

Joint SDG Fund

Template for the Joint Programme
Evidence-based Final Narrative Report

SDG FINANCING PORTFOLIO – COMPONENT 1

Cover page

Date of Report: day / month / year

Programme title and Country

Country: Uzbekistan

Joint Programme (JP) title: Establishment of an Integrated National Financing Framework for Sustainable Development in Uzbekistan

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Agency/others	Joint SDG Fund contribution	Co-funding	Total
PUNO1 - UNDP	356,000	138,300	494,300
PUNO2 - UNICEF	200,000	-	200,000
PUNO3 - WHO	244,000	200,000	444,000
PUNO4 - UNODC	200,000	50,000	250,000
Total	1,000,000	388,300	1,388,300

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Abbreviations

AFD	French Development Agency
CCA	Common Country Assessment
CSO	Civil Society Organization
CVD	Cardiovascular Diseases
DFA	Development Finance Assessment
EU	European Union
FDI	Foreign Direct Investments
GDP	Gross Domestic Product
GHG	Green House Gas
GPO	General Prosecutor's Office
IFI	International Financial Institution
INFF	Integrated National Financing Framework
IsDB	Islamic Development Bank
JP	UN Joint Programme on Establishing the Integrated National Financing Framework in Uzbekistan
KPI	Key Performance Indicator
MOF	Ministry of Finance
MOEDPR	Ministry of Economic Development and Poverty Reduction
MOH	Ministry of Health
NCD	Non-communicable Diseases
NGO	Non-governmental organization
ODA	Official Development Assistance
PBB	Programme-based Budgeting
PFM	Public Finance Management
PF4C	Public Finance for Children
PHC	Primary Health Care
PPP	Public-Private Partnership
ProDoc	Project Document
PUNOs	Participating United Nations Organizations
RIA	Rapid Integrated Assessment
RBM	Result-based management
SDG	Sustainable Development Goal
SGBP	State-Guaranteed Benefit Package
SHIF	Social Health Insurance Fund
SOE	State-owned Enterprises
SOP	Standard Operating Procedures
UN	United Nations
UNSDCF	United Nations Sustainable Development Country Framework
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
UNODC	United Nations Office on Drugs and Crime
USD	US Dollar
UZS	Uzbek soum
WHO	United Nations World Health Organization

Executive summary

The UN JP has helped the Government to start the process of redesigning the existing national financing system in a more integrated, SDG-oriented, and coherent way under the chapeau of the Integrated National Financing Framework. Recognizing that the INFF cannot be shaped and established over the course of two years and that a longer-term effort is needed to fully incorporate it into national planning system and make it operational at all the levels and building blocks, the JP succeeded in establishing INFF's core elements and institutional structures. This includes the following:

- a) elaborating a high-level policy document, an Integrated National Financing Strategy¹, that is COVID-informed as well as aligned and supports implementation of the national medium-term strategy. Operational level policy documents were elaborated in health to design and put into practice national health insurance schemes.
- b) establishing an institutional (governance) structure that oversees operationalization of the INFF - the INFF Oversight Committee.
- c) building knowledge and capacity of the Government officials on various aspects of public finance, with a thematic focus on child-sensitive public finance management, national asset recovery system, and SDG-aligned public debt instruments.
- c) designing innovative financing instruments for mobilizing public and private resources (health financing solutions, SDG bonds, etc).

The comprehensive and Integrated National Finance Strategy, the issuance of the first in the region SDG bonds worth USD235 million, as well as the piloting of innovative public-private health insurance schemes are among the JP's most notable results.

Another important key result of the JP is the creation of a platform for policy dialogue involving the government, private sector, civil society, and development partners. The platform and the framework help the government of Uzbekistan bring together a broad range of partners and resources to design SDG-aligned financing policies in a more collaborative way.

The collaborative and flexible programme approach has helped maximize the JP's potential, despite some challenges due to the initially siloed approach. The proactive partnership approaches facilitated by the UN under the JP have been a driver of reform and enhanced the profile and prominence of the UN as an important partner in Uzbekistan's reform agenda.

¹ UNDP (2022), Integrated National Financing Strategy for the Republic of Uzbekistan, October 2022, Tashkent, Uzbekistan

Context

Since 2016 Uzbekistan has embarked on an ambitious and comprehensive reform agenda, with the considerable attention to whole-of-society and economic transformation along with a strong commitment to achieve the national SDGs. The newly adopted Uzbekistan's Development Strategy for 2022-2026 sets out ambitious objectives such as halving the poverty, increasing the country's GDP per capita by 1.6 times, and joining the group of upper middle-income countries by 2026. Other important national priorities include substantial increasing the coverage by pre-school and tertiary education, improving the quality and coverage of social protection, improving resource efficiency and transition to a green economy, improving public service delivery and governance, as well as building a more just and equitable society.

Despite of the solid economic growth rates in the past two decade, the country is facing several development challenges exacerbated by the setback caused by the COVID-19 pandemic and the regional conflicts. These include poverty and growing inequalities, insufficient job creation and large informalities in the job market that account for 50-60% of the economy, increasing population and urbanization that inter alia put additional pressure on the infrastructure, high resource inefficiencies and water shortages exacerbated by the climate change and environmental degradation, especially in the Aral Sea region. The social sector remains underfunded too. The country's coverage by pre-school education and tertiary enrolment rates remains below the averages for middle-income countries. With an increasingly fragmented and underfunded social protection system, nearly half of the population and one-third of the poor are not covered by any social protection scheme. Financial resources for health in Uzbekistan are scarce with only 2.9% of GDP spent on health sector, with WHO pointing to high out-of-pocket payments in the public healthcare sector of the country.

The DFA² conducted by the UN in 2019 and updated in 2020 found that Uzbekistan needed an additional USD6 billion per year to achieve the national SDGs. IMF estimated in 2020 that the impact of COVID-19 requires additional financing of about USD 4 billion or 7 percent of GDP. It was clear the public financing alone would not be sufficient to address this significant funding gap, and that there was a need for an integrated national financing framework that aims to mobilize both public and private, as well as domestic and external resources to finance Uzbekistan ambitious national development priorities and SDGs.

The UN JP thus has focused on supporting the Government of Uzbekistan in establishing an Integrated National Financing Framework that would help build more holistic approach for mobilizing and aligning public and private finance with national objectives, as well as to ensure more efficient, transparent, results-oriented use and better coordinated and integrated use of public and private resources in social sectors, with a specific focus on the inclusion of women and vulnerable groups.

² UNDP (2020), Development Finance Assessment for the Republic of Uzbekistan, December 2020, Tashkent, Uzbekistan

Joint Programme Results

1. Overview of Strategic Final Results

1.1. Overall assessment

The JP has resulted in an institutional design and establishment of an integrated sustainable development financing system, with an appropriate institutional and policy framework, with sufficient capacity to deliver effective services tailored to Uzbekistan's needs. The INFS elaborated within the framework of JP will help the Government of Uzbekistan mobilize private and public financing for sustainable development and better align existing financing policies with the medium and long-term national development priorities. In addition, the JP has managed to pilot several innovative development financing mechanisms, such as the issuance of the first in the region SDG bonds, introduction and scaling up of the new system of State-Guaranteed Benefit Package of health services supported by the State Health Insurance Fund, which promise to mobilize additional funding and make better use of that funding to finance the national development priorities and SDGs in Uzbekistan.

- Above expectations (fully achieved expected JP results and made additional progress)
- In line with expectations (achieved expected JP results)
- Satisfactory (majority of expected JP results achieved, but with some limitations/adjustments)
- Not-satisfactory (majority of expected JP results not achieved due to unforeseen risks/challenges)

The JP has achieved most of the planned and expected results. The holistic INFS has been developed to support the Government of Uzbekistan better align resources (plan and finance) with its development strategies and achieve better impact and efficiency gains through capacitated institutions, new financing mechanisms and an integrated development finance framework that aligns public and private resources with its gender-sensitive and pro-poor development policies. The JP has supported the Government in improving capacities of the civil servants in planning, execution, monitoring and reporting public expenditures in a more effective, efficient, transparent, and equitable way aimed at supporting the most vulnerable groups of population, including women, elders, people with disabilities, children, and youth. The JP contributed to enhancing the regulatory framework to support the ongoing health system reforms in the country through introduction of State Health Insurance scheme and principally new financing mechanisms in the work of primary health facilities. The JP also supported Uzbekistan to introduce a new financing instrument and to issue a first Sovereign SDG Bonds that was an important step forward in the country's commitment to achieve the SDGs, and a major advance for development finance worldwide.

