



FINAL REPORT

FINAL EVALUATION OF UNDP PROJECT “PROMOTING YOUTH EMPLOYMENT IN UZBEKISTAN”

Evaluation conducted between 24 May and 30 July 2022

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An independent evaluation commissioned by UNDP CO in Uzbekistan.

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Disclaimer

The views and opinions expressed herein are those of the author(s) and do not necessarily represent those of the UNDP.

	Project Information	
Project Title	Promoting Youth Employment in Uzbekistan	
Atlas ID	00117522	
Corporate outcome and output	Relevant stakeholders are capacitated to apply active labour market policies with focus on youth employment	
Country	Uzbekistan	
Region	CIS	
Date project document signed	31/01/2019	
Project dates	Start	Planned end
	13/05/2019	30/06/2022
Total committed budget	USD 2,073,608	
Project expenditure at the time of evaluation	USD 2,066,227	
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Implementing party	Ministry of Employment and Labour Relations of the Republic of Uzbekistan	

	Evaluation Information	
Evaluation type	Project	
Final/midterm review/ other	Final	
Period under evaluation	Start	End
	31/01/2019	30/06/2022
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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
ALMP	Active Labour Market Policies
AWP	Annual Work Plan
CEP	Center for Employment Promotion
CCI	Chamber of Commerce and Industry
DAC	Development Assistance Committee
EU	European Union
FE	Final evaluation
IBS	Integrated Business Support
ILO	International Labour Organisation
JICA	Japan International Cooperation Agency
KII	Key Informant Interview
KOICA	Korea International Cooperation Agency
MELR	Ministry of Employment and Labour Relations
OECD	Organisation for Economic Cooperation and Development
PPP	Public – Private Partnership
SBS	Small Business Support
SES	Social and Environmental Standards
SMEs	Small and Medium-sized Enterprises
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
VET	Vocational education and training
WSI	World Skills International
WSU	World Skills Uzbekistan
YEP	Youth Employment Promotion

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1. EXECUTIVE SUMMARY

Brief description of the project

The project is a joint initiative of the Ministry of Employment and Labour Relations of the Republic of Uzbekistan and UNDP. It is funded by the Government of the Russian Federation through the Trust Fund “Russian Federation and UNDP for development”. Additional co-financing has been attracted from the Government of Japan, UNDP and several national authorities. The project is aimed at promoting youth employment in Uzbekistan, particularly among college and university graduates, young women, returning migrants, and other vulnerable groups by helping the Government implement a number of active labour market initiatives stipulated in the Government’s medium-term Employment Promotion Programme and policies. The project activities have been grouped into three major directions: 1) Support to and promotion of youth employment through active labour market policies; 2) Promoting youth and women entrepreneurship and business start-ups; 3) Increasing the capacities of MELR to deliver services in support of youth employment.

Evaluation objectives and intended audience

The Evaluation had two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNDP and their national partners such as the MELR and regional hokimiyats (local authorities), as well as final beneficiaries – youth and women, mostly in regions, who are interested in engaging in productive employment and self-employment.

Evaluation methodology

This evaluation followed the UNEG Norms and Standards, ensuring that all steps adhere to ethical and professional standards of evaluation practice. All necessary efforts have been made to ensure data are collected from appropriate sources. The evaluation relied on both primary and secondary data sources. Triangulation principles (utilizing multiple sources of data and methods) have been applied in order to validate findings. To ensure that the information collected is valid, reliable and sufficient to meet the evaluation objectives and that the analysis is logically coherent and complete, a “mixed-method” approach have been applied – relying on both quantitative and qualitative methods.

The evaluation team conducted extensive primary data collection activities. The data obtained from the desk-review of documentation, remote and in-person interviews ensured enough information for triangulation and synthesis of objective conclusions. Thirteen on-line interviews with key stakeholders with a role in the project have been conducted. Written questionnaires were distributed to 10 key stakeholders (three responses received). Field visits in five regions were conducted by the local consultant (with a total number of 20 interviews), namely in Andijan, Jizzakh, Kashkadarya, Namangan, and Samarkand.

Most important findings and conclusions

Relevance and synergy

When considering the objectives of the YEP project, at the formulation phase it was well aligned with the political, economic and social context in Uzbekistan. There is a clear strategy in place to build and develop partnerships already in the project document. It has resulted in additional sources of funding which doubled the initial financing and the good level of continuation of results. Final evaluation ranked the YEP project with a high-relevance grade as being fully responsive to the needs of

beneficiaries identified in the project document. The project strategy and delivery mechanism was adaptive to the changing environment and increased demand in certain contributions.

Effectiveness

The project performed well judging through the existing set of performance indicators, targets, activities performed and satisfaction level of the beneficiaries and key stakeholders. A certain deviation from the initially planned interventions is observed – mainly caused by changing priorities of the Government and the negative impacts of the COVID-pandemic.

The efforts of the YEP project concentrated on supporting entrepreneurs to start their own small business or to further enhance development of the existing one through implementation of several initiatives.

Efficiency

The additional budget mobilized, which doubles the original funding of the project, is an excellent achievement which shows the strong interest in this initiative from other both national and external/international donors, and the importance of the YEP project for the efforts of the Government of Uzbekistan in tackling the consequences of the COVID-19 pandemic. The administrative and financial system put in place by the project has been providing the required service to the project as expected. Management challenges associated with staffing problems has been overcome with a new portfolio management approach introduced.

The established monitoring framework is well-structured, but some shortages in the system to collect, store and aggregate data in structured form for the purposes of M&E were revealed. Albeit data collection and aggregation activities were not well-organized in practice, the project regularly used feedback from M&E to address appropriately and adequately any new challenges and thereby ensure the achievement of established targets.

Impact

The YEP supported the Government in conducting systemic reforms in labour market institutes at all levels via methodological support, innovative solutions for service delivery, equipment and trainings. The project interventions have been guided by Government's priorities and served as a contributor to, rather than an initiator of transformative changes. Actions targeting at two main directions could be attributed a highest systemic transformation potential: reforms in vocational education and training system, and digitalization of employment service delivery. The YEP project had a positive effect on vitality of the supported small businesses, and respectively on the employment they generate.

Sustainability

The prospects for long-term sustainability of project achievements are good, especially for those related to supporting already started Government institutional reforms. Some key achievements of the project are being institutionalized along the implementation and possess the highest rank of likelihood for long-term maintenance.

The good manifestation of ownership on behalf of the Government authorities is predominantly caused by the type of support provided by the project – backstopping reforms already initiated by national authorities. Results from the small business support initiative have already been acknowledged by MELR and a new subsidy has been introduced in the national intervention programme.

Potential risks that may hinder sustainability of YEP project efforts derive from shortages in enabling environment related to policy and legislation, stable institutional mandate, financing, human capital and support.

Gender equality and women's empowerment

A gender mainstreaming approach was applied which focused on promoting gender equality at all levels of the project interventions, without being a key focus in any of them. Though not specifically targeted and adjusted to this group, the project provides a room for streamlined support towards some of the main vulnerability roots causes of women in employment: low skills, lower level of education, underrated self-esteem, lack of experience and knowledge, limited access to opportunities for financial support, etc.

Main recommendations

Recommendation 1: Sustainability challenges should be addressed through broad discussions involving key state and donor stakeholders at the very initial phase of the project formulation. An exit strategy, including a clearly defined plan for sustainability, could be part of any further intervention from the very beginning. It would be beneficial to explore critical barriers related to the enabling environment and identify potential gaps, which could limit the long-term sustainability of achievements, in advance. To ensure continuation of positive effects, sustainability assessment of beneficiaries receiving start-up support should be performed during the selection phase. Mechanisms for sustaining institutional memory need to be constantly introduced at all levels of governance.

Recommendation 2: Follow up advisory services and business mentoring after receiving support to start a new business or expand the existing one will allow the positive outcomes go beyond the creation of income generating activities and bring sustainable impacts on business practices. This includes the availability of demand-driven and accessible non-financial business development services like business management training, capacity building, mentoring and coaching, as well as operational services like accounting and legal advice, IT and design support, and sector-specific support. When transfers of cash or equipment (other tangible assets) are made to vulnerable groups and combined with skills training, business mentoring, coaching and follow up advisory services, the positive outcomes can go beyond the creation of income generating activities, and bring sustainable impacts on business practices and earnings.

Recommendation 3: Intensification of joint efforts and building a strong coordination mechanism of initiatives emerged from various sources are needed to generate greater and sustained impact. The latter is specifically valid at operational level.

Recommendation 4: Enhanced involvement of regional and local authorities in all stages of project implementation is needed – from formulation to exit strategy enforcement. On one side, this will contribute to expanding the coverage of interventions in remote and rural areas, and on the other, strengthening the capacity and ownership of institutions and organizations operating at these levels of governance.

Recommendation 5: Additional efforts are needed with regard to the M&E system: Monitoring system established in the project document is clear and comprehensive, but data collection and aggregation activities suffer from certain shortages. To eliminate bias and inconsistencies in data collection, a good practice would be to develop a separate protocol per output indicator containing the following information:

- precise definition – state exactly what should be measured. The definition must be detailed enough to ensure that different people at different times, will use the exact same definition (have the same understanding). Clarification of each term used in the output definition would be useful;
- disaggregation variables – identify how data will be separated to improve the breadth of understanding of results reported (age, gender, geographic location, etc.);
- data source – place where the original data are obtained;
- frequency and timing of data acquisition – how often the data are to be collected;
- baseline and target values.

Evaluation Ratings Table

Below is the rating table as requested in the ToRs. It includes the required performance criteria rated as per the rating scales. The ratings are based on both the individual ratings provided by key stakeholders, and the evaluators' judgments. Supportive information is also provided throughout this report in the respective sections.

Table 1 – Rating Project Performance

Ratings	
Achievement of outcomes	5
Effectiveness	5
Efficiency	5
Monitoring & Evaluation	4
Relevance	6
Implementation/ Oversight execution	5
Sustainability	3
Ratings for Outcomes, Effectiveness, Efficiency, M&E, Implementation/Oversight Execution, Relevance	Sustainability Ratings
6 = Highly Satisfactory (HS): exceeds expectations and/or no shortcomings	4 = Likely (L): negligible risks to sustainability
5 = Satisfactory (S): meets expectations and/or no or minor shortcomings	3 = Moderately Likely (ML): moderate risks to sustainability
4 = Moderately Satisfactory (MS): more or less meets expectations and/or some shortcomings	2 = Moderately Unlikely (MU): significant risks to sustainability
3 = Moderately Unsatisfactory (MU): somewhat below expectations and/or significant shortcomings	1 = Unlikely (U): severe risks to sustainability
2 = Unsatisfactory (U): substantially below expectations and/or major shortcomings	Unable to Assess (U/A): Unable to assess the expected incidence and magnitude of risks to sustainability
1 = Highly Unsatisfactory (HU): severe shortcomings	
Unable to Assess (U/A): available information does not allow an assessment	

2. INTRODUCTION

The Final Evaluation of the UNDP supported project “Promoting Youth Employment in Uzbekistan” was carried out in three phases: i) desk review, analysis and preparation of Inception report; ii) data collection activities – online key informant interviews, field visits in five regions, distribution of written questionnaires; and iii) finalize the preparation of the Final Evaluation Report.

2.1. Purpose and objective of the final evaluation

The Evaluation had two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNDP and their national partners such as the MELR and regional hokimiyats (local authorities), as well as final beneficiaries – youth and women, mostly in regions, who are interested in engaging in productive employment and self-employment.

A participatory and consultative approach ensuring close engagement with stakeholders who have project responsibilities has been applied throughout all evaluation activities.

2. 2. Scope

To create a framework for evaluation and to streamline evaluation process in targeting the analysis on most significant domains it was critical to define the evaluation criteria and questions early in the inception phase.

The Terms of Reference includes a preliminary list of 46 evaluation questions on five main evaluation criteria. These were reviewed, fine-tuned and consolidated with reference to the OECD’s Development Assistance Committee evaluation criteria, evaluation good practices and the project context. These five criteria – relevance, effectiveness, efficiency, impact and sustainability – have become a reference point for building the evaluation methodology and represent a logical structure of different elements of analysis.

Bearing in mind the objectives of the Youth Employment Promotion Project, its activities and enabling environment, two additional evaluation criteria were incorporated in the methodological construction to support the high-quality and usefulness of the evaluation: coherence, and gender equality and women’s empowerment.

The criteria were adjusted to reflect the objectives of the final evaluation, the context, evaluability and the audience of the evaluation’s findings and recommendations.

2. 3. Structure of the final evaluation report

The structure of this final evaluation report corresponds to the Evaluation Report Outline as documented within the ToR for the assignment, adapted and restructured in the Inception Report. The report is divided into six chapters. Following the executive summary and this introduction, Chapter 3 describes briefly the YEP project and its reference framework. Chapter 4 consists of description of the evaluation approach and methodology used to perform the current evaluation. Chapter 5 presents the findings related to the evaluation criteria used to assess the project’s performance, namely relevance, coherence, effectiveness, efficiency, impact, sustainability, gender equality and women’s empowerment, and cross-cutting themes. Finally, Chapter 6 sums up the findings, draws conclusions, and sets out recommendations.

3. PROJECT DESCRIPTION

3. 1. Project start and duration

The YEP project started in January 2019, with a 3-years implementation period. The project was extended for six months until June 30, 2022.

