter the top 50 countries by 2030.

○ Among the SDGs, the progress of SDG 16, which focuses on peace, justice, and strong institutions, has been slow, particularly in areas of access to and affordability of the judicial system, as well as the corruption perception index.

□ **Basic Directions**

○ **Establish and upgrade the e-government system** and support **the digital transformation of public administration** to lay the foundation for transparent and efficient administrative service

○ Assist in **building a virtuous cycle in the ICT ecosystem** by fostering start-ups and small and medium-sized enterprises, based on innovative technology, including ICT, in addition to supporting youth entrepreneurship

□ **Detailed Implementation Plan**

○ **(e-government)** Provide assistance in establishment and advancement of the e-government infrastructure, digitalization of the executive, legislative, and judicial branches, and capacity building of ICT workforce in the public sector

○ **(Strengthening the ICT ecosystem)** Provide support to build digital hubs for research & development, such as IT parks, establish legal systems and support centers for nurturing start-ups, and provide entrepreneurship education for start-ups, etc

---

※ **Relevant SDGs**
- (SDG 16.6) Develop effective, accountable and transparent institutions at all levels
- (SDG 9.2) Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries
- (SDG 9.5) Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

□ Key Projects

○ Project 1 : the Establishment of e-Government Integrated Data Center Project

Institution	(Kor) EDCF (Uz) MOEF	Budget	USD 27,000,000
Type	Project	Project Objective	Establish integrated data center("eIDC") to support an advanced e-government and increase efficiency of public administration work
Schedule	Feasibility Study: 2016 / Disbursement: 2022-2025		
Activities	• Establishment of the integrated data center operation system • Supply and installation of IT infrastructure • Education, training, operation and maintenance support for the operation of the integrated data center		
Outcomes	• Increase in the availability level in the integrated data center • Increase in the number of eIDC services per capita • Increase in the number of eIDC services by a government agency through eIDC • Achievement of a 100% education completion rate for security professional training of security officers		

○ Project 2 : Building foundation and strengthening capabilities for sustainable growth in the IT Park in Uzbekistan

Institution	(Kor) KOICA (Uz) IT PARK	Budget	USD 4,500,000
Type	Project	Project Objective	Establish a foundation for growth of the Uzbekistan IT industry and enhance the competitiveness of IT companies, strengthening institutional capabilities
Schedule	Project initiation: 2021 / Project implementation: 2021-2025		
Activities	• Establishment of an IT PARK operational and sustainable business model and manual • Capacity development of IT Park operation personnel and its tenant companies • Provision of equipment for securing better operation and network environment		
Outcomes	• Enhanced capabilities of IT Park for operation, education and support for IT companies		

(4) Regional Development

☐ Development Needs

○ The government of Uzbekistan has identified agricultural productivity improvement and the balanced development of the national territory as sub-goals of the *strong economic development policy* in the *New Development Strategy*.

 − Additionally, **addressing and mitigating impact on the environment**, **protecting the ecological environment** in cities and regions, and **expanding forest areas** are presented as sub-goals of the policy of *Response to Global Issues*.

> **< Relevant Goals for Regional Development in New Uzbekistan Development Strategy >**
> - #30. Multiple the income of farmers by at least 2 times through intensive development of agriculture on a scientific basis, increasing the annual growth of agriculture to at least 5%
> - #33. Increase the regional economy by 1.4-1.6 times through proportional development of the regions
> - #79. Eliminate and mitigate existing environmental problems that harm the population's health.
> - #80. Protect the ecological and environmental integrity of the Republic of Uzbekistan by improving ecological conditions in cities and districts through the implementation of a nationwide project, "Green Space"

○ Among the SDGs, the progress in implementing SDG 11, titled Sustainable Cities and Communities[*], and SDG 15, Terrestrial Ecosystem Conservation[**], is generally insufficient[*].

 [*] Some key indicators of this insufficiency include the proportion of population residing in slums, the fine dust concentration, and other relevant factors for SDG 11.
 [**] For SDG 15, the proportion of conservation of important land and freshwater areas for biodiversity is not meeting the desired targets.