1.2 Key results achieved

The JP has achieved the following key results that promise to have a transformative and catalytic impact:

1. The Integrated National Financing Strategy developed in close collaboration with the Government provides a new integrated approach to managing public funds and private financing flows needed to achieve national development priorities and SDGs in Uzbekistan. The novelty of this approach lies in its integrated nature, by suggesting a) how to enhance coherence of existing policies to increase overall impact, and b) how to mobilize more private and public financing from domestic and external sources. The INFS also focuses on how to get more development results from the resources that are already available, including by improving the sufficiency, effectiveness, efficiency, transparency, and equitability of the public expenditures, which allows evidence-based and strategic planning of the interventions where public funds can be catalytic and leverage more private resources. It provides a rational framework to align specific instruments with the broader financing strategy, to avoid fragmented decision-making, better aligned efforts, and to identify gaps and opportunities for resource mobilization. In general, the strategy can be used to promote coherence by centralizing the otherwise sectoral and siloed focus on financing approaches into one overarching policy framework and incentivizing collaboration. The INFS also comes with a roadmap for its operationalization. The Government intends to coordinate its implementation with the policy advice and technical support from development partners and donor community.

2. Within the framework of the JP a new system for early detection, prevention, and treatment of cardiovascular diseases was developed and introduced in one region in 2022 (with scale up to other regions from 2023) which resulted from efforts of the JP in raising awareness about the importance of primary health care for the prevention of non-communicable diseases and for Universal Health Coverage, and capacity-building of the State Health Insurance Fund and MOH. As a result, the public funds allocated to highly effective and cost-effective primary health care will be doubled (to UZS350 million (roughly USD31,000) per district per year).

The JP has supported the adoption and implementation of the Government Resolutions aimed at implementation of new organizational model in health care and mechanisms of State Health Insurance as well as the introduction of new mechanisms in the work of primary health facilities including the introduction of the first State-Guaranteed Benefit Package, with a focus on PHC services and a mixed payment model based on capitation, global budget and case-based payment that are in line with international standards³.

3. With the JP support, Uzbekistan successfully issued the first in the country and in the region sovereign SDG bonds worth of UZS2.5 trillion (USD235 million) that facilitated the transfer of resources from global investors to public SDG-oriented projects in seven areas: Education; Water Management; Health Services; Green Transportation; Pollution Control;

³ Uzbekistan, Presidential Resolution PP-4890, November 2020, "On measures of implementation of new organizational model in health care and mechanisms of State Health Insurance in Syrdarya region".

Management of Natural Resources; Green Energy. Importantly, the issuance of the SDG Bond attracted interest of about 50 international investors from the United States, Great Britain, Germany, Luxembourg, Switzerland, Denmark, Singapore, and the United Arab Emirates. The uniqueness of the support was not solely on raising new sources of financing, but also helping to set up a system and build institutional capacity of the Government dedicated to informing investors and the public on how the proceeds are allocated, how they are used and what is the impact.

1.3. Results achieved on Integrated National Financing Framework/SDG financing building blocks

Implementation stages	Planned (0%)	Emerging (1-49% progress)	Advancing (50-99% progress)	Complete (100% progress)	Previously completed	Not applicable
1. Inception phase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Assessment & diagnostics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Financing strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Monitoring & review	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Governance & coordination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Inception phase was completed earlier in 2019, when the JP had presented the idea of the INFF to the Government and major stakeholders and had initiated the DFA in the country. During that phase several cross-cutting institutional challenges were identified that limit strengthening Uzbekistan’s SDG financing architecture. Some strategic knowledge regarding the nature and scope of the financing requirements to achieve the national development vision and the SDGs were shared with the National partners. Uzbekistan’s weak data ecosystem was identified as an undermining factor for monitoring the impact of different financing policies on the country. Raising the awareness of government and stakeholders about these data, capacity, and funding gaps provided for a general understanding that there is an urgent need for a more transparent, coordinated, and strategic approach to maximize the development impact of the country’s scarce development resources. As a result, the need for DFA was acknowledged by the government and all necessary collaborations were established to conduct the DFA.

The UNDP and RCO completed the DFA in 2020. This analytic tool provided a comprehensive birds-eye view and evidence of the country’s development finance landscape. It mapped the main public financial flows (government revenue, debt, SOEs, ODA) and private flows (domestic private investment, FDI, remittances and private philanthropy). Importantly, the DFA notes that for Uzbekistan to achieve its national SDGs, it needs to mobilize additional USD6 billion per year. The DFA also analyzed the opportunities available in the public-private space and showed that there are several options that the country could explore to increase the resources available to finance the SDGs. Many of these options demand concerted action to scale up ongoing efforts to build the enabling environment (legal, political, regulatory, etc.) and the supporting ecosystems (institutions and actors) for increasing the impact of the different forms of financial

resources. Some of these actions require medium- and long-term approaches. Moreover, the RIA⁴ was conducted in 2022 that mapped the National Development Strategy for 2022-2026, a newly developed national strategy, and other strategic documents against the SDGs. All those assessments have fed into the drafting of the Integrated National Financing Strategy.

The desk review of the current situation and existing budgetary processes in Uzbekistan has been accomplished to grasp a better understanding of local PFM context and to assess its “child-friendly” extension⁵. The Capacity Needs Assessment was conducted to identify the compliance of technical capacities with national legislation as well as best international practices for managing the budgetary processes throughout the budget lifecycle⁶. As a result, customized training package was developed to strengthen staff capacities of social and finance sector ministries. In addition, the review and assessment of the regulatory and policy framework, as well as the current situation, responses, and existing capacity of key national partners to manage and dispose of frozen, seized, and confiscated assets has been conducted. The report provided key recommendations on how to further improve the national system of asset management and disposal, to establish an asset management body or unit to harmonize inter-agency asset management efforts, and to create a central database of seized assets⁷.

The INFS developed within the framework of the JP implementation was extensively discussed and validated by the stakeholders including the government, private sector, research institutions, development partners, NGOs, civil society during the Financing dialogues conducted in late 2022. Following the feedback and comments from the stakeholder the INFS was finalized and submitted to the Government. The main objective of the INFS is to provide a new integrated financing approach that combines public and private sources designed to provide financial feasibility to Uzbekistan’s Development Strategy for 2022-2026 and to the national SDGs until 2030. The INFS aims to mobilize more private and public flows from domestic and external sources and combine existing policies to increase their overall impact. The strategy proposes new approaches to traditional finance management practices and some innovative practices. Most of these innovative interventions strategically use scarce resources (ODA, public debt, and public investment) to leverage private investment and financing in critical areas. This leads to new ways to address public finance needs by a different, more strategic allocation of available public resources and improving the efficiency of their use. The actions proposed in the INFS are designed to generate cross-cutting synergies and avoid policy blind spots that could derail the financing process. The actions of the strategy considered current opportunities and threats in the three main financial pillars: 1) Public Finance that assumes

⁴ UNDP (2022), Uzbekistan Implementing Sustainable Development Goals: Rapid Integrated Assessment of Key National Policy Development Planning Documents, Tashkent, Uzbekistan

⁵ UNICEF (2022), Desk Review Report: Uzbekistan PFM and Budgetary Framework, March 2022, Tashkent, Uzbekistan

⁶ UNICEF (2022), Capacity Needs Assessment Findings Report, March 2022, Tashkent, Uzbekistan

⁷ UNODC (2021), Review and Assessment of Asset Management Institutional Arrangements in Uzbekistan, August 2021, UNODC ROCA, Tashkent, Uzbekistan

providing a fiscal space needed to finance the increased expenditure needs emerging from the Uzbekistan's Development Strategy 2022-2026 and to tighten up the management of public resources to ensure the maximum possible returns from the investments and expenditures currently made. 2) Public-Private collaboration that assume exploring new ways of partnership and developing new, innovative finance mechanisms like blended finance, results-based finance, and impact investment. 3) Private Finance/Investment and private sector development that assumes creating an enabling environment and pursuing specific policies to develop individual finance flows. A critical aspect is to ensure the inclusiveness of the private sector development process.

The work on Monitoring and Reporting has been undertaken within the framework of another UNDP project as part of the parallel funding committed as per the ProDoc – UNDP's "Financing for Sustainable Development" project. Under this project, the Government has conducted SDG tagging for the state budget expenditures for YY2019-2022. This information has been presented in the regular Citizen's Budget publications as a separate chapter to ensure the public and the Parliament are aware on the allocation of public finance across the national SDGs. Moreover, a green budget tagging methodology has been developed focusing on the alignment of budget expenditures with the climate change mitigation and adaptation objectives, etc. The government is planning to pilot and introduce this practice in 2023. In addition, in 2023 the Government is planning to do mapping/tagging of tax revenues and tax incentives against the SDGs within the framework of UNDP "Tax for SDGs" initiative. By doing so, the Government will be able to develop a more comprehensive picture of the government's policies towards the SDG alignment across both revenue and expenditure sides of the state budget.