3. 2. Development context

Uzbekistan has seen stable economic progress since the mid-2000s, both in terms of growth and poverty reduction. According to official statistics, GDP growth averaged 8 per cent per year between 2004 and 2016. With 35.4 million resident population in 2022 (of them 49.1% living in rural areas), Uzbekistan is the most populous country in Central Asia. It has a total fertility rate of 3.2 (2021) and a growing population.¹ Two-thirds of the population is under the age of 30. In 2019, youth aged 15-24 represented 17.4% of the total population; adolescents aged 10-19 constituted 16.5% of the population.² The share of small enterprises in GDP for 2020 was 55.7 % compared to 56.0% for 2019, which means a 0.3% reduction in the volume of GDP in real terms produced by small enterprises. Employment rates dropped from 68.1% in 2019 to 66.0% in 2020. After the start of the pandemic, the unemployment rate increased with 1.5% - from 9.0% in 2019 to 10.5% in 2020. A slight recovery in the level of employment is observed in 2021, when a rate of 66.9% is registered. The same is observed in the level of unemployment – a reduction with 0.9% in 2021.³

3. 3. Problems that the project sought to address, threats and barriers targeted

The project is conditioned by the fact that unemployment rates are higher among youth and employment outcomes are worse in terms of job security, social insurance and protection, and pay. With 15 million youth up to 24 years and 18 million up to 29 years young people are both an opportunity and a challenge for the country's economic development with growing number of working-age population. In 2020, about 535,000 youth graduated from vocational colleges and higher education institutes and were looking for first-time job opportunities. Youth unemployment rates are three times higher than the official average rate of unemployment.

Informal employment has been growing and remains high. Ensuring employment of returning migrants has also become one of the state policy priorities, especially during the outbreak of COVID-19, when migrants workers had to come back to their families.

Constituting a considerable share of the country GDP and a driving force for jobs creation, SMEs struggle a variety of challenges that influence not only their development, but rather survival capability.

3. 4. Immediate and development objectives of the project

The goal of this project is to promote employment in Uzbekistan, particularly among youth (college and university graduates, young women, returning migrants, etc.) by helping the Government implement the active labour market initiatives stipulated in the national medium-term Employment Programme. The project activities were grouped into three major directions:

Activity 1: Support to and promotion of youth employment through active labour market policies

¹ The State Committee of the Republic of Uzbekistan on Statistics. Socio-economic Situation in the Republic of Uzbekistan for January-March 2022

² The State Committee of the Republic of Uzbekistan on Statistics. <https://stat.uz/en/official-statistics/demography>

³ The State Committee of the Republic of Uzbekistan on Statistics. <https://stat.uz/en/official-statistics/small-business-and-entrepreneurship>

Activity 2: Promoting youth and women entrepreneurship and business start-ups

Activity 3: Increasing the capacities of the Ministry of Employment and Labour Relations to deliver services in support of youth employment.

3. 5. Expected results

The project Theory of Change defined three major results expected:

- 1) The capacities of the MELR and local community authorities improved in delivering services in support of youth and women employment;
- 2) Youth and women entrepreneurship skills and startups promoted;
- 3) Youth employment supported and promoted through active labour market policies.

3. 6. Main stakeholders: summary list

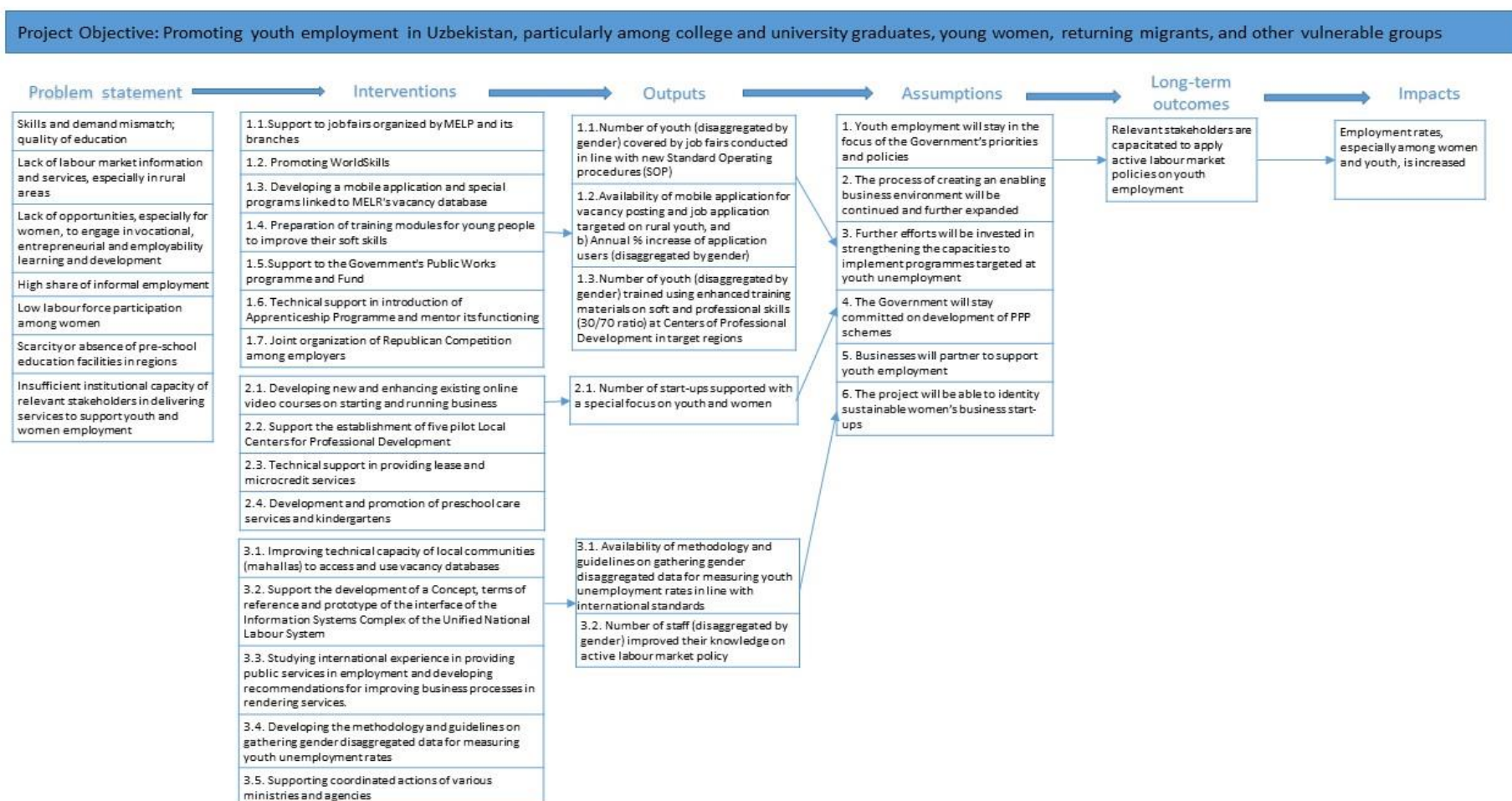
Stakeholders with a role to the YEP project:

- Ministry of Employment and Labour Relations and its regional branches
- WorldSkills Uzbekistan
- Ishga Marhamat Monocenter and its regional branches
- Chamber of Commerce and Industry and its regional branches
- Agency on Youth Affairs
- "Yoshlar-kelejaqini" Fund
- Center for Supporting Youth Entrepreneurship
- IT-Park
- Ministry of Innovation
- Ministry of Higher Education
- Ministry of Information Technology
- Ministry of Tourism and Sports
- Khokimiyat of Tashkent
- Westminster International University of Tashkent
- Singapore Management Institute in Tashkent
- C-Space and Ground Zero networks of coworking centers
- DataSite Technology
- Youth Academy under Ministry of Innovation

3. 7. Theory of Change

For the purposes of contextualizing and orienting the final evaluation, a generalized theory of change for the project (see Figure 1) based upon the project strategy outlined in the project document was constructed.

Figure 1 – Theory of change of the YEP project



4. EVALUATION APPROACH AND METHODS

4. 1. Methodological approach

The evaluation methodology followed the United Nations Evaluation Group (UNEG) Norms and Standards,⁴ ensuring that all steps adhere to ethical and professional standards of evaluation practice. The evaluation approach and data collection methods were aligned to the UNDP Evaluation Guidelines⁵ and UNDP Handbook on Planning, Monitoring and Evaluating for Development Results⁶.

All necessary efforts have been made to ensure data are collected from appropriate sources. The evaluation relied on both primary and secondary data sources. Triangulation principles (utilizing multiple sources of data and methods) have been applied in order to validate findings. Data generated from different sources (among them, project documents provided by the Project Team, interviews with stakeholders and beneficiaries of support, secondary data sources like external reports on a number of topics related to the area of intervention of the YEP project, independent evaluation and assessment reports, national statistics) were compared in order to identify trends and/or variations.

To ensure that the information collected is valid, reliable and sufficient to meet the evaluation objectives and that the analysis is logically coherent and complete, a “mixed-method” approach have been applied – relying on both quantitative and qualitative methods, in terms of both data collection and analysis. The former gave credible information about the extent of results for particular groups of stakeholders, while the latter assisted in explaining how those results are achieved. Information from mixed methods assisted in the triangulation of data, increasing reliability and validity, as well as being useful for exploring whether/why different stakeholders groups benefited differently.

Quantitative methods were used to: aggregate and classify judgements from participants in interviews; provide an overview, which informed the follow-up qualitative analysis; perform some degree of comparison across data collected; analyze administrative records and data on indicators. Qualitative methods were used to: explain the context; explore the judgements and experiences of stakeholders and beneficiaries; explain causal patterns between causes and observed effects.

An evaluation matrix is annexed to this final evaluation report (see Annex 5), which organizes the evaluation criteria and questions with data collection and analysis methods to be applied. The evaluation matrix was used to guide how each of the questions was addressed and to organize the available evidence by key evaluation question. This facilitated the analysis and supported the evaluation team in drawing well-substantiated conclusions and recommendations.

The evaluation team developed evaluation tools in accordance with UNDP policies and guidelines to ensure an effective project evaluation.

Documents and literature review

The review of project documents was considered a first iteration toward answering all the evaluation questions and allowed the team to identify gaps in information that need to be filled in during fieldwork. The evaluation team undertook an extensive review of primary and secondary data sources, which were systemically analyzed.

⁴ United Nations Evaluation Group (2016.) Norms and Standards for Evaluation

⁵ UNDP Evaluation Guidelines (June 2021 update)

⁶ UNDP Handbook on Planning, Monitoring and Evaluating for Development Results (2009)

The desk review and the portfolio analysis were used to undertake a stakeholder analysis to identify all relevant partners. The analysis was used to identify key informants for interviews during the main data collection phase of the evaluation, and to examine any potential partnerships that could further improve future similar interventions.

Secondary information was gathered by the evaluator through the desk-review of written strategic and project documents, progress reports, knowledge products, and other documents provided by the project team and obtained during self-search from accessible sources.

Key Informant Interviews

Online interviews were held with key stakeholders that can provide insight and perspective to the YEP project design, management, results and sustainability. The interviews also explored critical success factors, challenges or barriers to success, and results. The KIIs were semi-structured in nature, ensuring that the team is able to gather data related to the evaluation question, but allows the flexibility to add probing questions based on respondents' answers. Key stakeholders were grouped according to their role in the project and a separate questionnaire was developed per each group.

Field visits

Interviews with a number of regional and local stakeholders were held based on pre-defined questionnaires. In addition, beneficiaries of support were visited. It ensured that the evaluation team had direct primary sources of information from the field and project end-users (beneficiaries). It gave opportunities to the evaluation team to observe project achievements and obtain views from stakeholders and beneficiaries at the sites level.

4. 2. Data collection and analysis

The evaluation team conducted extensive primary data collection activities. The data obtained from the desk-review of documentation, remote and in-person interviews ensured enough information for triangulation and synthesis of objective conclusions. High-level of participation and involvement on behalf of all approached is recorded. Thirteen on-line interviews with key stakeholders with a role in the project have been conducted. Written questionnaires were distributed to 10 key stakeholders – all of them related to Startup Initiative implemented by the project, but the response rate was low – only three responses were received. The latter didn't hinder the credibility of evaluation findings as sufficient number of other stakeholders with a variety of mandates involved in the same initiative were interviewed. Detailed information on remote interviews conducted and written questionnaires distributed is provided in Annex 3.

Field visits in five regions were conducted by the local consultant (with a total number of 20 interviews). Sampling of beneficiaries of support to be interviewed (nine interviewees in total) was performed by the Project Team.

Table 2 - Stakeholders and beneficiaries interviewed during field visits

Region	Stakeholders & Beneficiaries Interviewed
Andijan	Regional Division of MELR Beneficiary of Startup Initiative
Jizzakh	Regional Division of MELR Regional Branch of CCI Beneficiary of IBS

	Beneficiary of Startup Initiative
Kashkadarya	Regional Division of MELR Ishga Marhamat Monocenter Regional Branch of CCI Beneficiary of IBS Beneficiary of Startup Initiative
Namangan	Regional Division of MELR Beneficiary of Startup Initiative Beneficiary of IBS
Samarkand	Regional Division of MELR Professional Education Sector Ishga Marhamat Monocenter Regional Branch of CCI Beneficiary of IBS Beneficiary of Startup Initiative

4. 3. Ethics

The final evaluation of the YEP project was carried out according to ethical principles and norms established by the United Nations Evaluation Group (UNEG).⁷ The all four principles of ethics were strictly respected in the course of this evaluation:

- Integrity, which requires honesty, professionalism and independence;
- Accountability, which requires transparency, responsiveness, taking responsibility and justifying;
- Respect, which requires access to the evaluation process and products of all relevant stakeholders, meaningful engagement and fair treatment, and fair representation;
- Beneficence, which requires explicit and ongoing consideration of risks and benefits, maximizing benefits, doing no harm, and ensuring evaluation makes an overall positive contribution.