☐ Basic Directions

○ Strengthen **the capability to respond to climate change** for local communities vulnerable to the climate crisis

○ Facilitate **balanced national development** through the **assistance tailored to the characteristic of urban and rural areas**, such as programs for agricultural productivity, agriculture modernization, smart city, and the enhancement of urban traffic management

□ **Detailed Implementation Plan**

○ **(Response to climate change)** Support to improve **resiliency in areas affected** by climate change, such as desertification, and assist **forestry and urban greening** through ICT

○ **(Rural development)** Provide technical support, such as farming techniques and seeds, and supply eco-friendly agricultural machinery for smart farms to **modernize agriculture and enhance agricultural productivity**

○ **(Urban development)** Assist in providing policy advice to **boost the urban economy**, such as smart city construction and industrial cluster development, and to **solve urban problems** such as traffic, pollution, and waste

-----

※ **Relevant SDGs**

▪ (SDG 2.3) By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment

▪ (SDG 2.4) By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

▪ (SDG 11.1) By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

▪ (SDG 11.2) By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

▪ (SDG 11.3) By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

▪ (SDG 11.5) By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations

▪ (SDG 13.1) Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

-----

□ **Key Projects**

○ Green Rehabilitation Investment Project for Karakalpakstan Republic to address impacts of the Aral Sea Crisis

Institution	(Kor) KOICA-GGGI (Uz) Ministry of Econoly, Environment Protection and Climate Change	Budget	USD 5,600,000
Type	Project	Project Objective	Assist green rehabilitation and establish viable measures to pursue disaster resilient sustainable livelihood for communities of the most disaster-afflicted areas
Schedule	Grant Agreement: 2021 / Project implementation: 2021-2024		
Activities	• Introduction of Aral Sea development program and establishment of Aral Sea Intra-agency coordinating mechanisms • Disaster-risk resilience capacity building among dehqon farmers in 4 districts • Introduction and pilot implementation of climate resilient agribusiness models for farmers and MSMEs and establishment of the Business Development Platform (BDP)		
Outcomes	• Aral Sea Development Program adopted and enacted by Karakalpakstan • Dehqon and private farmers have increased resilience to climate and Aral Sea disaster risks • Local entrepreneurs are equipped with climate resilient agribusiness models • Successful climate resilient local agri-MSMEs & farmers have improved access to finance from commercial banks and government green financing		

III. Implementation Strategy

1 Measures to Strengthen Linkages and Cooperation

☐ **Enhancement of cooperation with other donors**

○ **Participate** in **sector-specific** working-level **consultative bodies*** **regarding priority areas of cooperation** (water resources, health, green growth, etc) to give Korea's opinions and discuss collaboration and division of work

   * WB in the Agency for Strategic Reforms of Uzbekistan serves as Secretariat of donors. The Body consists of 12 working groups by sector.

☐ **Maximization of synergy from loan-grant packaged projects and project coordination**

○ Identify loan-grant packaged projects* and enhance the coordination in each step of the project implementation through the ODA Project Strategy Consultative Body and the Cross-ministerial EDCF Project Deliberation Committee, etc

   * Example
   1) Children's hospital = infrastructure construction funded by EDCF + Capacity building and operational consulting by KOICA-KOFIH
   2) Chemistry Research Institute = Construct a chemical research center and build capacity of researchers through EDCF-KOICA collaboration

2 Measures to Improve Aid Effectiveness

☐ **Enhancement of alignment with the partner country's development strategy**

○ Identify projects of priority areas that are aligned with the key agendas of the partner country, such as the priority policy in the *New Development Strategy*

☐ **Packaged development funds and aid modalities**

○ Generate synergy by effectively combining various aid tools

   * Example: Develop an EIPP master plan and identify individual tasks, then follow up with EDCF tasks

☐ **Systematic performance management and strengthening feedback mechanisms**

   ○ Establish development/performance indicators linked to development strategies from the project planning stage, and enhance performance-oriented project evaluation and feedback

☐ **Strengthen cooperation on global issues**

   ○ Enhance incorporation of global issues, including **environmental protection, climate change response, digital transformation, and gender equality,** in overall ODA projects