Within the scope of the JP the Government Decree has been elaborated that established the INFF Oversight Committee. The proposed functions of the INFF Oversight Committee includes the following:

- Determining the scope and specific objectives of the INFF, including linkages with wider planned or ongoing reforms
- Mapping of INFF stakeholders and feeding into the development of engagement strategy
- Helping to gain access to policy documents and data and convene and facilitate outreach to a broad constituency of stakeholders
- Providing oversight and feedback on the development of major INFF documents
- Facilitating and supporting events, discussions, consultations, workshops of the INFF

Core members of the INFF Oversight Committee include representatives from the: Ministry of Finance, Ministry of Economic Development and Poverty Reduction, Ministries of Health, Education, General Prosecutor's Office, Institute of Fiscal Studies, as well as concerned international development partners, such as the UN RC, UNDP RR, and EU Delegation.

1.4. Contribution to SDG acceleration

SDGs indicators	Baseline	Expected target	Actual results achieved/to be achieved in the near future	Reasons for deviation from targets, if any
Indicator 17.14.1 Availability of mechanisms to improve the coherence of sustainable development policies	Financing of the national development agenda is fragmented and decentralized	Integrated financing framework is established and operationalized	The Government of Uzbekistan is planning to adopt a detailed roadmap towards the operationalization and implementation of the INFS	The duration of the JP was not sufficient to support the operationalization of the INFS
Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality, and affordable essential medicines and vaccines for all	No clear benefit packages No reimbursement of outpatient medicines	State Guaranteed Benefit Package Outpatient drug reimbursement programme	Both were launched in one region (2022) and are in the process of being rolled out to additional regions (from Jan 2023)	
Indicator 3.b.1 Proportion of the target population covered by all vaccines included in their national programme	n/a	n/a	Coverage with vaccination program (# of vaccinations)- 14,525,490	Planned outcomes of the SDG bond use of proceeds
Indicator 4.a.1 Proportion of schools offering basic services, by type of service	n/a	n/a	New capacity created – 13,957 Existing capacity renovated – 12,633	Planned outcomes of the SDG bond use of proceeds
Indicator 6.4.1 Change in water-use efficiency over time	n/a	n/a	Length of irrigation canals reconstructed (km) - 82.8 Irrigated area with the improved water use efficiency (ha)- 68,880	Planned outcomes of the SDG bond use of proceeds
Indicator 6.1.1 Proportion of population using safely managed	n/a	n/a	Number of people with access to piped water – 101,277	Planned outcomes of the SDG bond use of proceeds

drinking water services				
Indicator 6.2.1 Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water	n/a	n/a	Number of people with access to safely managed sanitation – 27,870	Planned outcomes of the SDG bond use of proceeds
Indicator 11.2.1 Proportion of population that has convenient access to public transport, by sex, age, and persons with disabilities	n/a	n/a	Number of passengers (daily) – 213,134	Planned outcomes of the SDG bond use of proceeds

[1.5. Contribution to SDG financing flows](#)

The INFS has solidified thinking around the ambition to improve public finances, strengthen resource mobilization and better aligning the resources with the sustainable development priorities. It has emphasized the financing gaps in priority areas, such as green agenda, health, education, social protection and facilitated dialogues on how to tap into new financing sources and tools, in addition to available public funds. Results-Based Budgeting, Impact funds, Blended finance, thematic and performance-based bonds, PPPs are some of the tools incorporated into the INFS and being developed by the Government and other stakeholders.

The DFA has highlighted the Climate action and environment goals are facing the largest financing gaps that was further reflected in the INFS that elaborates a set of measures to mobilize financing to meet green goals. In addition, proceeds of the SDG bond issuance were partially allocated to the projects that contribute to GHG emission, such as green infrastructure. SDG bonds have proven to be an impactful tool to channel private financing into development while assuring transparency and accountability. This has catalyzed the interest towards similar thematic debt instruments, with some of them expected to be launched in 2023-2024 (green bonds, gender bonds).

[1.6. Results achieved on contributing to UN Development System reform](#)

The JP has helped catalyse UN’s coherence on SDGs in several ways. First, within the framework of designing an Integrated National Financing Strategy for SDGs in Uzbekistan the UNCT was actively collaborating in public discussions of the DFA findings and INFS recommendations, aiming to develop more integrated and better coordinated approaches in financing the national development priorities and national the SDGs. As part of these consultations, the UN was actively engaged in consultations with major public, private and international institutions of new financing solutions and ways to mobilize new resources, while ensuring more efficient use of existing resources.

The UN joint contribution at the various stages of the SDG Bond issuance was also critical, with the UN agencies providing crucial feedback and perspectives on the priority SDGs to finance. The UNCT also helped in project selection process and in setting up a monitoring framework for SDG-aligned

projects. The UNCT actively participated in review/contribution to the questionnaire and metrics (on nature of projects, objectives, coverage, set of KPIs to monitor the progress, etc).

Furthermore, the INFF Steering Committee composition reaffirms the UN's key role in advising and supporting the country in developing integrated strategies to finance national priorities and SDGs. Both the UN RC and the UNDP Resident Representatives are part of the INFF Steering Committee. The work carried under JP resulted in extended partnership between UNDP and UNICEF to support the Government of Uzbekistan in strengthening the SDG financing through mainstreaming the work to implement the programme-based budgeting in Uzbekistan.

As per the JP evaluation conducted in September-October 2022, it was found that the programme efficiency had been satisfactory due to a positive and constructive partnership among the PUNOs, and a solid results framework and division of labour in line with the comparative advantage of each agency. The siloed approach, however, lessened the programme's potential and diminished the understanding of systemic programme results. Nevertheless, UN agencies with a strong mandate and strategic positioning joining forces with the government and other national actors worked well to secure partnerships with the government and responsiveness to priorities. The JP's sound approach to resource management and consistent engagement in thematic areas boosted further the efficiency and effectiveness of the programme.

The INFF was identified as one of the outcomes of the UNSDCF 2021-2025 with JP PUNOs acting as the main contributors. This helped to develop joint planning and monitoring system and advance integrated thinking around the SDG financing as an enabler of development. The DFA and INFS findings and recommendations have informed the CCA formulation and consequent annual updates. Furthermore, the CCA for Uzbekistan has a dedicated section on the development and SDG financing issues in the country.

[1.7. Results achieved on cross-cutting issues](#)

The INFS which builds on Uzbekistan's Development Strategy 2022-2026 is well aligned with the 2030 Agenda and the pledge to leave no one behind, promote decent work, ensure human rights, gender equality and empowerment, etc. In particular, the designing of the INFS incorporated gender equality proposals to empower women in Uzbekistan by providing new financing solutions to businesses owned or run by women. Furthermore, the JP strengthened national capacities on gender equality improvement for child-sensitive public spending on social sectors (health, education, and social protection). The JP's Gender Marker had been monitored across JP output areas with an average score of 2 (out of 3).

In public health sector the maternal health prioritized within the state guaranteed benefit package under State Health Insurance, with 50% fund disbursed for maternal health.

Moreover, the SDG Bonds issued by the Government⁸ with the JP support also strive to channel the financing to achieve these core principles. Specifically, the SDG Bonds are aimed at accelerating the progress towards the SDGs 2, 3, 4, 5, 6, 7, 8, 9, 11, 13, 15.

[1.8. Results achieved on COVID-19 recovery](#)

The JP ensured integration of crisis response and resilience mechanisms in various stages of the INFF process, including diagnostic, policy formulation, monitoring and governance. The DFA first

⁸ UNDP (2021), Republic of Uzbekistan: SDG Bond Framework, July 2021, Tashkent, Uzbekistan

initiated in 2019, was later revisited to reflect the impact of the COVID-19 on the country's development financing needs.

The INFS builds on the newly identified priorities outlined by the government in Uzbekistan's Development Strategy 2022-2026. Those are strong social protection system, accelerated digitalization, including digitalization of the healthcare, skills development and job creation among the most vulnerable, green transition, regional integration and other. Both health and social protection financing reforms are sensitive to the need for greater resilience for the post-pandemic recovery. These considerations were integrated in several policy measures that have been formulated within the JP. For example, the development of a benefit package for primary health care explicitly includes diagnostic and therapeutic services for disease outbreaks.

1.9. Strategic Partnerships

Throughout the process of elaboration of the INFF the JP has undertaken numerous activities to pull together relevant opinions across the four building blocks of the INFF. With the help of an experienced international expert, the technical and political mapping (of policies, instruments, institutions, and actors) has informed the articulation of an INFF action plan and provided the groundwork for all subsequent steps in the process. The series of comprehensive consultations were initiated to ensure good and open debate with all the relevant stakeholders on the content of the INFS, DFA recommendations and how to translate them into actionable measures.

The success of such consultations was based on active participation, support, and interest from the Government as well as facilitation and technical guidance from the UNCT (particularly the JP PUNOs – UNDP, UNICEF, WHO, UNODC), as well as other inputs from the development partners, including IFIs. The JP has also gained the momentum to ensure leadership of senior government representatives to conceptualizing the INFS, advocacy of the work being conducted and ownership of the process.