The evaluation respected the rights of individuals who provided information, ensuring their anonymity and confidentiality. All necessary steps were taken to ensure the accuracy of the information collected and for the information presented in the evaluation report. Protocols and evaluation tools were created and used to guarantee the responsible data management. Triangulation of data sources was applied towards all topics of the final evaluation thus allowing for credible findings and conclusions.

Furthermore, the final evaluation promoted accountability for the achievement of project objectives and promote learning, feedback and knowledge sharing on results and lessons learned among the partners and beyond.

⁷ UNEG (2020). Ethical Guidelines for Evaluation

A signed Code of Conduct for each of the evaluation team members is attached to this report (Annex 7).

4. 4. Limitations to the evaluation

The approach for this final evaluation is based on a planned level of effort of 80 days (30 days for the international expert and 50 days for the local expert). It comprises online and on-site interviews to collect evaluative evidence. Within the context of these resources, the Evaluation Team was able to conduct a detailed assessment of actual results against expected results and successfully ascertains whether the project has met its main objectives - as laid down in the project document - and whether the project initiatives are, or are likely to be, sustainable after completion of the programme. The Evaluation Team also made recommendations to be reviewed and possibly taken into account when planning similar projects in the future and also for reinforcing the long-term sustainability of project achievements. No significant limitations were faced with regard to availability of interviewees (though some slight delays occurred in arranging the meetings) and language barriers (interviews with key stakeholders were conducted in Russian). Some limitations occurred while reviewing available data on progress provided by the Project Team, as they were not well-structured and some contradictions between data in separate documents were found. All necessary efforts were made to mitigate this limitation through triangulating the information provided from other sources.

5. FINDINGS

5. 1. RELEVANCE

5. 1. 1. Responsiveness to the context

When considering the objectives of the YEP project, which is to focus on support to promote youth employment in Uzbekistan by helping the Government implement initiated active labour market initiatives, at the formulation phase it was well aligned with the political, economic and social context in Uzbekistan.

Uzbekistan faces a variety of socio-economic challenges, particularly in terms of unemployment and regional disparities in living standards between rural and urban areas. With 35.4 million resident population in 2022 (of them 49.1% living in rural areas), Uzbekistan is the most populous country in Central Asia. It has a total fertility rate of 3.2 (2021) and a growing population.⁸ Two-thirds of the population is under the age of 30. In 2019, youth aged 15-24 represented 17.4% of the total population; adolescents aged 10-19 constituted 16.5% of the population.⁹

The implementation of the YEP project was marked by significant changes in the context which inevitably influenced its interventions. The COVID-19 pandemic has had a negative impact on the economy of Uzbekistan, the employment and unemployment rates, as well as on the state of the small and medium-sized enterprises. There was a significant slowdown in economic growth – from 5.7% per annum in 2019 to 1.7% in 2020.¹⁰ The share of small enterprises in GDP for 2020 was 55.7 % compared to 56.0% for 2019, which means a 0.3% reduction in the volume of GDP in real terms produced by small enterprises. Data for 2021 and the first quarter of 2022 show even more dramatical drop-down of this index – respectively 54.9 and 44.7.

Employment rates dropped from 68.1% in 2019 to 66.0% in 2020. After the start of the pandemic, the unemployment rate increased with 1.5% - from 9.0% in 2019 to 10.5% in 2020. A slight recovery in the level of employment is observed in 2021, when a rate of 66.9% is registered. The same is observed in the level of unemployment – a reduction with 0.9% in 2021.¹¹ The latter is mostly due to the easing of lockdown measures.

The SME sector that traditionally holds great potential for job creation has been significantly impacted by the crisis. According to the official statistics, more than 334 thousand small enterprises and micro-firms have been operational in 2019, increased to over 475 thousand in January-March 2022. Taking into account the shadow economy, the number of SMEs may be higher: the share of the shadow economy is estimated to be 50%, which reduces reported GDP by up to \$16 - 17 billion.¹²

Out of the total number, 22.9% of all entrepreneurs in the country are under 31 years of age.¹³

⁸ The State Committee of the Republic of Uzbekistan on Statistics. Socio-economic Situation in the Republic of Uzbekistan for January-March 2022

⁹ The State Committee of the Republic of Uzbekistan on Statistics. <https://stat.uz/en/official-statistics/demography>

¹⁰ The World Bank. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=UZ>

¹¹ The State Committee of the Republic of Uzbekistan on Statistics. <https://stat.uz/en/official-statistics/small-business-and-entrepreneurship>

¹² Development Strategy Framework of the Republic of Uzbekistan by 2035.

¹³ Data from Youth Entrepreneurship Support Center in Uzbekistan “Yosh Tadbirkor”. <https://yoshtadbirkor.uz/english>

Regional disparities in the number of small businesses are clearly visible, with the overwhelming representation of SMEs in urban areas (Tashkent city, Tashkent and Samarkand). Other regions hold relatively equal shares towards the total number of created small enterprises between 8.4 and 3.2%, with some variations throughout the years. Despite, the share of small businesses in GDP decreased from 56.5% in 2019 to 44.7% in the first quarter of 2022.¹⁴

For 2020 there was a significant reduction of employed in the field “small business and private entrepreneurship” - by 453 thousand people. The share of SMEs within the employment level decreased from 76.2% in 2019 to 74.5% in 2020. This trend continued in 2021 but with a less intensity.¹⁵

In addition, a study on the impact of COVID-19 pandemic on small and medium-sized businesses in Uzbekistan suggests that the pandemic has had a more negative impact on the country's economy and the SME sector than that reflected in official statistics, which may be due to both the statistical methods and the large share of the shadow economy that is not included in statistics. The same suggestions are expressed towards the official data on employment and unemployment rates in the sector.¹⁶ According to the findings of the SME survey, the impact of the slowdown in growth and the decline in demand and revenue of SMEs differed across sectors, industries and business categories.¹⁷

Overall, the YEP project design remain relevant to observed changes in the context, which caused modifications in modus operandi of the project, but not in its objectives and outputs. Moreover, the consequences of COVID-19 pandemic caused an increased demand in the project's outputs.

5. 1. 2. Responsiveness to needs

Final evaluation ranked the YEP project with a high-relevance grade as being fully responsive to the needs of beneficiaries identified in the project document. The project strategy and delivery mechanism was adaptive to the changing environment and increased demand in certain contributions.

The project aims to promote youth employment in Uzbekistan, specifically among college and university graduates, young women, returning migrants, and other vulnerable groups. With 15 million youth up to 24 years and 18 million up to 29 years young people are both an opportunity and a challenge for the country's economic development with growing number of working-age population. In 2020, about 535,000 youth graduated from vocational colleges and higher education institutes and were looking for first-time job opportunities.

The project is conditioned by the fact that unemployment rates are higher among youth and employment outcomes are worse in terms of job security, social insurance and protection, and pay. According to recent World Bank report youth experience higher constraints to employment and exhibit high levels of inactivity rates and discouragement. Young people who are not in employment, education, or training represent 24 percent of population of age 16-24 and 26.4 percent of youth of

¹⁴ The State Committee of the Republic of Uzbekistan on Statistics. Socio-economic Situation in the Republic of Uzbekistan for January-March 2022; Socio-economic Situation in the Republic of Uzbekistan for January-December 2019. https://stat.uz/en/?preview=1&option=com_dropfiles&format=&task=frontfile.download&catid=212&id=827&Itemid=1000000000000

¹⁵ The State Committee of the Republic of Uzbekistan on Statistics. <https://stat.uz/en/official-statistics/small-business-and-entrepreneurship>

¹⁶ UNDP (2020). Study on the Impact of Covid-19 on SMEs in Uzbekistan, p. 50

¹⁷ Ibid, p. 4

age 16-29.¹⁸ Further increase in the youth population is going to peak in the next 15-20 years, which makes assisting young people to transit into more effective employment a timely effort.

Young graduates with vocational qualifications do not possess required technical and soft skills, that is demanded by employers. Young women face even bigger challenges to enter the labor market and ensure employment. Social stereotypes and cultural norms have a profound impact on young women's participation in economic activities, access to good employment opportunities, and the gender pay gap. The labor participation gap between men and women is 26 percentage points for age 20-24 and increases to 36 percentage points for age 25-29. The employment gap is smaller (16 percentage points) for age 20-24 but again as high as 36 percentage points for age 25-29 (WB 2018). The share of youth who are not in employment, education, or training (NEET) is high in Uzbekistan; almost one in four (24 percent) of youth ages 16-24 were NEETs in 2017.¹⁹

Ensuring employment of returning migrants has also become one of the state policy priorities, especially during the outbreak of COVID-19, when migrants workers had to come back to their families.

Constituting a considerable share of the country GDP and a driving force for jobs creation, SMEs struggle a variety of challenges that influence not only their development, but rather survival capability. Apart from the fact that start-up financing is extremely limited, so start-ups usually apply to microcredit organizations for microloans or private moneylenders lending at higher interest rates. It can be difficult for SMEs to mature into competitive, growth-focused businesses because financial markets are not particularly well organized to offer a continuum of financing options (e.g., trade credit, factoring, leasing, equity, etc.) that firms can use to develop their business.²⁰ Grants for SMEs are uncommon for Uzbekistan, and if provided, it is an occasional initiative supported by a donor-funded project. The latter, increases significantly the demand for the YEP interventions targeted at assisting the small and micro businesses in sustaining and expanding their business endeavors.

The study on the impact of COVID-19 pandemic on small and medium-sized businesses in Uzbekistan revealed some key challenges SMEs are facing, which fall within the scope of the YEP project and were targeted by respective interventions: low financial literacy and business skills, especially among women and low-income groups; lack of knowledge and skills for effective business management, preparation of realistic business plans and debt management; limited access to business development services that contribute to the efficiency, profitability, and expansion of their activities; limited access to grants and financial support for start-ups. It should be noted that nonfinancial services, such as advisory services, business development, incubation, and market support, are underdeveloped—especially in rural areas.²¹

Very high level of appreciation regarding the project adequacy and relevance to the needs of youth and small businesses on behalf of all stakeholders and beneficiaries interviewed was registered by the FE. Along with public works and programmes to provide subsidies, which targeted employment creation and recovery, the project initiatives were acknowledged a valuable instrument to tackle challenges – vocational training, small business support, start-ups – each having its specific target group. Social effect was rated significant on behalf of labour market institutions at both central and

¹⁸ World Bank (2021) Youth Employment in Uzbekistan: Opportunities and challenges.

¹⁹ Ibid, p. 12

²⁰ Tadjibaeva, Dildora. Asian Development Bank Institute (2019), Small and Medium-Sized Enterprise Finance in Uzbekistan: Challenges and Opportunities, p. 31,

²¹ Ibid, p. 42

regional level. Furthermore, when exploring attitude of interviewed beneficiaries towards development of own business, all confirmed it is a viable career path, in which worth investing.

Involving partners in such a project is not only logical, it is a critical element in achieving the expected results, particularly in transforming systems and structures, and introducing innovative solutions.

The **partnership strategy** identified during the formulation of the programme is manifold: (i) collaborate with government authorities at central, regional and local levels as much as possible seeking to institutionalize the project outcomes and ensure ownership; (ii) involve a wide range of non-government organizations to facilitate the delivery of interventions, and raise awareness and knowledge sharing; (iii) benefit from experience and knowledge transfer provided by several Russian non-government organizations; (iv) develop partnerships with the international donor community to streamline and accelerate the assistance.

The review found that there is a clear strategy in place to build/develop partnerships already in the project document. It has resulted in additional sources of funding which doubled the initial financing and the good level of continuation of results. The approach used by the project to engage stakeholders resulted in a strong ownership of achievements, which should secure the long-term sustainability of these achievements.

Each of the three main directions of the project is characterized by a different type and scope of partnerships established, which in the majority of cases were formalized with a written agreement outlining tasks and responsibilities of those involved.

Intensive partnerships were established with a number of organizations from the Russian Federation aimed at supporting the WorldSkills movement in Uzbekistan. The introduction of new models in delivering vocational education and training was channeled through participation of several Government organizations at central and regional level, i. e. "Ishge Marhamat" Monocenters.

The current SME support ecosystem in Uzbekistan involves many stakeholders representing public institutions, NGOs, and international development organizations. Several government agencies are responsible for formulating, financing, and implementing policies and activities aimed at supporting the development of SMEs in Uzbekistan. An institutional overview of SME-stakeholders is presented in the Asian Development Bank Institute publication, which was used as a reference for assessing the partnerships built for YEP project implementation.²²

Overall, it could be concluded that partnerships established for managing Activity 2: Promoting youth and women entrepreneurship and business start-ups, are effective and comprehensive. Absence of any significant stakeholder has not been revealed. Furthermore, initiatives to promote entrepreneurship attracted the highest number of partners, though with a different intensity of real involvement in project implementation/oversight.

Regional structures of MELR and the Chamber of Commerce and Industry had functions related to selection of beneficiaries, organizing trainings and other events, awareness raising, thus ensuring enhanced involvement of people and entities at local level. More specifically, CCI (central and regional branches) played a crucial role in managing the Integrated Business Support initiative. It was acknowledged that this project was the first one to involve regional offices of CCI.

The Start-up Initiative activated the participation of the following stakeholders: MELR, Agency on Youth Affairs, Ministry of Higher Education, Ministry of Information Technology, Ministry of

²² Ibid, p. 42

Innovation, Chamber of Commerce and Industry, Ministry of Tourism and Sports, "Yoshler-kelejaginiz" Fund, Khokimiyat of Tashkent, IT-Park, Center for Supporting Youth Entrepreneurship "Yosh Tadbirkor", Westminster International University of Tashkent, Singapore Management Institute in Tashkent, C-Space and Ground Zero networks of coworking centers, DataSite Technology. The FE found that not all those partners were equally involved in the project, but nevertheless the added value generated by that cooperation influenced significantly the achievement of results.