1.10. Additional financing mobilized

Source of funding	Yes	No	Type of co-funding/co-financing	Name of organization	Amount (USD)	Comments
Government	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
Donors/IFIs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	co-financing	IsDB	220 000	IsDB TA project on establishing enabling environment for green sukuk in Uzbekistan
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	co-financing	AFD	160 400	AFD TA project on strengthening the government capacities in SDG and green budgeting
Private sector	<input type="checkbox"/>	<input type="checkbox"/>				
PUNOs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	co-financing	UNICEF-UNDP	60 000	Joint initiative on strengthening the government capacities on PBB within the Global Finance Flagship Initiative
Other partners	<input type="checkbox"/>	<input type="checkbox"/>				

Additional financing in the amount of USD220,000 and USD25,000 was attracted and secured from the IsDB and MOF respectively to finance the pre-feasibility study⁹, creation of enabling

⁹ UNDP (2021) Pre-Feasibility Study for the Green Sukuk Issuance in the Republic of Uzbekistan, December 2020, Tashkent, Uzbekistan

environment, local capacity building and raising awareness on Green Sukuk¹⁰. The MOF has also co-financed activities associated with the SDG bond issuance, including but not limited to second-party opinion, allocation of proceeds, monitoring and reporting. There is no quantified estimation of the provided co-financing. Within the framework of the partnership with AFD additional USD 160,400 were secured for SDG/Green Budget tagging to track Government expenditures towards SDGs and green targets.

UNICEF and UNDP have jointly secured additional funds of USD 60,000 from Global Finance Flagship Initiative, which is a to extend the scope and multiply the result of the work undertaken within the framework of JP to develop pilot evidence-based budget enquiries and relevant templates to justify financing the child-sensitive development programmes from the state budget.

2. Results by JP Outcome and Output

2.1. Results achieved by Fund's global results

Regarding the Outcome 2, the JP was not directly targeting to leverage additional financing. Nevertheless, within the framework of JP implementation, the SDG Bond Issuance leveraged additional USD235 million (nominated in Uzbek soums) for financing SDG aligned development projects. The Bonds facilitated the transfer of resources from global investors to public SDG-oriented projects in seven areas: Education (SDG 4), Water Management (SDG 6), Health (SDG 3), Green Transportation (SDG 11), Pollution Control (SDG 11), Management of Natural Resources (SDG 15), and Green Energy (SDG 7). The issuance of the SDG Bond attracted interest of about 50 international investors from the United States, Great Britain, Germany, Luxembourg, Switzerland, Denmark, Singapore, and the United Arab Emirates.

According to the SDG Bond Allocation and Impact report¹¹, major share of proceeds was allocated into the construction of a new greener public transport (54%), as a part of the country's ambition to progress on better Industry, Innovation & Infrastructure. For Good Health and Wellbeing, 22% of the total allocation has been directed towards expanding healthcare capacities across the country. Whilst most of proceeds were allocated to the construction and reconstruction of hospitals, the proceeds were also allocated to a broader range of healthcare services, including provisions for infectious disease (7%), disability services (6%), emergency services (5%) and maternity care (8%). To invest into Quality Education infrastructure of the country and to address the increasing demand of a growing population 17% of proceeds allocated to construction and reconstruction of 35 kindergartens and 33 schools throughout Uzbekistan. Most of the funds were allocated towards the rural areas. Out of the total 7% of bond proceeds which were allocated to Clean Water & Sanitation, over three-quarters was allocated to the increased provision of clean water infrastructure. Clean water investments focused on the supply of clean drinking water to local populations and the improvement of the country's wastewater sewage systems. Ultimately, 129 147 people across the country benefitted from the implementation of relevant²⁴ projects. The remaining proceeds went to the reconstruction of inefficient irrigation infrastructure. The reconstruction of the 82.8 km canal affected 68,880 hectares of land. The impact can be both directly through increasing

¹⁰ UNDP (2022), Concept note on Development of a Legal and Regulatory Framework for 'Plain Vanilla' and 'Green' Sukuk in the Republic of Uzbekistan, June 2022, Tashkent, Uzbekistan

¹¹ UNDP (2022), Uzbekistan July 2021 SDG Bond Allocation and Impact Report, Tashkent, Uzbekistan

agricultural yields and water efficiency, as well as indirectly through increasing employment and local economic growth.

In addition, a new system for early detection, prevention, and treatment of CVDs was developed and introduced in one region of Uzbekistan in 2022 (with scale up to other regions from 2023) which resulted from efforts of the JP in raising awareness about the importance of PHC for the prevention of NCDs and for Universal Health Coverage, and capacity-building of the State Health Insurance Fund and MOH. As a result, the public funds allocated to highly effective and cost-effective primary health care will be doubled to UZS350 million (roughly USD 31,000) per district per year.

[2.2. Results achieved by Joint Programme Outcome](#)

The JP has contributed to establishing an INFF in Uzbekistan through support in designing and implementation of the key INFF building blocks. The elaboration and multi-stakeholder consultations of the Integrated National Financing Strategy facilitated by the JP was at the center of this process. Due to support provided by JP the Government of Uzbekistan can better align resources (plan and finance) with its development strategies and achieve better impact and efficiency gains through capacitated institutions, new financing mechanisms and an integrated development finance framework that aligns public and private resources with its climate-resilient, gender-sensitive and pro-poor development policies. The JP contributed to enhancing the regulatory framework to support the ongoing health system reforms in the country through promoting introduction of State Health Insurance and principally new mechanisms in the work of primary health facilities. This includes the work to improve sufficiency, effectiveness, efficiency, transparency, and equitability of the social sector spending through strengthened capacities of social sector ministries' staff in planning, execution, monitoring and reporting on child-sensitive and youth-friendly public expenditures. The JP also supported Uzbekistan to introduce a new financing instrument and to issue a first Sovereign SDG Bonds that was an important step forward in the country's commitment to the achieve the SDGs, and a major advance for development finance worldwide.

[2.3. Results achieved by Joint Programme Output](#)

Output 1. An Integrated National Financing Strategy for Uzbekistan has been developed to support the Government of Uzbekistan in applying a coherent and integrated approach towards mobilization of public and private financial flows from domestic and external sources and combine financing policies to increase their overall impact. The INFS also provided a rational framework to align specific instruments with a broader financing strategy, to avoid fragmented decision-making, better aligned efforts, and to promote coherence by centralizing the otherwise sectoral debate around financing approaches into one overarching policy framework and incentivizing collaboration.

The JP strengthened the capacities of the MoF and social sector ministries' staff to undertake public expenditure reviews, costing analysis, cost-benefit analysis, and fiscal-space analysis to aid informed decision making. As a result, the civil servants have been equipped with the analytical tools and have the hands-on experience and skills to use them in the future work¹².

Based on the analysis of the regulatory and policy framework, as well as the current situation, and existing capacities of key national partners to manage and dispose of frozen, seized, and confiscated

¹² UNICEF (2022), Report on Coaching/Mentoring on Budgetary Analysis and Joint Work with the Ministry of Finance, Tashkent, Uzbekistan

assets¹³ the JP has developed a draft Strategy on further improvement of the national asset management and disposal system, establishment of an asset management body for integrated inter-agency asset management efforts, and to create a central database of seized assets. In addition, a draft law on Asset recovery has been elaborated and presented to the government along with the SOP in the matter of frozen and confiscated assets in Uzbekistan.

Output 2. The JP provided technical support to the Government of Uzbekistan in issuance of the SDG Bonds that have been identified as an efficient tool to finance the SDG-related projects in Uzbekistan. A National SDG Bond framework was developed to ensure the usage of bond proceeds to specific metrics and the SDGs as well as to establish a comprehensive monitoring and reporting system for projects which were supported. The first SDG Bond Allocation and Impact report has been developed and published to provide information on how the proceeds from the bond issuance are helping to achieve Uzbekistan's development priorities and highlights its commitment to achieve the SDGs.

Concept note for development of legal framework for Sukuk, and Green Sukuk in Uzbekistan was developed and based on this the relevant legal and regulatory framework has been drafted to create enabling environment for issuance of sukuk and green sukuk in Uzbekistan.

With the support of the JP the newly established State Health Insurance Fund introduced new output-based provider payment models in a pilot Syrdarya region of the country, as per Presidential Resolution, starting from July 2021. A benefit package of health services and medicines to be guaranteed by the government was approved. The benefit package includes health services delivered at health facilities at all tiers of the health care system, but with a focus on PHC and non-communicable diseases. In addition, a capitation payment model for outpatient care was successfully designed to facilitate a shift from narrow specialists to PHC teams. Similarly, a case-based payment model for inpatient care was developed in accordance with good international practices.

3. Challenges and Changes

3.1. Challenges faced by JP

There were several challenges faced by the JP throughout its implementation. First, is the COVID-19 pandemic and associated lock-down measures and capacity limitations in all the Government entities. Another one is the ongoing crisis linked to the war in Ukraine. The impact of the war on the socio-economic and political well-being of the country have resulted in the considerable efforts by the Government to address the emerging challenges and risks. Both challenges to some extent, has shifted the focus towards these immediate policy responses away from the system-wide reform process implemented in the country and with the support from the JP.

Nevertheless, the JP was able to launch several important initiatives that were aligned with the Government's COVID-19 response measures. This included formulating policies to support health system transformation and poverty reduction and new financial instruments to facilitate the mobilization of additional resources to finance COVID-19 recovery plans.

¹³ UNODC (2021), Review and Assessment of Asset Management Institutional Arrangements in Uzbekistan, August 2021, UNODC ROCA, Tashkent, Uzbekistan

Another type of challenges was related to the conceptual novelty of the INFF - lack of appropriately experienced consultants due to the novelty or sensitive nature of the subject. To mitigate that, the JP has engaged several individual consultants with a right mix of international, regional, and national expertise. Also, the JP's work has been challenged by such factors as the cross-sectoral nature of work as well as limited capacities within different ministries. Another major challenge the JP faced is poor record-keeping system in several government agencies. That in turn creates considerable difficulties to collect and prepare the reports anticipated by the JP.

[3.2. Changes made to JP \(if applicable\)](#)

Based on consultations among PUNOs (UNDP, UNICEF, UNODC, WHO) the decision was made to amend the timeframe for implementation of activities in 2022. The request for a no-cost extension of up to 4 months was sent to the Secretariat of the Joint SDG Fund and the JP ProDoc was revised with the new end date of 31st October 2022. The amendment was approved by Deputy Minister of Finance, the Chairperson of JP Steering Committee. This request was justified based on several delays experienced by the JP due to operational restrictions caused by COVID-19 outbreak on both PUNOs and national counterparts.

It should be noted that after several bilateral meetings between the senior management of the Ministry of Finance of the Republic of Uzbekistan and UNICEF Uzbekistan, it was agreed to revisit the approaches and scope of the work, which was initially planned. At the same time, the end-results to undertake budgetary analysis and value for money analysis for evidence-based decision making have remained as planned. In this regard, the approach was changed to focus on building the capacities in relevant ministries to undertake budgetary analysis, costing analysis, cost-benefit analysis, and fiscal-space analysis to aid informed decision making. Furthermore, the scope of the work has been broadened to cover most of the child-sensitive social sectors (i.e., healthcare, education, and social protection).

4. Sustainability and Country Ownership

4.1. Sustainability and country ownership

The sustainability of the JP key results will be ensured by the implementation of the Government's Resolutions adopted with the support and contributions from the JP. More specifically, the Resolution of the Cabinet of Ministers of Uzbekistan # 83 dated on 21.02.22 among other things enhanced the coordination, implementation, and monitoring mechanisms towards achieving SDGs in Uzbekistan, strengthened the cooperation with UN and UN Agencies within the framework of the UNCDF implementation, etc.¹⁴ Importantly, the establishment of the new Working Group of financing the national SDGs provided a solid institutional mechanism for approval and implementation of the INFS developed by the JP. Adoption of the INFS and elaboration of a detailed roadmap on its implementation will help to provide a mechanism for improving the coherence of sustainable development financing policies, as well as strengthen internal and external resource mobilization to ensure adequate quality of socio-economic programs. This, in turn, will increase financing flows from public budget, domestic and foreign public borrowings, FDIs, ODA, while maintaining the level of public debt at sustainable level.

Presidential Resolution PP-4890 ensured the introduction and scaling up of the new system of state-guaranteed package of health services supported by the SHIF. In addition, the capacity of SHIF on a wide range of strategic purchasing functions of health services was enhanced, including through establishing of Standard Operating Procedures and functioning of the SHIF's cross-sectoral Supervisory Board. The JP has also improved capacities of the civil servants in planning, execution, monitoring and reporting public expenditures towards more effective, efficient, transparent, and equitable use of resources aimed to support the most vulnerable groups of population, including women, elders, people with disabilities, children, and youth.

The implementation of recommendations proposed by the JP and introduction of relevant changes into the national legislation will significantly strengthen the asset management and recovery system in Uzbekistan through establishment of a new asset management unit aimed to harmonize inter-agency asset management collaboration, creation of a Central Database of seized assets etc. Ultimately, those efforts will help to leverage additional resources for financing SDGs in Uzbekistan.

The JP supported variety of processes to guide policy formulation and facilitated sharing and coordination among different stakeholders including parliament, private and civil sectors, think-tanks, media, ensuring buy-in throughout the process at the following levels: High-level political commitment/leadership. Communicating/discussing overall direction to increase coherence, ensure resources, engage all relevant stakeholders. Technical expertise. Incorporating perspectives/knowledge of relevant stakeholders, shaping potential policy solutions, incorporating needs/priorities necessary for integrated financing. Oversight committee/ technical working group. Translating political commitment and technical leadership into practice. JP's coordination among stakeholders. Maximizing synergies in the design of financing policies and addressing contradictions in policy.

The JP significantly capacitated the targeted beneficiaries at the national and sectoral levels. As a result of implementation of relevant capacity building activities more than 70 government officials and civil servants representing the parliament, ministries, and government agencies as well as representatives from the research institutions and think-tanks, private sector, civil society, NGOs

¹⁴ Cabinet of Ministers of the Republic of Uzbekistan, Resolution # 83, February 2022, "On additional measures to accelerate the implementation of national goals and objectives in the area of sustainable development until 2030."

and others were able to improve their knowledge and understanding of the INFF and its building blocks, the objectives, guiding principles and key pillars of the Integrated National Financing Strategy, etc. More than 60 specialists from 15 sectoral ministries have improved their knowledge on Uzbekistan’s SDG Bond Framework and enhanced their skills on how the bond proceeds can be tracked, allocated, and managed in line with internationally recognized standards. 55 experts and practitioners from the relevant ministries including the social sector ministries enhanced their capacities and skills on PF4C related tools and methods, aiming to improve child-sensitive social sector budgeting in their respective areas. Mentoring was provided to the experts in the development of programme budgets in respective areas. In addition, 50 experts and practitioners from relevant ministries and law-enforcement agencies enhanced their knowledge and skills on effective management of seized, confiscated, and forfeited assets.

5. Communications

5.1 Communication products

Strategic communications with stakeholders played a significant role in the process of JP implementation and achieving its goals and results. Throughout the JP activities the Communications Strategy has streamlined communication efforts, expanded public awareness on attainment of SDGs, and built allies with private sector, donor, and expert communities. The Communication Strategy has utilized available resources and channels for efficient communication with target audiences. It also provided tools on how to widely disseminate information about the importance of Integrated National Financing Framework, Integrated National Financing Strategy, SHIF, SGBP, SDG Bonds and other financing mechanisms helping to achieve SDGs. In the process of JP implementation strong allies and networking have been established with key government offices and agencies, think-tanks, private sector, international organizations, NGOs, and media groups, engaging people through advocacy, dialogue, and knowledge sharing. The visibility of important issues was raised to reach more people with inspiring messages, and influence policy. Partnerships were strengthened with key decision makers. As a part of JP Communication Strategy implementation more than 24 press-release and 30 news articles, 35 social media posts, 12 TV mentions and 8 Radio mentions have been developed and delivered. In total more than USD 50 000 of the JP budget have been allocated and disbursed for the communications and visibility activities including the recruitment of the Communications specialist, printing of information and visibility materials, organization of events for media partners, etc.