5. 1. 3. Quality of design/ Theory of Change

Overall, the YEP project represents a threefold strategy allowing to address emerging urgent needs of targeted organizations and beneficiaries and to support the efforts of the Government of Uzbekistan in conducting the structural reforms on the labour market.

The strategy includes three dimensions of support:

- 1) support to systems and structures;
- 2) support to final beneficiaries, and
- 3) support to target groups.

This approach allowed for an immediate application of results from the system's and structure's domain towards the target groups of the current intervention – unemployed youth and women.

The results framework formulated during the design phase presents a logical "chain of results", which detailed a list of planned activities to reach one expected output: *Relevant stakeholders are capacitated to apply active labour market policies with focus on youth employment.*²³ Defining an additional output targeting at improved entrepreneurship among youth and women would only further benefit the established reference framework as currently one major dimension of the intervention has not been logically embraced by the output set.

The review of the objective and outputs indicates a satisfactory and logical "chain of results" – Activities → Outputs → Objectives. It is a reflection of the *ex-ante* defined end-goal of the project and represents a practical mechanism of how to reach it through consolidation of outputs. For each expected output, targets to be achieved at the end of the project were identified. They are used to monitor the performance of the project in a structured way.

Each dimension of support has distinct indicator/s, which measure the project performance. Five out of seven output-level indicators are quantitative, while two indicators are qualitative. This shows that overall the project is oriented towards both quantitative and qualitative results and performance.

The gender aspects are mainstreamed at the output indicators` level as well. All quantitative indicators specify gender disaggregation when collected. As for the project targets, they are cumulative and not gender specific.

The validation of the YEP project log frame against SMART and CREAM criteria reveals that generally the indicators are well-defined and coherent with the overall strategy, and establish a solid ground for results-based management and decision-making. No major weaknesses are observed, particularly in terms of the definition of indicators and outcome statements.

²³ The graphical presentation of the Theory of change in the project document refers to a different output: *Employment rates, especially among women and youth, is increased.* Though this is the ultimate objective of efforts not isolated solely to this project, it would be difficult to establish a direct causality between the YEP project intervention and any change in employment rates, respectively to estimate the attribution thereof.

Tables 3 and 4 below show in more details the assessment made with regard to both quantitative and qualitative nature of the established results framework.

Table 3 – Validation of log frame against SMART criteria

Specific	Indicators are specific and target-oriented. They refer to concretely identified results. Corresponding indicators are defined for each of the three project dimensions.
Measurable	Indicators are linked to easily measurable targets.
Achievable	With reference to available resources, timing of the project and objectives set, all indicators seem realistic to be achieved.
Relevant	All indicators are relevant since they address both the objectives of the three project dimensions, as well as national development priorities and the needs of the target groups. Only one output for the project is defined.
Time-bound	Indicators are linked to targets that are clearly linked to specific timeframes.

Table 4 – Validation of log frame against CREAM criteria

Clear	Definition of all indicators is precise and understandable. No bias in understanding is observed.
Relevant	All indicators are appropriate and useful to measure the achievement of output objective.
Economic	Data needed to measure progress on indicators are easily accessible, no additional costs are required.
Adequate	All indicators are attributable. They provide reliable and timely basis for the assessment of performance of the project's activities.
Monitorable	Information needed to conduct monitoring is available and consistent over time.

The output-level indicators defined in the project document cover partially the interventions planned, which could be considered as a gap in general performance tracking. Some activities that are not linked to an output indicator could be outlined as follows: support to the Government's Public Works programme and Fund; support in introduction of Apprenticeship Programme; technical support in providing lease and microcredit services; support the development and promotion of preschool care services and kindergartens; support the technical upgrading of select mahallas in 34 districts. It should be noted that at the end none of these activities were implemented in the course of the project.

There are several assumptions underpinning this theory of change, which are identified in the project document, namely:

- Youth employment will stay in the focus of the Government's priorities and policies;
- The process of creating an enabling business environment will be continued and further expanded;
- Further efforts will be invested in strengthening the capacities to implement programmes targeted at youth unemployment;
- The Government will stay committed on development of PPP schemes;
- Businesses will partner to support youth employment;
- The project will be able to identify sustainable women's business start-ups.

The desk review and consultations revealed that all initial assumptions are mostly valid as planned.

The project document provides the defined Theory of Change to be regularly reviewed and updated, if necessary, through the execution of the Project Board oversight function. Amendments to the project strategy have been regularly made without being formally reflected in the Theory of Change.

5. 1. 4. Adaptation to changes

COVID-19 pandemic and its consequences on the socio-economic situation in the country influenced the most the YEP project's modus operandi, implementation dynamic, and targeting.

In this complicating and rapidly emerged situation, the YEP project had acquired special significance and demand in assisting the Government of Uzbekistan in combating the consequences of pandemic. The latter was acknowledged by the Project Board and respective strategic decisions were taken to mitigate the risks with regard to project implementation. An indication was made that the delivery rate of project budget is lagging behind, thus requiring an adaptation of the project's objectives, activities and delivery mechanism.

To comply with the enabling environment, in its meeting of December 2021 the Project Board approved changes in indicators (baseline, target indicators and activities) made for reporting and previous periods as appropriate in connection with the government's priority tasks in the field of employment, as well as the ongoing pandemic.

The Government of Uzbekistan has rolled out a comprehensive support anti-crisis package covering three main pillars:

- i) addressing the health crisis;
- ii) expanding the social protection schemes;
- iii) introducing comprehensive job creation and retention policies.

The YEP project actively supported the Government in realizing the third pillar priorities. In addition, due to its existing capacities, management arrangements and established partnership network, the YEP project was used as a platform to scale up the support to the Government of Uzbekistan – additional funding of USD 1,073,608 was mobilized to support the objectives of the project. This financial support is part of the Multilateral COVID-19 Socio-Economic Response & Recovery Offer for Uzbekistan issued in 2020, which enables a coherent and coordinated multilateral response to the crisis. Under the Supporting Workers and Job Creation strand, it consolidates a financial support of more than 1 bln. USD, provided by different donors. Based on most significant challenges identified, a consolidated value proposition was presented divided by urgency of response interventions. Of them, the most relevant to the objectives of the YEP project could be outlined and which were taken aboard by the project as follows:

- Immediate: setting up of business clinics will provide advisory to SMEs that were affected by the crisis. Focus on stronger functioning of public employment services, vocational education, ALMPs, and a strategic approach to development and management of employers' organizations.
- Short-term: Provision of integrated business support for SMEs and start-ups (webinars, consultations, coaching, seed funding, online video courses on professional and business skills development). Capacity development and guidelines to: i) Public Employment Services to improve their functions ii) strengthen response of labor market institutions focusing on improved career guidance for unemployed iii) career guidance for youth in PES, PES functional assessment report and guidelines for enterprise organizations on organization of work,

protection measures for workers, occupational safety and health, etc., during the COVID-19 pandemic.

- Medium-term: Introducing curricula to build new skills and entrepreneurial activities, and targeting most vulnerable (youth and women) disruptions to supply chains and concerns over food security.
- Long-Term: Support to economic activity and assistance to create sustainable jobs by pushing for reform, reorienting investments (including for economic diversification), and by providing advisory services (including reskilling/upskilling of women, youth, and informal workers). Support to adaptive appropriate TVET and mainstreaming digital skills.²⁴

Consequently, the additional funds mobilized from UNDP and The Government of Japan (respectively USD 100,000 and USD 973,608) were channeled through measures to mitigate the effects of the pandemic and stimulating job creation, as well as developing entrepreneurship and youth employment. The “Business Clinic” and the “Integrated Business Support” initiatives to support SMEs were launched. The support to young entrepreneurs to create new business opportunities by providing equipment and trainings to launch new enterprises or expand existing ones was further extended.

In view of the above and justified by the extensive support the YEP project provided to the Government during the period of pandemic, the project duration was extended for six months. This enabled completing the implementation of project activities and conducting external evaluation and monitoring the results of the project.

Additionally, a series of measures were implemented to respond to the increased demand for development of online products and continuous support for target groups. Professional orientation trainings were held online, video lessons on doing business were developed, capacity-building events were organized. Online contents were made available at the number of platforms in order to have expanded reach. Digitalization of the MELR’s activities and streamlining the processes for better delivery of public services fall within the focus of the intervention as well. In general, the project successfully utilized the opportunities provided by online environment and electronic content by expanding coverage of interventions and broadening impact thus guaranteeing sustained support to the Government in dealing with issues of highest priority. Some limitations to use the online tools occurred, especially in remote areas.

In sum, the project displayed an adequate adaptive management towards significant changes occurred by succeeding to stay aligned to priorities and urgent needs.

²⁴ UZBEKISTAN: Consolidated Multilateral COVID-19 Socio-Economic Response & Recovery Offer, p. 28-29

5. 2. COHERENCE

5. 2. 1. Alignment with policy frameworks

In 2017, the Government adopted the Action Strategy on Five Priority Areas of the Country's Development for 2017-2021, which prioritize reforms to (i) improve public sector development; (ii) ensure the rule of law and reform the judicial–legal system; (iii) develop and liberalize the economy; (iv) advance society and ensure security and interethnic harmony; (v) promote religious tolerance; and (vi) implement a balanced, mutually beneficial, and constructive foreign policy. The YEP project is specifically in line with Priority Area 4.5 of the Strategy on improving the state youth policy, which emphasizes employment and involvement in the sphere of private enterprise of graduates of specialized secondary, vocational and higher educational institutions.

The project's goal to promote youth employment in Uzbekistan highly supports one of the priorities of national employment policy, set in the Law on Employment: *"implementation of measures to ensure the employment of young people, especially young people in rural areas, graduates of secondary and specialized secondary education organizations, vocational schools, vocational colleges, higher education institutions"*. The Government's Employment Programme in its turn is aimed at: i) creating conditions for the working age population for the full realization of their labour and entrepreneurship skills, improving the quality of the workforce, expanding the system of vocational training, retraining and advanced training for persons in need of employment; and ii) implementation of state policy in job creation, employment and social protection of the population, including the organization of the system of retraining and upgrading of the skills of the unemployed and inactive population.

At the same time, project also contributes to reach outcomes envisioned in Uzbekistan's new Strategy of Development for 2022-2026, which aims at creating jobs and employment opportunities for young people as well as supporting entrepreneurship in rural areas in order to decrease unemployment and poverty levels. Creating jobs and employment opportunities for young people, promoting youth entrepreneurship is also set as main priority of the National Youth Policy.

Moreover, project's objectives also supported goals of State program for 2020, which prioritizes developing entrepreneurial skills in young people and women, as well as organizing vocational trainings for unemployed youth on the specializations that are in high demand.

The Government recognizes micro and small enterprises as a key force for economic growth particularly for women and youth. A range of programs have been launched, including the "Every Family is an Entrepreneur" (EFAEP) and the "Youth is Our Future" programs, to boost self-employment and microentrepreneurship among women, vulnerable groups and youth. Launched in 2018, the objective of the EFAEP and Youth is Our Future programs is to support new small and micro businesses as well as family entrepreneurship by providing concessional loans to target populations through participatory identification of local economic needs and opportunities.

Reviewing the national strategic framework, a conclusion can be made that the project is in line with the reforms implemented by the Government of Uzbekistan. In particular, this concerns work on promoting working professions and specialties among young people, raising the status and standards of vocational training and qualifications that meet international requirements (such as WorldSkills), and creating a system of independent assessment of competencies. The digitalization of employment services through the creation of the MyMehnat mobile application has also become one of the important contributions of the project to the work of the Ministry.

5. 2. 2. Synergy

The YEP project was designed to complement what other projects are intended to achieve in order to eliminate any overlap and enhance the coordination and collaboration with existed projects. Project document recognizes the importance of close collaboration with all multilateral donor and bilateral organizations, which traditionally have been active in supporting the Government's initiatives aimed at increasing employment opportunities, improving educational and vocational training system, as well as in private sector development. Complementarity and synergy between interventions were identified as critical for maximizing the impact of various efforts.

In practice, the FE found that coordination between all interventions is rather fragmented, than grounded on established and fully operational coordination mechanism. Overlaps and gaps are possible to occur. The latter is reaffirmed by an Independent Country Programme Evaluation for Uzbekistan, which states that "there is a potential risk of overlaps among development partners, which may hinder the success of support to the government agenda".²⁵

A positive step in this direction is the interrelation of the YEP project with "Adapting population skills to the post-pandemic economy in Ferghana Valley" and "Empowering the Youth to Embrace the Digital Economy and Digital Entrepreneurship" projects – all three constituting a portfolio with a joint management. Furthermore, at YEP project level, necessary measures have been taken to reduce the effect of coordination challenges – by ensuring the involvement of all interested stakeholders in the project management and implementation.

²⁵ Independent Country Programme Evaluation. Uzbekistan, p. 19

5. 3. EFFECTIVENESS

The evaluation findings lead to conclusion that the project performed well judging through the existing set of performance indicators, targets, activities performed and satisfaction level of the beneficiaries and key stakeholders. A certain deviation from the initially planned interventions is observed – mainly caused by changing priorities of the Government.

The project supported the Government of Uzbekistan threefold:

- 1) institutions and processes/ policies set up and development;
- 2) support the entrepreneurship among target groups, especially youth and women;
- 3) technical assistance to institutions operating in the ALMP area.

5. 3. 1. Achievement of objectives

Activity 1 of the project was defined to support the efforts of the Government of Uzbekistan to promote employment through active labour market policies. The project provided assistance in two of the main ALMP categories, namely public employment services and trainings. Table 5 below presents an overview of the planned vs actually implemented activities, as well as progress towards output indicators.