5.2 Events

Type of event	Yes	No	Number of events	Brief description and any highlights
JP launch event (mandatory)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	The JP launch event has been conducted virtually on 9 December 2020 with participation of key stakeholders, SDG Fund donors, partners, etc.
Annual donors’ event (mandatory)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	The JP contributed to the participation of the Government Focal Point and Co-Chairman of the JP Steering Committee at the official launch event of the INFF Facility virtually conducted on 28 April 2022.
Partners’ event (optional)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10	First Coordination Meeting of the Government of Uzbekistan with participation of UN Resident Coordinator and Representatives of UN Agencies in

			<p>the country has been conducted on 20 July 2020 to discuss the Action Plan (Roadmap) of cooperation of the UN and UN Agencies with the Government of Uzbekistan including the implementation of the JP on "Establishment of INFF for Sustainable Development in Uzbekistan".</p> <p>The DFA Report has been presented and discussed with a broad range of stakeholders and partners during the Validation Workshop held on 9 December 2020.</p> <p>The "Pre-feasibility study of the Green Sukuk Issuance in Uzbekistan" has been presented and discussed with stakeholders and partners during the Validation Workshop held on 25 November 2020.</p> <p>UNICEF has conducted virtual workshop with participation of key stakeholders to validate preliminary findings of the costing analysis, produced within the framework of developing the investment case to reform child benefits system in Uzbekistan.</p> <p>UNODC held initial consultations with the national counterparts as well as other international partners to brief the partners on the asset management and disposal related component of the JP and agree on coordination and cooperation modalities to ensure synergy and complementarity of technical assistance in managing and disposal of seized frozen and confiscated proceeds of crime.</p> <p>WHO jointly with the national partners initiated the launch of the State Health Insurance in the Syrdarya region in July 2021</p> <p>UNICEF and the Ministry of Finance launched training on child sensitive public finance management in May 2022</p> <p>UNDP conducted the round table on 16 November 2021 with participation of the national and international partners to discuss the Concept and the outline of the Integrated Financing Strategy</p> <p>Financing Dialogues with the national and international partners to present and discuss the draft INFS has been conducted by UNDP during 31 October – 1 November 2022</p> <p>Side Event on presentation and discussion of the draft INFS with the Government and development partners was conducted on 4 November 2022 within the framework of the II Uzbekistan Economic Forum.</p>
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6. Lessons and Best Practices

[6.1. Key lessons learned, best practices, and recommendations on SDG financing](#)

At the JP program design stage, the collective understanding and knowledge on INFF, Financing Strategies was limited. The call to develop a programmatic intervention in the environment where UN agencies have limited capacity suggests that there should be a more comprehensive capacity building at the program design stage around the main financing elements, especially emerging concepts such as INFF. The lifespan of the JP is too short, especially when the objective is to educate and ensure a buy-in of the Governments and other stakeholders for new approaches to systematic issues, regulatory changes, and innovative financing instruments.

[6.2. Key lessons learned and best practices, and recommendations on Joint Programming](#)

The design of a joint programme implemented in partnership with UN Agencies requires evidence-based selection of strategic areas of intervention. The experience of this JP in Uzbekistan points to the importance of ensuring a good balance between the scope of a joint programme and its support of the government's comprehensive reforms from the perspective of what can be realistically achieved in a limited period and where work of PUNOs has a comparative advantage. The JP is a positive example of a collaborative partnership between PUNOs. Each PUNO brought and combined where relevant its expertise and positioning to the JP, which was a driver for sharing and engaging in common reflection and joint action towards the government. This JP highlights the importance of clear intervention logic that support efforts that can deliver outputs with transformative potential along with a realistic resourcing strategy. Such an approach is critical in countries with more limited fiscal and institutional capacity and where national institutions embark on a fast pace of reform.

Achieving longer-term strategic objectives requires cooperation with the government and a commitment to developing an appropriate set of policies and institutional reforms sequenced in a way that incrementally builds the national capacity over a longer-term horizon. The experience in Uzbekistan offers policy areas where government commitment exists but has less built-in capacity. In addition, there is a need to have a longer-term intervention with realistic strategic choices and targeted outcomes. It is also critical to ensure the financial and institutional capacity of relevant institutions and agencies is strengthened to cost policies.

The country's sustainable development strategy should be based on what needs to be financed. The INFF should clarify how the national strategy will be financed and implemented and how to rely on the wide range of public and private financing sources. The INFF is a planning and delivery tool to help the country strengthen planning processes and overcome obstacles to finance sustainable development and the SDGs at the national and local levels. The strategy should contain clear milestones and benchmarks of what is desired to be achieved and how it would be scaled up. As such, it should represent the foundation and starting point of economic and social reforms. The strategy should be reviewed and discussed regularly with national stakeholders. This approach is a good way forward to promote sustainability.

Flexibility in the design helps adjust to urgent and unexpected needs and has proven essential for adaptive management. The COVID-19 outbreak has required maintaining a pace of implementation despite pandemic-related constraints. More flexible structures and adaptive management decision-making are needed to adjust the new circumstances, including addressing new and emerging needs. The project management considered the implementation challenges through learning, which guided flexibility in project interventions and allowed for greater flexibility and adaptation to changing situations.

Annex

Annex 1: Consolidated results framework

1. JP contribution to global programmatic results (full programme duration)

Joint SDG Fund Global Outcome 2: Additional financing leveraged to accelerate SDG achievement (Complete table below)

Indicators	Baseline 2019	Target (end of JP)	Result (end of JP)	Notes
2.1: USD & Ratio of financing for integrated multi-sectoral solutions leveraged disaggregated in terms of public and private sector funds	0	0	USD 235 million	SDG Bond Issuance leveraged additional USD 235 million for financing public SDG-oriented projects in seven areas

Joint SDG Fund Global Output 4: Integrated financing strategies for accelerating SDG progress implemented (Complete table below and provide details as requested)

Indicators	Baseline 2019	Targets (end of JP)	Results (end of JP)	Notes
4.1: #of integrated financing strategies/instruments that were tested	0	1	1	The INFS elaborated, discussed, and submitted to the government for approval.
4.2: #of integrated financing strategies that have been implemented with partners in lead	0	1	1	The initial steps towards the operationalization and implementation of the INFS has been discussed with the national and development partners on the side-lines of the II Uzbekistan Economic Forum held in November 2022
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate SDG progress	0	1	1	The JP has contributed to elaboration of the government resolution on establishment of the Working group on development and monitoring the SDG Financing Strategy.

2. Selected global operational effectiveness indicators (full programme duration)

2.1. Did your Joint Programme contribute to the improvement of the overall UNCT coherence?

- Yes, considerably contributed
 Yes, contributed
 No

Explain briefly:

The JP has helped catalyse UN’s coherence on SDGs in several ways. First, when designing the INFS, the UNCT was actively collaborating in public discussions of the DFA findings and INFS recommendations, aiming to develop more integrated and better coordinated approaches in financing the national development priorities and national the SDGs. Next, the UN’s joint contribution at the various stages of the SDG Bond issuance was also critical, with the UN agencies providing crucial feedback and perspectives on the priority SDGs to finance. The UNCT also helped along in project selection process and in setting up a monitoring framework for SDG-aligned projects. The UNCT actively participated in review/contribution to the questionnaire and metrics (on nature of projects, objectives, coverage, set of KPIs to monitor the progress, etc). Furthermore, the INFF Steering Committee composition reaffirms the UN’s key role in advising and supporting the country in developing integrated strategies to finance national priorities and SDGs. Both the UN RC and the UNDP Resident Representatives are part of the INFF Steering Committee.

2.2. Did your Joint Programme contribute to avoiding duplication of efforts for the participating UN agencies in interaction with national/regional and local authorities and/or public entities?

- Yes,
- No
- N/A (if there are no other joint programmes in the country)

Explain briefly:

As per the JP evaluation conducted in September-October 2022, it was found that the programme efficiency had been satisfactory due to a positive and constructive collaboration among the PUNOs, as well as a solid results framework and division of labour in line with the comparative advantage of each agency. This has helped avoid duplication of efforts of PUNOs in working with the national authorities.

[3. Results as per JP Results Framework](#)

Result / Indicators	Baseline	Original Target (as per ProDoc)	Revised Target (if applicable)	Result (end of JP)	Reasons for variance from original target (if any)
Output 1: The newly developed Integrated National Financing Framework incorporates the planning and financing dimensions of the national and sectoral strategies.					
Availability of the National Financing Framework that links the aspiration of national development strategy with financing options. (2020 Baseline: Financing of the national development agenda is fragmented and decentralized; 2022 Target: Financing framework is built and operationalized)	No	Yes		The Integrated National Financing Strategy elaborated and submitted to the government for approval. It will support the government in applying a coherent and integrated approach towards mobilization of public and private financial flows from domestic and external	

				sources and combine financing policies to increase their overall impact.	
Number of SDGs for which costing was completed and integrated in the national development strategies. (2020 Baseline: 6; 2022 Target: 10)	6	10	8	Initially it was agreed with the government to accomplish a costing exercise for selected SDGs within the framework of the Poverty Reduction Strategy of Uzbekistan. The strategy hasn't been approved yet. Alternatively, UNDP proposed to do a costing of a specific SDGs related to the Education and Energy sectors. UNDP international expert has been involved who proposed several methodological approaches and facilitated consultations with the Institute of Fiscal Studies under the MOF and other national partners. Unfortunately, due to insufficient capacities of the national partner in relevant data collection and processing this output hasn't been completed. In addition, the complexity of the assignment, lack of unified approach and methodology for SDG costing put additional impediments for the accomplishment of this output.	
Availability of institutional capacities at central government, civil society, media and public to enhance fiscal transparency, asset management and integrate gender and (child- and youth sensitive) dimension into all stages of budget cycle for increased efficiency of public spending. (2020 2022)	Limited capacity	Enhanced institutional capacities to work on open and gender-, child- and youth-sensitive budgeting		JP contributed to capacity-building events, workshops and working groups related to SDGs financing. Open budget and participatory budgeting approaches became an integral part of public finance. Fifty-five staff of the ministries of finance, health, preschool and public education were introduced to the Public Finance for Children Framework and tools and methods.	

Output 2: Alternative financing instruments and solutions are available, and efficiency of existing resources is enhanced to ensure that available resources are transparently and efficiently channeled towards achievement of the SDGs.					
Number of innovative instruments for which the roadmaps/ strategies for their introduction in Uzbekistan is developed jointly with and submitted to the government.	0	2		The SDG Bonds Framework was developed to provide a guidance and SOP for the eligible projects' selection, SDG impact monitoring, transparency of use of proceeds, accountability of financed projects, while ensuring that allocation is aligned with the 2030 Sustainable Development Goals.	
State Health Insurance Fund established and contracting system between SHIF, and health providers designed and piloted	no	fully		The SHIF was established, and contracting system was designed and piloted. The pilot started contracting health facilities and pharmacies, advanced in development of the IT solutions for health, and reorganized the service delivery network in pilot region. However, some challenges in public financial management and digitalization of the health sector negatively impacted on implementation of certain elements of the pilot. More time and full implementation of planned interventions is needed. The Government of Uzbekistan shows strong commitment to rolling out reforms to other regions beginning in 2023.	
Universal benefit package design, costed and implemented in one administrative region of Uzbekistan	no	fully		A legislation package was adopted (УП5590; ПП4890; №ПП5124; 06-09-164-9298; 132), including the Presidential Resolution PP-4890 "On measures of implementation of new organizational model in health care and mechanisms of State Health Insurance in Syrdarya region". The legislation clearly defined a benefit package. The benefit package includes health services delivered at health facilities at all tiers of the health	

				care system; an order of the Ministry of Health presented updated tariffs for these services. Later, a benefit package for outpatient medicines was also developed and costed.	
Number of technical guidelines, tools and manuals developed on asset management	0	2		<ul style="list-style-type: none"> • Strategy on Asset Management system developed. • Manual (SOP) on Assets Management System developed. 	
Number of national experts and practitioners attended capacity building events and enhance their knowledge and skills in effective management of seized/confiscated/forfeited assets	0	50		Capacity-building workshops with over 50 participants conducted.	

Annex 2: List of strategic documents

1. Strategic documents that were produced by the JP

Title of the document	Date (month; year) when finalized	Document type (policy/strategy, assessment, guidance, training material, methodology etc.)	Brief description of the document and the role of the JP in finalizing it
Development Finance Assessment	December 2020	Assessment	Uzbekistan's first DFA addresses knowledge gaps of available development finance in the country considering current SDG progress and the impact of COVID-19 crisis. The JP provided substantive analytical and technical support to the content of the document. The document has been presented and discussed with the stakeholders during the JP Launch and DFA Validation workshop.
Pre-Feasibility Study for Green Sukuk Issuance in the Republic of Uzbekistan	December 2020	Assessment	Report performs a pre-feasibility analysis for the introduction of green sukuk in Uzbekistan. It identifies the opportunities and challenges and provides recommendations for the course of action for the issuance of green sukuk. The JP provided

			substantive analytical and technical support to the content of the document. This activity has been co-funded from the JP Budget.
The SDG Bond Framework	July 2021	Guidance	SDG Bond Framework provides a guidance and SOP for the eligible projects' selection, SDG impact monitoring, transparency of use of proceeds, accountability of financed projects. The JP directly contributed to the development of the document.
Review and Assessment of Asset Management Institutional Arrangements in Uzbekistan	August 2021	Assessment	The document provides an overview of international standards and good practices on the management of seized and confiscated assets, describes the legislation and current situation in Uzbekistan as well as provides a set of specific strategic recommendations for further improving the national asset management and disposal system in Uzbekistan. The Report was produced by the JP.
Desk Review Report	March 2022	Report	This desk review presents the key elements of the existing literature on PFM and budgetary processes, reforms, and practices in Uzbekistan relevant for this project. Its purpose is to understand the context of the country on the topic, identify bottlenecks and major social and economic challenges, including those faced by children, youth, and people with disabilities. The Report was produced by the JP.
Capacity Needs Assessment Report	March 2022	Report	The report provides the findings of the analysis of the current PF4C/PFM capacities of Ministry of Finance, Ministry of Pre-School Education, the Ministry of Public Education and Ministry of Health, based on group interviews performed on the mentioned ministries, complemented with interviews with key members of international organizations. The Report was produced by the JP.

Concept note for development of legal framework for Sukuk and Green Sukuk in Uzbekistan	June 2022	Guidance	The Concept note identifies the legal issues that need to be addressed to facilitate the development of suitable legal, regulatory and tax provisions enabling the issuance of <i>sukuk</i> by sovereign and non-sovereign entities located in Uzbekistan. The JP provided analytical and technical support to the content of the document.
Implementing SDGs in Uzbekistan: Rapid Integrated Assessment of key National policy development planning documents	September 2022	Assessment	The RIA analyzes the integration and alignment of SDGs with the Uzbek Government's newly adopted 22 strategic planning documents. The local expert contracted by the JP directly contributed to the development of the document.
Integrated National Financing Strategy	October 2022	Strategy	The INFS provides a new integrated financing approach that combines public and private sources designed to provide financial feasibility to Uzbekistan's Development Strategy for 2022-2026 and to the national SDGs until 2030. The document was produced by JP.
Uzbekistan July 2021 SDG Bond Allocation and Impact Report	October 2022	Report	This report providing transparent information on the impact of the region's first and the world's second SDG Bond issuance. The report demonstrates how the proceeds of the bond issuance are helping to achieve the Government development priorities and highlights Uzbekistan's commitment to achieve the Sustainable Development Goals. The report was produced by the JP.
Final Report: Coaching/Mentoring on Budgetary Analysis and applying the Value for Money Analysis	November 2022	Report	This final report focuses on the outcomes of the Coaching/mentoring component that took place from June until November 2022. The objective of the Coaching/mentoring Component was to support the Technical Working Group, in undertaking budgetary analysis and practical approach to conduct Value for Money analysis through PBB techniques. The Report was produced by the JP.

2. Strategic documents to which the JP directly contributed to

Title of the document	Date (month; year) when finalized	Document type (policy/strategy, assessment, guidance, training material, methodology etc.)	Brief description of the document and the role of the JP in finalizing it
<p>Presidential Resolution PP-4890 "On measures of implementation of new organizational model in health care and mechanisms of State Health Insurance in Syrdarya region".</p>	<p>November 2020</p>	<p>Policy</p>	<p>Presidential Resolution PP-4890 backs up the reforms in service delivery with reforms to health financing, namely through the establishment of a State Health Insurance Fund. The Fund will establish "a system for strategic purchasing of health services, with a view to providing all strata of the population with quality and essential health care within the scope of a guaranteed package". The JP facilitated the review and technical improvement of the legislative package.</p>
<p>Resolution of the Cabinet of Ministries of the Republic of Uzbekistan # 83 "On additional measures to accelerate the implementation of national goals and objectives in the area of sustainable development until 2030."</p>	<p>21 February 2021</p>	<p>Policy</p>	<p>The Government's Resolution approves the Action Plan for the implementation of the National SDGs during 2022-2026, strengthens the SDG Coordination Council, approves the new composition of the Thematic working groups as well as establishes a Working group responsible for SDG financing. One of the main tasks of this Working group is to coordinate the development and monitoring the implementation of the SDG Financing Strategy. The JP provided substantial analytical and technical support to the content of the document.</p>

Annex 3. Communications materials

1. Human interest story

<https://t.me/tibbiysugurta/1668>

The Republican Specialized Applied Scientific Medical Center of Eye Microsurgery is one of the leading medical institutions in the country. The Center provides quality medical services to the citizens.

The Center has an agreement with the State Health Insurance Fund. Following the agreement, medical services provided by the Center and its branches to referral-based medical aid beneficiary patients are provided for free at the expense of the state budget through the State Health Insurance Fund.

✓ Rafael Zakirov lives in Chilanzar district of the capital city; for many years he has been working on the construction sites. Disease-causing workplace factors have been accumulating over a long period, and finally manifested in old age. After visiting a family doctor, he was diagnosed with a cataract. Thereafter, he was referred to the Eye Microsurgery Center. Now he is thankful to the country leadership and the State Health Insurance Fund for the aid he received.

✓ Lilia Lebedeva has arrived from Chirchik city. For many years she has been working at the Chirchik Transformer Plant. She was also diagnosed with cataract, and she underwent cataract surgery. Now Lilia Lebedeva feels well. She says that vision returns gradually.