Table 5 - Achievement of Activity 1 objectives

1. Support and promotion of youth employment through active labour market policies				
Output indicators	Baseline 2018	Final target 2022	Achieved	Achievement ratio
1.1. Number of youth (disaggregated by gender) covered by job fairs conducted in line with new Standard Operating procedures (SOP)	0 (under new SOP)	10 000	0	0%
1.2.a) Availability of mobile application for vacancy posting and job application targeted on rural youth, and b) Annual % increase of application users (disaggregated by gender)	a) No b) 0 ²⁶	a) Yes b) 10%	a) Yes b) Not measurable ²⁷	a) 100% b) Not measurable
1.3. Number of youth (disaggregated by gender) trained using enhanced training materials on soft and professional skills (30/70 ratio) at Centers of Professional Development in target regions	0	1000	67 200 (53% women)	100%
Activities planned (as per project document)		Results/ Deliverables		
1. Support to job fairs organized by MELP and its branches 2. Promoting WorldSkills 3. Developing a mobile application and special programs linked to MELR's vacancy database 4. Preparation of training modules for young people to improve their soft skills 5. Support to the Government's Public Works programme and Fund 6. Technical support in introduction of Apprenticeship Programme and mentor its functioning		1. WorldSkills Uzbekistan supported. Capacity strengthening of Monocenters and Competence Assessment Center supported. 2. MyMehnat mobile application developed. Guidelines for Labour Migration mobile application developed. 3. Over 500 video lessons on 12 core working professions and competencies prepared, taught in the Monocenters. Manual on improving soft and professional skills of young people developed.		

²⁶ Baseline to be established in 2019.

²⁷ Progress reports declare an increase of 25%.

7. Joint organization of Republican Competition among employers	4. Technical and methodological documents for establishing "situational rooms for career guidance". 5. Guidelines on organizing Republican Competition "Social Responsibility and Efficiency" developed.
Activities marked in red have not been implemented by the project New activities are marked in green (endorsed by amendment in AWP)	

Source: Project document and progress reports

When exploring progress towards output targets, some conclusions could be outlined:

- Binary indicator *Availability of mobile application for vacancy posting and job application targeted on rural youth* has been fulfilled;
- Indicator *Number of youth (disaggregated by gender) trained using enhanced training materials on soft and professional skills (30/70 ratio) at Centers of Professional Development in target regions* could be assessed partially, as the annual implementation reports contain data on the total number of trained (disaggregated by gender) – target has been fulfilled, though not fulfilling entirely all elements of the indicator's definition. The project monitoring data are not available to estimate ratio between number of youth trained on soft and professional skills;
- It is not clear how the calculations for 25% annual increase of application users (disaggregated by gender) was made, as no baseline value was set in the reporting documents;
- Indicator 1.1. has not been fulfilled, due to decision not to implement the activity for job fairs.

Initiatives performed under this component were predominantly systems- and structures-oriented targeting at transformations and introduction of innovative models in Government policies' delivery. Three out of seven planned activities has been implemented.

The YEP project assisted in establishing the **WorldSkills Uzbekistan** and further deployment of its activities. National Association for the Development and Popularization of Working Professions was established in 2019 and obtained a mandate to perform the activities related to introduction of WorldSkills International standards in the country by popularization of working professions and raising the skills level of professionals, as well as the introduction of world standards in competency assessment into the national system of vocational and higher education. Uzbekistan joined WorldSkills International in 2020.

To provide vocational trainings and competence assessment services for 14 competencies according to the WorldSkills standards, the capacity of newly established Monocenters "Ishga Marhamat" and Competence Assessment Centers were strengthened by developing and updating of professional training programmes and manuals, purchase of modern equipment needed for high-quality vocational training on six competencies, training of experts who passed certification and became members of the WSU Expert Community (90 experts in total). The new competencies standards cover professions highly demanded by employers and industry, including construction, hotel administration, cooking, mobile robotics, IT, service sector, technicians and engineering, etc. Interviews reveal that this incentive promoted better matching of vocational training programmes with requirements of employers towards labour force needed for production.

In December 2019 the first open championship for working professions took place in Tashkent. It hosted more than 5 thousand participants from colleges and vocational training centers and was attended by teams from Kazakhstan, Kyrgyzstan and Russia.

The process of introducing WSI standards in Uzbekistan benefited to a great extent from knowledge-sharing and know-how transfer with a number of organizations from the Russian Federation, which were supported by the project. Summary of the intensive cooperation is provided in Table 6.

Table 6 - Cooperation with organizations from the Russian Federation on WSU

Time	Event	Achievements
August, October, November/2019	Three study visits organized for 8 MELR's and National Association for Development and Popularization of Working Professions' officials and specialists to Russia	Close partnerships and links with the Union of Young Professionals (WorldSkills Russia), WorldSkills International established. Consultations on practicalities in joining WorldSkills International, further improvement of the skills assessment system in Uzbekistan and organization of the national championship in accordance with WorldSkills standards. Memorandum of Understanding between WorldSkills Russia and MELR signed.
2-6 October 2019	Fact-finding mission of WorldSkills Russia experts to Tashkent	Current capacities of Uzbekistan in the field of vocational skills and training assessed, advisory assistance to the MELR provided and the possibility of organizing the first open championship among youth in working professions in Uzbekistan studied. Conducted series of presentations for the skills development experts from institutions, which in future will assume functions as WorldSkills operator in Uzbekistan.
16-17 December 2019	First open championship for working professions in Tashkent	17 Russian WorldSkills experts were attracted to pilot the championship – provided a package of didactic materials and documentation for each of 10 competencies of the championship.
2020	Technical and expert support from WorldSkills Russia in establishing vocational training and independent assessment centers for 14 competencies	Professional training programmes are developed and updated according to WorldSkills standards. Independent assessment system for selected competencies created.
2020	Interactive training and technology transfer using the Foresight methodology on the future labour markets and competencies conducted by a Russian expert from the "SKOLKOVO" Moscow Business School	Labour market/Skills Foresight for Uzbekistan conducted, focused on anticipating the demand for skills in the short-, mid- and long-term perspectives. Technological Skills Foresight methodology, focusing on forecasting the demand for professional skills, considering the future needs, was prepared.

Guidebook with training materials on improving soft and professional skills for young people was printed and disseminated in 850 copies – to be used by Employment Promotion Centers, Vocational Education Centers and Monocenters. More than 440 specialists of MELR were trained on provision of career development services.

Over 500 video lessons on 12 core working professions and competencies has been developed – they were taught in Monocenters and made available online for broader coverage of target groups. The high number of persons benefited from these trainings is due to the distance learning options available.

The project supported the MELR in **digitalization of public services** by assisting the development of mobile application "MyMehnat" (My Labour). The application will contribute to reducing the gap

between demand and supply for labour, matching job seekers with employers in one virtual place. On the other side, public services will become more accessible and expeditious. Employees of MELR received a training to work with the back office of the mobile application and software. Furthermore, the project contributed to the development of the Mobile Migration mobile application which is expected to improve the effectiveness of public services delivered to labour migrants and their families.

Technical and methodological documents for establishing “situational rooms for career guidance” have been elaborated. The aim of such career centers is to provide professional orientation of youth and the unemployed population, bringing their educational interests into compliance with the needs of the labour market. The first situational room is about to be open.

Four out of seven initially planned activities have not been implemented due to several reasons. COVID-19 pandemic made it impossible to organize job fairs in its original mode. The support to Public Works Fund and the Apprenticeship programme has lost its importance for the Government, though some of the activities were implemented – either by the Government itself, or by other projects. For example, the project’s contribution to the development of an Apprenticeship programme has been partially overtaken by other TFD project: “Adapting population skills to the post-pandemic economy in Ferghana Valley”.

The Republican Competition among employers has not been conducted due to revision of the entire system for statistics, which caused a need for full amendment of the methodology already elaborated.

Activity 2 is designed to complement the efforts of the Government in promoting entrepreneurship and SME development as a major driver for economic growth, income and job creation.

Table 7 - Achievement of Activity 2 objectives

2. Promoting youth and women entrepreneurship and business startups				
Output indicators	Baseline 2018	Final target 2022	Achieved	Achievement ratio
2.1. Number of start-ups supported with a special focus on youth and women	0	12	45	100%
Activities planned (as per project document)		Results/ Deliverables		
1. Developing new and enhancing existing online video courses on starting and running business 2. Support the establishment of five pilot Local Centers for Professional Development 3. Technical support in providing lease and microcredit services 4. Development and promotion of preschool care services and kindergartens		1. Business Clinic project; 2. Integrated Business Support project; 3. Start-Up Initiative (4 th and 5 th cycle); 4. Online competition for innovative tools and solutions “COVID-19 Challenge”; 5. Small Business Support Programme		
Activity marked in red has not been implemented by the project				
New activities are marked in green (endorsed by amendment in AWP)				

Source: Project document and progress reports

In general, the actual implementation of this activity derived significantly from the initial project document. The latter is explained, on one side, by the new challenges and demands emerged with regard to the COVID-19 pandemic, and on the other side, by the lost necessity investing in some actions due to changed national priorities and/or transfer of mandates to other institutions. The Ministry of Pre-school Education was established and a comprehensive and large-scale national programme for development of pre-school care services and kindergartens was launched, which led to a decision to

avoid overlapping and to switch targeting to other interventions. Regarding the technical support in providing leasing and microcredit services, the mandate for these interventions were transferred to the Ministry of Economy in 2019.

The efforts of the YEP project concentrated on supporting entrepreneurs to start their own small business or to further enhance development of the existing one through implementation of several initiatives. This was justified by increased demand from the Government of Uzbekistan to respond to the needs of those most affected by the crisis and to help youth and small and micro business entities to overcome the consequences of the pandemic. The adaptation of the project rationale was perceived appropriate by key stakeholders. Moreover, over 80% of the additional funding generated under the COVID-19 Facility was transferred to back up these initiatives, which resulted in broadening the coverage and maximizing effects over improving the situation of persons and businesses.

The initially set targets in the project document for output indicator on number of supported start-ups have been significantly overfilled.

Business Clinic, Integrated Business Support and Small Business Support programmes were targeted at enterprises that would like to start their business or enhance their development/ expand production/ service delivery. Those has been recognized by the MELR as mostly contributing to the priorities in enhancing entrepreneurship among most vulnerable groups and aligned to the national programmes in the area.

Integrated Business Support and **Business Clinic** initiatives has been implemented jointly with the Chamber of Commerce and Industry, a traditional partner to the MELR within the established tripartite dialogue. The partnership with the employers' organization is logic and led to effective fulfilment of activities. Ninety-four small businesses (of which 21% women-led) from five target region participated in 4-week trainings on business management, marketing, finance and soft skills, and received 2-month individual coaching. Of them, 43 small businesses (30% women-led) have developed their business plans and received production equipment to expand their business activities. The initiative generated the creation of 398 new jobs for youth (67% for women).

Setting up of business clinics to provide advisory to SMEs that were affected by the crisis was highlighted as an effective instrument to tackle the negative impacts of COVID-19 pandemic.²⁸ More than 5300 online consultations on available assistance measures have been provided to representatives of the affected small businesses and individual entrepreneurs (of them 20% women-led).

To launch and expand small business initiatives, 34 enterprises (of them 62% headed by women) received equipment under the **Small Business Support** programme, which was funded by the mobilized resources from Covid-19 Response and Resilience Facility. Supported enterprises are operating in such areas as cloth production, IT, graphic design, media services, beauty services, delivery businesses. Regional Employment Departments were closely involved in the delivery of this initiative. Beneficiaries benefited from training as well. As a result, 187 new jobs has been created.

²⁸ UZBEKISTAN: Consolidated Multilateral COVID-19 Socio-Economic Response & Recovery Offer, p. 27

The distribution of beneficiaries per region of the two identical programmes - IBS and SBS, is as follows:

Table 8 – Distribution of beneficiaries per region under IBS and SBS

Region	IBS	SBS	Total
Andijan	-	7	7
Fergana	9	-	9
Jizzakh	7	6	13
Namangan	9	6	15
Navoiy	-	5	5
Kashkadarya	6	5	11
Samarkand	12	-	12
Surkhandarya	-	5	5
Total	43	34	77

The transfer of grant equipment to beneficiaries under IBS and SBS was conducted through the local partners. The equipment was provided for a trial period with conditions to achieve particular business and social performance targets, which if fulfilled, will enable its transfer to ownership of beneficiaries. Agreements with initiators defined obligations to perform targeted tasks such as: creating a number of job places and employment opportunities for women and youth, use equipment purposefully for the project to achieve target goals, providing all the necessary facilities in accordance with the technical safety requirements.

Two cycles of the **Start-up Initiative** (4th and 5th) were organized by the YEP project, as a continuation of previous editions of the initiative supported by other UNDP projects since 2016. The 4th cycle concluded in January 2020 with around USD 25,000 prize money mobilized from partner organizations. Out of 648 applications, 178 projects (of which 22.5% headed by women) were selected to participate in training seminars. Five best project ideas were awarded at a final event called “Demo Day” 50 mln. soums each for the implementation of startup projects.

In 2021, the 5th cycle of the Start-up Initiative was conducted. 905 applications have been submitted (29% by women) and 247 (59 women) took part in trainings.²⁹ At a final stage, 40 projects received a USD 5,000 grant to support business ideas in the following directions: educational technology, smart retail, services, trading, agro- and food technology, robotics, medicine, pharmaceuticals, biotechnologies, tourism and travelling. Wide range of stakeholders from government and non-government sectors were attracted for partnership in delivering this initiative. Funding was provided by the “Yoshlar-kelejagimiz” Fund and COVID-19 RRP. Regional distribution of supported start-ups is as follows: Tashkent and Tashkent region – 11; Andijan region – 2; Ferghana region – 3; Namangan region – 3; Syrdarya region – 1; Jizzakh region – 2; Samarkand region – 5; Navoi region – 4; Buhara region – 2; Kashkadarya region – 2; Surkhandarya region – 2; Khorezm region – 1; Republic of Karakalpakstan – 2.

An online competition for innovative tools and solutions “COVID-19 Challenge 2020” was held in 2020. Five projects (out of 600) were selected and young innovator received USD 47,500 for the implementation of their projects.

The trainings provided under these initiatives have been perceived absolutely useful by all beneficiaries interviewed during field visits. In addition, the mentorship assistance has given them practical support in dealing with daily challenges in running their business. Besides, knowledge

²⁹ Some interesting data on projects approved for training: 50% are initiated by youth who are currently enrolled in university, 45% are at an idea phase; 44% already have a prototype; 11% are running.

generation activities led to further clarification of their business plans, to reorganization of processes, to scaling-up production and service delivery, and to optimization of expenses. All these contributed to a great extent to the observed viability of small enterprises.

Activity 3 is aimed at strengthening the capacities of MELR and its structures at all levels to deliver effectively ALMP services.

Table 9 - Achievement of Activity 3 objectives

3. Increasing the capacities of the Ministry of Employment and Labour Relations to deliver services in support of youth employment				
Output indicators	Baseline 2018	Final target 2022	Achieved	Achievement ratio
3.1. Availability of methodology and guidelines on gathering gender disaggregated data for measuring youth unemployment rates in line with international standards	No	Yes	Yes	100%
3.2. Number of staff (disaggregated by gender) improved their knowledge on active labour market policy	0	1000	155	16%
Activities planned (as per project document)		Results/ Deliverables		
<div>1. Support the technical upgrading of selected mahallas in 34 districts with necessary IT equipment and access to Internet. Training the staff from the mahallas committees to access and use the vacancy database of MELR</div> <div>2. Support the development of a Concept, terms of reference and prototype of the interface of the Information Systems Complex of the Unified National Labour System</div> <div>3. Studying international experience in providing public services in employment and developing recommendations for improving business processes in rendering services.</div> <div>4. Developing the methodology and guidelines on gathering gender disaggregated data for measuring youth unemployment rates;</div> <div>5. Supporting coordinated actions of various ministries and agencies</div>		<div>1. Analysis of international experience in design and delivery of the selected public services conducted;</div> <div>2. Methodology and guidelines for data collection for measuring youth unemployment by gender developed;</div> <div>3. Eight administrative regulations and visual schemes developed on the provision of public services for organizations involved in employment support, skills training and advocacy for the unemployed;</div> <div>4. "Technological Skills Foresight" methodology prepared;</div> <div>5. Trainings and workshops conducted;</div> <div>6. Media equipment for Monocenter provided.</div>		
Activity marked in red has not been implemented by the project				
New activities are marked in green (endorsed by amendment in AWP)				

Source: Project document and progress reports

Serious under-achievement of output indicator “Number of staff improved their knowledge on active labour market policy” is observed (most probably due to the restrictions during the COVID-19 pandemic), though some important positive results towards improving the capacity of Ministry’s personnel could be outlined.

Workshop to MELR key personnel and its regional departments (70 people, 45% of which are women) on strategies and practical measures to formulate effective employment promotion policies and programs was conducted. The importance of continuing this work with further concentration into the training topics and working at all levels was particularly emphasized.

The project also co-organized capacity building seminar to improve skills of directors and methodological units of Monocenters from Tashkent and all the regions of Uzbekistan (85 people) on increasing the capacity of Monocenter in such areas as international standards for assessing qualifications; basic principles of effective professional interaction with the public; interaction with the

media; mechanisms to promoting employment of Monocenter graduates etc. In turn, training participants used manuals on 9 vocational skills to further apply active labor market policies with focus on youth employment.

Efforts have been invested in improving business processes withing the structures and systems. Business process analysis has been conducted, which helped developing administrative regulations for the provision of eight selected public services by the CEPs.

The project provided a set of media equipment to Monocenter in order to enable it to host an online learning platform and to expand distance learning opportunities.

Transformation of the approach towards supporting the mahalla was done – provision of equipment was replaced by connecting the mahalli with mobile application. Technical support was provided by another UNDP-supported project with the Ministry for Support of Mahalla and Family.

5.3.2. Influencing factors

In understanding *why* the project may or may not have achieved its goals, it is of primary importance to consider any positive and negative effects arising from the contextual environment. There are number of factors that can improve or hinder project performance in terms of its effectiveness – both internal and external. Those have been thoroughly analysed by the FE prior making the conclusions about the effectiveness. Table 10 presents factors that influenced the effectiveness of the YEP project.

Table 10 - Factors that influenced the effectiveness of the project

<p>Internal positive factors</p> <p>Project interventions were aligned with the Government's strategy which ensured commitment and ownership.</p> <p>The project was flexible and able to respond to changing priorities.</p> <p>The move towards a portfolio approach and increased mandate of the programme manager improved the delivery mechanism of the project.</p> <p>Strong partnership and collaboration between a wide range of key stakeholders.</p> <p>Professional and engaged members of the Project Team.</p>	<p>Internal negative factors</p> <p>Project staffing problems led to certain delays in project implementation.</p> <p>Turnover in MELR influenced the schedule of the project implementation, the capacity and institutional memory.</p>
<p>External positive factors</p> <p>High demand of this type of support caused by the socio-economic situation in Uzbekistan and the number of unemployed youth.</p> <p>High interest in participation in interventions on behalf of the beneficiaries.</p> <p>Mobilization of additional resources allowed for expansion in reach to beneficiaries.</p>	<p>External negative factors</p> <p>COVID-19 pandemic affected project's priorities, modus operandi and implementation dynamic.</p> <p>Problems with access to Internet caused some limitations for participation of beneficiaries from remote areas.</p>

5. 4. EFFICIENCY

The efficiency was examined in terms of resources allocations and utilisation, the overall project costs, implementation of the major project activities and timeliness of the achievements. The aspects of project management arrangements were also considered along the evaluation process. Considering practical challenges and limitations when evaluating efficiency, two groups of key evaluation questions were judged feasible to be addressed within the scope of that criterion: operational management of available inputs and capacity to manage changes.

5. 4. 1. Operational management of resources

Due to the nature of activities it was not feasible to compare the costing of the YEP project to other relevant interventions/alternatives in the national context. Therefore, the analysis focused on exploring the operational efficiency of the project in terms of utilization of available resources (expertise, time, coordination arrangements, funds) – how well the project was managed.

Project management

During the design phase, the management arrangements to implement the YEP project were clearly identified. The project activities were implemented according to the UNDP procedures for national implementation – MELR retained overall responsibility for the project. National Project Coordinator was appointed. Overall guidance was provided by the Project Board, which was constituted by representatives of MELR (chair), UNDP CO and the Embassy of the Russian Federation as senior suppliers, key senior beneficiaries and partners (such as Chamber of Commerce and Industry, Agency for Youth Affairs, Public Fund “Yoshlar-Kelajagimiz”, Monocenter “Ishga Markhamat”, WorldSkills Uzbekistan. The purpose of the Project Board is to set the strategic and policy direction of the project, to oversight and monitor project implementation, and to make fund allocation decisions. The Project Board provided a good oversight on the implementation of the project, including fulfilling a linkage role between all major stakeholders. It reviewed and approved project annual plans and authorized any major deviation from the original plans. Thorough discussions on strategic topics associated with the project’s future endeavors during the PB meetings were recorded. The Project Board met four times since the start of the project: December 4, 2019, December 22, 2020, December 20, 2021,³⁰ and July 25, 2022. Agendas are prepared in advance, discussions are recorded, and decisions adopted are clearly recorded in minutes that are properly signed.

According to the project document, the day-to-day management of the project is to be conducted by project team led by a Project Manager. The Project Manager’s prime responsibility was to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Furthermore, to provide technical, administrative and organizational support in the implementation of project activities the following positions were envisaged to be recruited: Task manager on promoting youth employment and Task manager on promoting youth entrepreneurship; an Administrative and Finance assistant, PR and outreach assistant. What regards human resources, the management of the project suffered from delays in recruiting all the required staff. Staff rotation and lack of qualified candidates to fill in positions led to the project operating below planned capacity for some time. The situation was closely monitored and well noted, and the risk log has been respectively updated. Management challenges associated with staffing problems has been overcome with a new project management approach introduced.

³⁰ Joint Project Boards meeting of the “Promoting youth employment in Uzbekistan” and “Adapting populations skills to the post-pandemic economy in Fergana Valley” projects.

In 2021, UNDP launched an initiative to move towards a portfolio approach to the future of work in order to systematize and improve the efficiency of project implementation. Inclusive Employment Programme was established, which covers three projects funded by the Russian Federation – UNDP Trust Fund for Development in Uzbekistan. During its meeting as of December 20, 2021 the Project Board approved the revision of the organizational structure of the YEP project in order to align with the new approach to integrate several projects into one program. The purpose of this transformation was to achieve integration among projects targeting similar objectives, to increase efficiency and to reduce administrative costs for the maintenance of the project team. Costs associated with the programme manager, deputy programme manager and public relations specialist were covered by three projects.

The management structure of the Inclusive Employment Programme is presented in Figure 2 below.

Figure 2 – Management structure of Inclusive Employment Programme



The three projects are logically interconnected, they share common targets and objectives in the area of employment, entrepreneurship and systems strengthening, thus making their shared management practically justified. Cost-efficiency of the approach applied is clearly visible, as besides reduced administrative costs, it can be considered as a precondition for scaling-up and sustainability of achievements.

The established partnerships within the YEP project supported to a great extent the delivery mechanism of most of the initiatives implemented. For the purposes of project activities management central, regional and local branches of partnering organizations were affiliated. The latter inevitably led to resources optimization, increased efficiency and effectiveness of the achievements.

Project finance

The actual expenditure and the leveraged co-financing have been assessed. The YEP project was funded by the Government of the Russian Federation through the Trust Fund for Development at the total amount of USD 1 mln. An additional co-financing of USD 1,208,608 was attracted since project start as follows:

- COVID-19 Rapid Response Facility funded by the Government of Japan: USD 973,608;
- COVID-19 Rapid Response Facility funded by UNDP: USD 100,000;
- Public Fund “Yoshlar Kelajagimiz” (Innovation Challenge): UZS 25 mln. (approx. USD 2,500);
- Public Fund “Yoshlar Kelajagimiz” (Startup Initiatives): UZS 1.0 bln. (approx. USD 100,000);
- National Digital Trust Fund: UZS 250 mln. (approx. USD 25,000);
- Ministry of Innovation: UZS 50 mln. (approx. USD 5,000);
- Chamber of Commerce and Industry, IT Park and Youth Entrepreneurship Support Center: UZS 25 mln. (approx. USD 2,500).

The additional budget mobilized, exceeding the original funding of the project, is an excellent achievement which shows the strong interest in this initiative from other both national and external/international donors, and the importance of the YEP project for the efforts of the Government of Uzbekistan in tackling the consequences of the COVID-19 pandemic.

The YEP project was also successful in sourcing „in-kind” contributions. Partner organisations participated in project delivery provided any kind of support on their own expenses (i. e. human resources, premises to conduct events, transportation, etc.).

Seven revisions of the project budget – RTF Youth Window were made, all of them related to adjusting the budget lines with the actual spending per annum, reallocation between financial years and between activities due to underspending, delays in implementation or increased demand in other interventions. Detailed information about all budget revisions is provided in Table 11 below.

Table 11 – Budget revisions (TFD Youth Window financing)

USD	Activity 1				Activity 2				Activity 3				Activity 4				Total			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Budgeted in PD	63,732	120,396	82,035	-	64,792	134,705	89,387		34,398	77,158	42,623		60,559	60,824	59,318	-	242,979	442,349	314,672	-
Revision 09/2019	37,044				66,123				55,890				42,120				201,177	484,151	314,672	
Revision 12/2019	145,700				42,009				10,076				41,375				239,160	446,168	314,672	
Revision 01/2020		121,181				153,091				83,781				88,115			239,160	446,168	314,672	
Revision 07/2020		179,847				71,118				71,334				39,285			235,843.81	361,611	402,545.19	
Revision 04/2021			246,591				190,026				73,835.21				90,801		235,843.81	162,902.98	601,253.21	
Revision 11/2021			176,580	71,685			133,623	56,835			46,899	24,830.21			48,951	41,850	235,843.81	162,902.98	406,053	195,200.21

Source: Project document, budget revisions and Annual Working Plans

A specific topic of interest was to explore how and why resources were allocated between different objectives, activities and target groups defined in the project document, as well as the extent to which resource allocation was based on needs and engagement with the most disadvantaged groups – unemployed youth and women.

Analysing the budget breakdown, it can be concluded that the distribution of costs per activities is adequate. The largest share of the total budget (RTF & COVID-19 RRF) has been spent within component 2 – 56.42%, which is aligned with the demands of target groups in the pandemic period and the priorities of the Government to mitigate the consequences of the crisis. Followed by 21.75% for Activity 1 and 13.36% for Activity 3.

Table 12 - Disbursement per project activities

USD	RTF Youth Window			COVID-19 RRF		
	Budgeted	Disbursed	Disbursement rate	Budgeted	Disbursed	Disbursement rate
Activity 1	459,724.28	451,083.09	98.12%	-	-	-
Activity 2	295,257.79	295,193.27	99.98%	874,688.00	874,688.00	100%
Activity 3	78,080.25	78,061.58	99.98%	198,920.00	198,920.00	100%
Activity 4	166,937.68	168,281.34	100.80%	-	-	-
Total	1,000,000.00	992,619.28	99.26%	1,073,608.00	1,073,608.00	100%

Source: Annual report for 2022

The differences between planned as per project document and actual expenditures per project activities under the RTF Youth Window have been presented in Table 13.