<https://www.youtube.com/watch?v=hA6JadZ2pXo>

2. Communication products

Title of the document	Date when finalized (MM/YY)	Brief description and hyperlink (if it exist)
UN agencies launch a new Joint Programme to support Uzbekistan’s financing of the Sustainable Development Goals	December 2020	The press release announces the launch of the Joint Programme. UN agencies launch a new Joint Programme to support Uzbekistan’s financing of the Sustainable Development Goals United Nations Development Programme (undp.org)
Agreement between UNDP and the Ministry of Finance to better align Eurobonds with SDGs	March 2021	The press release announces that a Memorandum of Understanding (MoU) has been signed by representatives of the Ministry of Finance of Uzbekistan and UNDP, which will serve to ensure better alignment of the issuance of Eurobonds with efforts to achieve the Sustainable Development Goals and build transparency and accountability for national public and investors.

		Agreement between UNDP and the Ministry of Finance to better align Eurobonds with SDGs United Nations Development Programme
Launch of state health insurance in the Syrdarya region	July 2021	https://www.who.int/europe/news/item/09-07-2021-launch-of-state-health-insurance-in-the-syrdarya-region
Government of Uzbekistan issues historic bond on London Stock Exchange	August 2021	Announcement of the first SDG Bond issuance by the Government of Uzbekistan. Government of Uzbekistan issues historic bond on London Stock Exchange UNDP in Uzbekistan https://twitter.com/UNDP_Uzbekistan/status/1424670766390468608?s=20
Uzbekistan ministries trained in leveraging private capital to support country's development	August 2021	The news post describes a two-day online seminar geared to optimize the opportunities afforded by international private capital for the public good. Uzbekistan ministries trained in leveraging private capital to support country's development UNDP in Uzbekistan https://twitter.com/UNDP_Uzbekistan/status/1428354087314067459?s=20
SDG Bonds: A contribution to Building Forward Better	October 2021	The blogpost provides information about the importance of SDG Bonds for Uzbekistan and explains how this financial tool will function. https://www.uz.undp.org/content/uzbekistan/en/home/blog/2021/sdg-bonds--a-contribution-to-building-forward-better-.html https://www.eurasia.undp.org/content/rbec/en/home/blog/2021/sdg-bonds--a-contribution-to-building-forward-better-.html https://www.gazeta.uz/ru/2021/10/29/sdg-bonds/
Uzbekistan develops an Integrated Financing Strategy to achieve SDGs	November 2021	The press release announces a round table event that was organized to discuss main national priorities with Government and development partners and present an outline of the Integrated SDG Financing Strategy for Uzbekistan. Uzbekistan develops an Integrated Financing Strategy to achieve SDGs United Nations Development Programme (undp.org) https://www.mf.uz/en/news-mf-jx/item/2100-2100.html

		https://m.facebook.com/UNDPUzbekistan/posts/4933781553308353?_rdr https://twitter.com/UNDP_Uzbekistan/status/1460877389836296192?s=20
Exploring New Financing Tools for Sustainable Development in Uzbekistan	November 2021	<p>The press release announces an international conference on Sustainable Development Goals and New Tools for Resource Mobilization, that was organized UN JP in Tashkent.</p> <p>Exploring New Financing Tools for Sustainable Development in Uzbekistan United Nations Development Programme (undp.org)</p> <p>https://m.facebook.com/UNDPUzbekistan/posts/4954078454611996?_rdr</p> <p>https://twitter.com/UNDP_Uzbekistan/status/1463492033201557513?s=20</p>
SDG Bond one pager	November 2021	<p>The leaflet provides brief information about an SDG Bond issued by Uzbekistan. The leaflet has been distributed among stakeholders during UN JP flagship events.</p> <p>https://drive.google.com/file/d/1oyUYyLgPcmHmwvBirBMXxiQ4iqCOWuIG/view?usp=sharing</p> <p>https://drive.google.com/file/d/1HeL3V-f5msaveWp0eo8t7-qwmGBMwY2k/view?usp=sharing</p>
Uzbekistan Demonstrates Effectiveness in Achieving the SDGs Through Eurobonds	April 2022	<p>This news announces the publication of Uzbekistan’s first impact report covering issuance of the first-ever public UZS-denominated sovereign bond.</p> <p>Uzbekistan Demonstrates Effectiveness in Achieving the SDGs Through Eurobonds United Nations Development Programme (undp.org)</p>
Узбекистан поделился опытом разработки КНМФ и выпуска облигаций ЦУР для финансирования национальных приоритетов	May 2022	<p>This news post reveals Uzbekistan’s presentation at INFF Knowledge platform launch event.</p> <p>Узбекистан поделился опытом разработки КНМФ и выпуска облигаций ЦУР для финансирования национальных приоритетов United Nations Development Programme (undp.org)</p>
UNICEF and the Ministry of Finance launched training on child sensitive public finance management ЮНИСЕФ и Министерство финансов проводят тренинг по улучшению управления государственными	May – June 2022	<p>This news announcements inform about the launch and accomplishment of the training on supporting the establishment of INFF in Uzbekistan through improvement of the child-sensitive social sector budgeting</p> <p>https://uza.uz/en/posts/unicef-and-the-ministry-of-finance-launch-training-on-child-sensitive-public-finance-management_376547</p> <p>https://uza.uz/en/posts/unicef-and-the-ministry-of-finance-completed-a-training-programme-on-child-sensitive-public-finance-management_378285</p>

<p>финансами с учетом интересов детей</p>		<p>https://telegra.ph/UNICEF-and-the-Ministry-of-Finance-launched-training-on-child-sensitive-public-finance-management-05-27</p> <p>https://telegra.ph/UNICEF-and-the-Ministry-of-Finance-completed-training-programme-on-child-sensitive-public-finance-management-06-06</p> <p>https://www.unicef.org/uzbekistan/child-sensitive-public-finance-management</p> <p>https://uzdaily.uz/ru/post/69192</p> <p>https://uzdaily.uz/en/post/73496</p> <p>https://yuz.uz/ru/news/yunifef-i-minfin-provodyat-trening-po-uluchsheniyu-upravleniya-gosudarstvenmi-finansami-s-uchetom-interesov-detey</p>
<p>Financing Dialogues: Key stakeholders discuss the Integrated National Financing Strategy for Uzbekistan</p>	<p>October 2022</p>	<p>The press release announces the start of the INFF financing dialogues in Uzbekistan and provides information about the role of this event in the country's INFF development.</p> <p>Financing Dialogues: Key stakeholders discuss the Integrated National Financing Strategy for Uzbekistan United Nations Development Programme (undp.org)</p> <p>https://www.facebook.com/UNDPUzbekistan/posts/pfbid0MW8CnJ6MQk61tkJ1EysoQ7nK2PARX7crKWGxprTeqViz1rLh12MjDRQDYf8HUXdal</p> <p>https://www.facebook.com/UNDPUzbekistan/posts/pfbid02L15YsCGog5pCjkHVECiDJXDBP2fbrNpWbJ1gFnpsQAsvbgNVXfzUGG3Fd1LV7ydzl</p> <p>https://www.facebook.com/UNDPUzbekistan/posts/pfbid06arCUCvyYQTeKFuVtsP2RMRR8PY3P7Y146osvWKCMLnwABT3qv3biSgKoTfzHZWvl</p> <p>https://www.facebook.com/UNDPUzbekistan/posts/pfbid0owRxSdpDAaGi6FPoZLsjq9NNbvxbQtR68Cma4u9Q4LX5kvVwSown3oJkdRq5Yonml</p> <p>https://twitter.com/UNDP_Uzbekistan/status/1586982284435116032</p> <p>https://twitter.com/UNDP_Uzbekistan/status/1586989703202541570?s=20&t=HrduNfWda7vTfyIEkaz7xw</p> <p>https://twitter.com/UNDP_Uzbekistan/status/1587033204288065539?s=20&t=HrduNfWda7vTfyIEkaz7xw</p> <p>https://twitter.com/UNDP_Uzbekistan/status/1587042873077374976?s=20&t=HrduNfWda7vTfyIEkaz7xw</p> <p>https://twitter.com/UNDP_Uzbekistan/status/1587419623225524224?s=20&t=HrduNfWda7vTfyIEkaz7xw</p>

		https://twitter.com/UNDP_Uzbekistan/status/1587427511406923776?s=20&t=HrduNfWda7vTfyIEkaz7xw https://t.me/undpuzbekistan/252 https://t.me/undpuzbekistan/254 https://t.me/undpuzbekistan/258
Uzbekistan releases its first SDG Bond Allocation and Impact Report	November 2022	The press release announces the publication of Uzbekistan’s first SDG Bond Allocation and Impact Report. https://www.undp.org/uzbekistan/press-releases/uzbekistan-releases-its-first-sdg-bond-allocation-and-impact-report

Annex 4: Stakeholder feedback

If applicable, include a list of all stakeholders interviewed during the final report preparation and summarize their feedback.

n/a