Table 13 - Comparison between planned and actual expenditures under RTF Youth Window

USD	Budgeted (as per project document)	Final Disbursement
Activity 1	266,163	451,083
Activity 2	288,884	295,193
Activity 3	154,179	78,061
Activity 4	180,701	168,281

Sources: Project document and annual report for 2022

Reallocations between activities have been made in order to adapt to amendments in the scope and coverage of activities. At the end, when including the COVID-19 parallel financing, all three main activities absorbed more resources than planned.

The review of the financial aspect of the programme indicates that financial resources have been used prudently and efficiently. The final evaluation did not find any alternative solutions, which could be provided at fewer expenses and/or would be more economical for the project. The administrative/financial system put in place by the project has been providing the required service to the project as expected; no complaints were recorded by the Evaluation Team. The additional sources of funding doubled the initial budget and were utilized to face the most significant challenges related to the COVID-19 pandemic. It certainly contributed in increasing the effectiveness of the project.

Schedule of project implementation

In terms of timeliness of the implementation of planned activities, because of the pandemic situation and staffing problems the project experienced lower implementation dynamic, which generated some delays and savings. The latter caused a number of revisions in the budget and the Annual Work Plans. The following mitigation measures have been taken to overcome those negative effects: transformation of the project management structure, adapting the delivery mechanism of certain

activities (e.g. switching from in-person to on-line activities) and continuous budget restructuring. Those proved to be effective towards project implementation pace.

Use of external communications

Assessing communication activities fall within the scope of efficiency criterion due to its potential, if properly targeted and executed, to deploy informational resources in order to maximize impact of the intervention. The return on investment that good communication can provide could contribute in a great extent to the overall project outcome.

The FE focused on three key dimensions: 1) exploring whether the right audience was reached, 2) assessing the appropriateness of the communication tools and/or channels, and 3) the influence of these actions over the YEP project general performance and effectiveness.

The YEP project has run an extensive and effective communication campaign. Publicity and external communications involved a range of general and targeted interaction and work with stakeholders, beneficiaries and broader public, towards the ends of building an appreciation of understanding and visibility of the project, and its concomitant support of opportunities.

The project performed well in rising interest in the provided financing opportunities. This fact is substantiated by the large number of applications submitted by potential beneficiaries under all initiatives launched by the project. Thus, the communication and information activities carried out for potential beneficiaries/beneficiaries can be considered adequate and effective. The latter is evidenced by the increase in applications for participation in project initiatives: for only one year the Startup initiative succeeded to attract almost 40% more applications from young entrepreneurs.

Appreciation of the importance of information and communication activity was revealed by all stakeholders interviewed. The need for further efforts was outlined, especially what regards the target groups in the regions. Tailored approaches to reach this audience need to be elaborated and applied, due to shortages in access to online and distance information resources. The steps in this direction have already been taken by the project management – regional structures and branches of several institutions and organizations (MELR, CCI, Monocenters) were actively involved, among other tasks, in contributing in increasing the visibility of the project opportunities among beneficiaries and potential beneficiaries.

A multitude of tools and channels were used to provide effective communications. The selection of communication channels is aligned with the specificity of the communication target audience.

Events. Number of special events were organized to raise awareness about the YEP project on the occasions of major cornerstones of the project. The following could be highlighted: launching ceremony of the project, starting a new initiative (Startup, WorldSkills) and accomplishing crucial phases of such initiatives (Demo Day on announcing the winners of the Startup Initiative competition, certificates awarding ceremonies). High-level participation on behalf of Government officials, UN, Embassy of the Russian Federation, Embassy of Japan was ensured for the main events.

When organised at local level, the events are more effective, i.e. people are very aware on what the project is doing.

Web pages. Web site of UNDP CO (www.uz.undp.org) was used as main official communication platform, where a separate section for the project was maintained. High-intensity activity on behalf of project management is recorded. Considered as very useful and appropriate channel.

MELR's official webpage (<https://mehnat.uz>) was also active in publishing information about the project.

A section for Startup Initiative was created at the MELR official website in 2019 (<https://startup.mehnaz.uz>), which was lately closed due to the development of a devoted website in 2020 (<https://startupinitiatives.uz>).

Social media. Presence in social media was another strong pillar of the YEP project communication strategy. The Facebook page of UNDP Uzbekistan (www.facebook.com/UNDP Uzbekistan), together with UNDP Twitter page (https://twitter.com/UNDP_Uzbekistan?s=20), play a complementary role to the website, as useful news and information is shared and posted on the social media channel in order to increase the reach of the website.

Facebook, Twitter and Telegram pages were created for the most popular initiatives (Startup Initiative, Business Clinic, Integrated Business Support). For example, the Startup Initiative page in Facebook (www.facebook.com/startupuzb) is followed by more than 3,600 users. It is recently active and is used as a platform for exchange of information about any relevant events/initiatives.

This is the most accessible communication channel and has high coverage among youth.

Publications in mass media. The biggest share of the media coverage (outside of the websites and social media channels maintained by stakeholders with a role in the project implementation/oversight) falls on the Startup Initiative, which naturally attracted the greatest interest of the public. Participation in the WorldSkills International initiative provoked the interest of the media as well.

Knowledge management products. Number of training materials, analytical notes and policy papers was elaborated by the YEP project and made public on accessible platforms. This is considered as a very useful channel to disseminate more specialized and in-depth information and knowledge to interested audience.

Partnerships. Full scale mobilization of partners with a role in YEP project in raising awareness and delivering information is observed. Information on the project opportunities and achievements were regularly published on the partners' websites (i. e. CCI - <https://chamber.uz>, Ministry of Innovative Development - <https://mininnovation.uz>, Ministry for Development of Information Technologies and Communications – <https://mitc.uz>, IT-Park – <https://it-park.uz>, WorldSkills Uzbekistan – <https://worldskills.uz>).

Regional structures of institutions and organizations. Regional and local structures and branches of key project stakeholders (i. e. MELR, CCI, "Ishga Marhamat" Monocenters, Centers for Employment Promotion, Centers for Professional Education, IT-Park) were actively involved in communication activities. This is a very appropriate channel to reach the population in rural and remote areas.

Emphasis on communication and knowledge sharing activities was put in the annual progress reports of the project, where a separate section provided detailed information about all promotional activities performed during the reported period.

A result of this good communication/promotion is the fact that the programme had been able to mobilize additional sources of funding, which doubled the initial budget. Increased interest among target groups for participation in all project activities is evidences.

5. 4. 2. Adaptive management

Adaptive management was identified as an element to assess efficiency due to its approach calling for structured processes and mechanisms for using evidence to inform decisions, thus ensuring the most efficient utilization of available resources. Tracking indicators, using data effectively, and deploying resources to maximize impact are prerequisites for building and sustaining institutional capacity to seize new opportunities and navigate emerging threats.

The assessment focuses on three major elements of an efficient management system: risk management, reporting, and M&E, by analyzing them through the lenses of, firstly, the establishment of respective procedures during the design phase, and secondly, the practical application of those mechanisms for using evidence to inform decision-making.

YEP project document provides a comprehensive risk assessment (including a risk log) which identified five major external risks that may hinder the implementation of the project. A procedure to monitor and manage risks is established in the project document, which can be judged comprehensive, reliable and well-structured. It provides for a quarterly review of specific risks that may threaten achievement of intended results. Risk log should be used to identify and monitor risk management actions. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards.

The evaluation reveals that risk management for the YEP project was fully operational and efficient. Updated risk logs are attached to annual reports for 2020 and 2021. Additional risk was identified in 2020 referring to potential delays/ suspension of project activities.

The following anticipated risks materialized in the lifetime of the project:

- Potential worsening of overall economic situation, which may negatively affect the level of employment;
- Consistency of Government organizational structure and institutional memory;
- Project activities may be delayed/ suspended.

The mitigation measures taken to overcome the consequences of those negative events are appropriate and effective in minimizing their influence on project performance.

Along with risk management, monitoring is an essential part of any project management system. Effective functioning of such system depends on information gathered throughout the implementation - on both physical progress and financial details, its quality and timeliness. Project management must constantly keep referring to the goal and objectives and critically assessing how the activities are contributing to the outputs and how those outputs are leading to the objective. The following elements are identified in the project document as the principal components of monitoring and evaluation: track results progress, learn, annual project quality assurance, review and make course corrections, project report, project review, and final evaluation. The established framework is well-structured and when properly applied could provide credible and prompt data to support evidence-based decision making.

An assessment was made on adherence to the established M&E procedures by the project management, as well as on the quality of data collection activities and reporting. The findings are summarized in Table 14 below:

Table 14 – Review of level of adherence to established M&E procedures

M&E Activity	Purpose and Frequency	Findings
Track results progress	Collect and analyze data on progress towards indicators/ outputs. Quarterly or alternative.	Data on progress is presented annually in the progress reports. System to collect, store and aggregate data in structured form does not exist. Discrepancies between data presented in different sources are observed.
Learn	Knowledge, good practices and lessons learned regularly captured and integrated into project implementation. At least annually.	A separate section on lessons learned is included in the annual reports. The information provided is comprehensive and captures most significant challenges faced during the reporting year, as well as the respective adjustments made. The revised project management structure, applying a cluster approach, establishes a sound ground for knowledge and experience transfer.
Annual project quality assurance	Annual review of strengths and weaknesses to inform project performance decisions.	Project assurance function has been assigned to each Project Board member, as well as to UNDP Programme Officer. Detailed description of responsibilities and tasks associated with quality assurance is provided in Annex 5 of the project document. Proactive participation on behalf of Board members is observed. Requests for additional information on the project implementation were raised.
Review and make course corrections	At least annually, internal review of data and evidence is made.	Review of data and progress is formalized in the annual reports, where correction measures taken are thoroughly described. Also, course corrections are discussed during Project Board meetings and respective decisions were made.
Project report	Progress report presented to the Project Board and key stakeholders annually and at the end of the project.	Project reports for all years of implementation are elaborated and approved by the Project Board. The quality of the reports is satisfactory, though some discrepancies between data on progress exist (i.e. quantitative data on some outputs vary between years and between different sections of the same report). The information provided in annual reports is to some extent repetitive, thus making it difficult to track progress for the reporting period.
Project review (Project Board)	At least annually, Project Board holds project reviews to assess performance.	Project Board meetings were held once a year. Clear agendas were presented in advance and detailed minutes are prepared. Participation of all key stakeholders was ensured. The discussions show active engagement on behalf of stakeholders.
Final evaluation	At the end of the project implementation. To provide evidence of results to meet accountability requirements and to promote learning,	Contracting with international and local experts to perform FE conducted in due time.

Additionally, to streamline project management and to support adaptive management a Multi-annual work plan has been elaborated within the project document. It encompasses all anticipated programmatic and operational costs to support the project, estimated under the relevant components. Respective Annual Work Plans have been prepared for each year of implementation and approved by the Project Board. These AWP detail the list of main activities to be conducted during the coming year following the structure of the log frame (objective, outputs and main activities) of the project. The list of activities planned to be implemented are mostly rephased from one year to the next one. The AWP for year 2021 was approved on April 8, 2021. Tentative schedule for implementation (per quarter) for each activity would add value to the AWP as an effective monitoring and project management tool. Amendments in the AWP were done for the purpose to synchronize with the disbursement of financial resources, together with revisions in the project budget.

The rapidly changing environment during the lifetime of the YEP project caused a number of adaptively measures as follows:

- Change in delivery mechanism, scheduling and intensity of some activities due to COVID-19 restrictions;
- Re-structuring of the project management with a view to overcome staffing problems and to increase efficiency;
- Broadening the scope of support and extending project duration with six months due to increased demand and attracted co-financing;
- Determining the “Yoshlar-Kelajagimiz” Fund as the Responsible Party of the project for the implementation of the Startup Initiative;
- Dropping out some originally planned activities and incorporating or scaling up of others due to redirected strategic targeting and doubled funding.

Albeit data collection and aggregation activities were not well-organized in practice, the project regularly used feedback from M&E to address appropriately and adequately any new challenges and thereby ensure the achievement of established targets.

5. 5. IMPACT

According to the project document and as reflected in the Theory of Change, the expected impact of the project is to increase employment rates, especially among women and youth, via supporting ALMP, promoting entrepreneurship skills and startups, and improving the capacities of MELR in delivering employment services. At that early stage after finalization of project activities, it would be difficult to examine any longer-term effects over well-being of participants and systemic performance. Exploring the situation right after the end of the project could give some prospects about future broader impacts.

5. 5. 1. Transformational change/ Systemic effects

Transformational change refers to a radical permanent qualitative change in the subject being transformed, so that the subject when transformed has very different properties and behaves or operates in a different way.³¹ Significant transformational changes in delivering ALPM in Uzbekistan could hardly be associated with the effects of the YEP project only. It is a widely-recognized national strategic priority with many incentives contributing to the same objective simultaneously. Nevertheless, while the final evaluation could not verify the results due to time constraints, data collected through documents review and during stakeholder interviews show that these contributions have a high potential for transformative effects on ALMP.

The YEP supported the Government in conducting systemic reforms in labour market institutes at all levels via methodological support, innovative solutions for service delivery, equipment and trainings. The project interventions have been guided by Government's priorities and served as a contributor to, rather than an initiator of transformative changes.

Actions targeting at two main directions could be attributed a highest systemic transformation potential: reforms in vocational education and training system, and digitalization of employment service delivery.

"Ishga Marhamat" Monocenters, established in 2019, required intensive support of different nature in effectively enforcing its mandate. The project supported the national initiative in VET reforms by:

- enarming systems with tools to deliver services: the elaborated new curricula and methodological documents for vocational training on 14 professions has been officially endorsed by the MELR and introduced as a standard in all Monocenters;
- enhancing capacities: high-quality equipment for practical training on selected professions, trainings and accreditation for competencies assessment experts, trainings for Monocenters' staff;
- exchange of experience with organizations from the Russian Federation aimed at establishing the WSI movement in Uzbekistan. This was developed systematically within the institutionalized context of restructuring of policies, systems and delivery mechanisms.

Contributions to deployment of Unified National Labour System, and MyMehnat and Labour Migration mobile applications impacted significantly the efficiency of services provided by regional and local branches of MELR. Accompanied by tailored training, these innovations will undoubtedly bring for improving the quality of services for citizens, increase accessibility, and ultimately, enlarging the number of youth in the formal economy.

³¹ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020#monitoring-and-evaluation-1>

5. 5. 2. Change in target groups' situation

Time-constraints of the current final evaluation made it difficult to measure any changes in the well-being of affected by the YEP project target groups, especially what regards establishing a causality between their situation on the labour market before and after participation, as only short-term effects could be manifested. Any influence on the attitudes, skills, knowledge, or behavior of individuals were recorded by the FE only on the basis of their own statements and perceptions for current or future application in practice of received learning/ support. Conclusions below are based on a sample of 9 projects reviewed during field visits.

The YEP project rationale drives for improving the employability of youth through highly professional knowledge and skills gaining, for enhancing entrepreneurship, and for creating new jobs within the formal economy. Small businesses are seen as a driving force for sustainable employment, which in the pandemic period faced even more challenges. Those hindering effects have been taken into account when evaluating the impacts of the project.

The YEP project had a proven effect on vitality of the supported small businesses, and respectively on the employment they generate. Basically, the financial support provided by the project has been considered by the interviewed beneficiaries as the main motivation for participation – crucial factor for their survival in pandemic period. It allowed them to materialize their business ideas in practice, regardless if this was a start-up or existing enterprise.

Profile of beneficiaries visited during field missions is provided in Table 15 below.

Table 15 - Profile of interviewed beneficiaries

	Region	Age	Gender	Initiative	Economic sector	Status
1.	Andijan	25	male	Startup	E-services	Not operational
2.	Jizzakh	52	female	IBS	Textile	Operational
3.	Jizzakh	26	male	Startup	Service, maintenance of factories' equipment	Operational
4.	Kashkadarya	44	female	IBS	Educational services, professional skills	Operational
5.	Kashkadarya	27	female	Startup	Horticulture	Operational
6.	Namangan	49	male	Startup	Machinery, equipment building	Not operational
7.	Namangan	35	male	IBS	Textile	Operational
8.	Samarkand	49	male	IBS	Catering, restaurant	Operational
9.	Samarkand	28	male	Startup	Hotel, accommodation services	Not operational

Significant effects on employment have been observed with regard to the IBS initiative. All four visited projects report on increase in the number of employees with at least 50%, two of them doubled the personnel. On the contrary, three out of five visited start-ups were not operational at that moment, one increased the number of staff from 2 to 4, and one company employed three persons permanent staff and is hiring seasonal workers. Active enterprises are operating within the production and services sectors, all of them possessing a very clear and practical business idea. Those confirmed they increased their income in the last two years and reinvest earnings in business.

Two of the projects show additional positive effects on unemployed target groups:



Photo: Field visit to Kashkadarya

1) a vocational training center in Kashkadarya region provided trainings for 300 women, people in need, young people from “Youth’s Notebook” and returning migrants for free (those are receiving subsidies from the Government), thus increasing their employability;



Photo: Field visit to Jizzakh

2) a sewing workshop in Jizzakh region created 15 jobs from the local mahalla (women registered in the “Women’s Notebook”), which provoked the local authorities to provide additional premises to expand production for free.

All beneficiaries believe their participation caused greatest impact on increasing their knowledge and skills in business management, thus reaffirming the importance of the training component within SMEs and start-ups support programmes. Operational companies confirm their plans to expand their business presenting very practical and feasible strategies in achieving their goals. To make most of them succeed, further tailored support to their businesses would be needed.

5. 5. 3. Catalytic role/ Replication effect

The replicability of practices and results achieved is somehow embedded in the design of the YEP project. Despite that it is not explicitly mentioned in its strategy (objectives and outputs), replicating and scaling-up project achievements was a key criteria to justify the rationale of this project. It was designed as an innovative project seeking to apply integrated principle to interventions planning – simultaneously targeting individuals, companies and public administration. By assessing the chain of

causes and effects of insecurities of the targeted communities (unemployed youth, women, SMEs, structures operating in the ALMP area) and designing interventions that would address these cause-effect mechanisms in a comprehensive way, it was expected that it would improve employability, enhance entrepreneurship and make governance systems better responsive to individuals and employers. It was anticipated that the knowledge accumulated at both national policy level and local level, along with innovative solutions and expertise, will expand the outreach and enhance the effectiveness of supported strategic reforms. The latter revealed in a number of lessons learned, which have been replicated nation-wide (embracing regions outside of the piloted one) and in other similar undertakings.

Some examples of replication effect observed with regard to YEP interventions could be outlined.

Firstly, the support provided to “Ishga Marhamat” Monocenter to settle down its mandate and functioning right after its establishment inevitably contributed to reaffirming the effectiveness of VET reforms initiated. The experiment of Monocenters, launched in 2019, proved to be successful and has been scaled-up nationwide. Recently, based on positive results, a Government decision has been taken to expand the coverage of Monocenters to every region and in a number of selected rayons. These steps have been further accompanied by assistance from other project - "Adapting population skills to the post-pandemic economy in Ferghana Valley". Interviews with key stakeholders informed about future plans to expand the number of working professions covered by the new standards.

Secondly, the additional financing mobilized in the course of the YEP project replicated the small business support and start-up initiatives and allowed for scaling-up the coverage of assistance within the project.

Thirdly, along with YEP project, a number of initiatives have been launched targeting entrepreneurship, self-employment and startup initiatives³² elsewhere.

In addition, taking stock of the results achieved in supporting small businesses, the Government introduced a new type of subsidy modifying the model applied by the project – subsidy for purchase of equipment/ self-employment assistance. The first 40 subsidies have already been provided to entrepreneurs.

³² Among start-up contests and hackathons, not exhaustively: Entrepreneurship World Cup, mGovAward, Tourism. A Path to Innovation, IT Park Cup, Students Cup, World AI & Data Challenge, Open Data Challenge 2022.

5. 6. SUSTAINABILITY

Sustainability of achievements are discussed in the project document. It acknowledges that the sustainability of the project will depend on continued commitment of all stakeholders and persistent ownership of results. Several provisions to achieve sustainability are identified at the outset of the project: enhanced dialogue and capacity building of key project partners; institutionalization of piloted approaches in delivering trainings by existing state-owned structures; transparency and competitiveness of start-ups' selection process and provision of business counselling during project implementation.

The review of this sustainability strategy indicates a rather "superficial" strategy that mentions only few aspects of prospective developments. Meanwhile, promising sustainability potential was detected by the evaluation in other areas of intervention as well. An exit strategy, including a clearly defined plan for sustainability, could be part of any further intervention from the very beginning.

5. 6. 1. Enabling environment

The YEP project operated in an environment embracing political, social, economic, institutional sectors, each of them equally capable to reflect over sustainability of results achieved. Enabling environment for sustainability was considered a combination of conditions that could affect the continuation of positive achievements gained by the project, as the impact of the project could not be sought in isolation from the wider context.

There are a number of factors that enhance the prospects that results achieved on the project will be sustained.

Policy and legislation. The three key areas of the project – education (VET), youth employment and support to entrepreneurship, are among the highest priorities for the Government of Uzbekistan. The persistent commitment over the past recent years towards increasing the adaptability and facilitating the entrance to the labour market of youth, as well as towards creating favorable conditions for SMEs creation and development is crucial for the success in sustaining the YEP project achievements. More in details the youth employment policy framework and the positioning of the YEP project thereof has been already reviewed in Section 4. 2. Coherence.

Acknowledging that fostering SMEs is a driving factor for job creation, a number of significant legislative reforms has been undertaken to improve the enabling environment. These include easy and transparent business registration procedures, fair taxation policies, and policies that actively promote entrepreneurship.³³

³³ Among them could be highlighted: Law of the Republic of Uzbekistan No 418 (29 December 2016). On Amendments and Additions to Some Legislative Acts Related to Adoption of Additional Measures for Accelerated Development of Entrepreneurship, Full Protection of Private Ownership and Qualitative Improvement of the Business Climate
Resolution of the President of the Republic of Uzbekistan ПП-2750 (1 February 2017). On Additional Measures on Improving Mechanisms of Rendering State Services to Business Entities
Decree of the President ПП-2843 (17 March 2017). On Measures to Create Additional Favorable Conditions for Business Activity in the Republic of Karakalpakstan and the Khorezm region
Decree of the President ПП-5068 (5 June 2017). On Development of Scientific-Technological and Innovative Entrepreneurship, Creation of Small Innovative Enterprises, Manufacturing High-tech Products
Decree of the President of the Republic of Uzbekistan (18 July 2017). On Measures to Radically Improve Tax Administration, Increase the Collection Of Taxes and Other Mandatory Contributions

Stable institutional mandate. Continuation of positive effects with regard to interventions targeted at supporting systems and structures operating at the ALMP area through methodological support, elaboration of innovative approaches and business processes, training of staff, technical upgrading depend to a great extent on the institutional stability and maintained mandate of institutions designated to uptake the results of the project. The issue is very relevant to the ownership and acceptance perspective to be reviewed further. At the time of the FE the institutional enabling environment reveals to be supportive to sustainability.

Financing. Access to financial resources is crucial for entrepreneurs seeking to start and grow a business, and the availability of a diversity of financial products and services is an important component of entrepreneurship ecosystems. Financial services should be accessible and appropriate to entrepreneurs at different stages of enterprise development. Efforts have been exerted to address the various challenges confronting SME development, as the main creators of new jobs and employment opportunities. Improving their access to finance as well as their access to business development services have been a key priority on the government's agenda.

Access to financing proved to be one of the major obstacles for SMEs survival and development, especially for those of them who do not obtain a relative financial and operational stability. Particularly, this refers to startups and micro-enterprises. Among micro and small businesses there are low levels of financial leveraging: Almost two thirds of businesses do not attract financing.³⁴

Deficiencies in a country's enabling environment in terms of both (i) SME development infrastructure (business development services, business incubators and business accelerators) and (ii) the overall legal and regulatory framework for financial institutions and SME alternative financing instruments and delivery channels; are potentially the most significant impediments to unlocking substantial SME finance.³⁵

State support for SME development including access to finance is specified in the "Law on guarantees of freedom of the entrepreneurial activity" (new edition) of 2 May 2012 №328 and the "Law on family business" of 26 April 2012 №327. According to these laws, main areas for SME state support are as follows:

- Formation of favorable legal and regulatory business environment;
- Financial and investment support and provision of subsidized lending and guarantees;
- Assistance for creation and development of support infrastructures;
- Business information and consultancy support;
- Export promotion;
- Support for introducing innovations and modern technologies;
- Support for participation in public procurement.³⁶

Decree of the President ПП-5987 (19 July 2017). On Measures of Radical Improvement of the System of State Protection to Legitimate Business Interests and Further Business Development

Decree of the President of the Republic of Uzbekistan UP-5409 (11 April 2018). On Measures to Further Reduce and Simplify Licensing and Permitting Procedures in the Sphere of Entrepreneurial Activity, and Improving the Conditions of Doing Business

Degree of the President No. 5468 (29 June 2018). On Tax Policy Improvement Concept

³⁴ Tadjibaeva, Dildora. ADBI (2019). Small and Medium-Sized Enterprise Finance in Uzbekistan: Challenges and Opportunities, p. 6

³⁵ Ibid, p. 42

³⁶ Ibid, p. 38

Guarantee Fund for Small Entrepreneurship Development was established in 2017 (Decree of the president No 2768 as of 10 April 2017). During the COVID-19 pandemic the capitalization of the Fund was escalated with the aim to increase the amount of guarantees and compensations to cover loan interest expenses.

Government programs supporting SMEs include the interest rate subsidies on loans and fiscal incentives (tax holidays, tax and customs duties exemption), as well as direct lending to targeted industries.³⁷

What regards other interventions of the YEP project, along the support to entrepreneurs, ensuring continuous financing for these incentives on behalf of Government and/or donors is vital for their further deployment in the national ALMP system and scaling up the achievements.

Human capital. Human capital refers to the availability of high-skilled and motivated labour, which is central both to entrepreneurs and the systems to deliver quality services. Though at a certain grade fragmentized and with insufficient coverage with regard to demands, up-skilling programmes/initiatives exist. Further investment in, one side, strengthening the capacity of public services, and on the other, enhancing adaptability of youth as the main generator of human capital, is crucial for ensuring sustainability of the YEP project efforts.

Support. This enabling environment factor refers to the variety of support services available to entrepreneurs. This includes the availability of demand-driven and accessible non-financial business development services like business management training, capacity building, mentoring and coaching, as well as operational services like accounting and legal advice, IT and design support, and sector-specific support. In addition, international practice shows that the government's credit programs for SMEs should be accompanied by consulting support to enterprises, allowing them to optimize investment decisions and minimize credit risks. In reality, however, such support is not provided in most cases. This kind of technical support is especially important for start-up entrepreneurs and small (usually up to 20 permanent employees) enterprises.³⁸ The enabling environment is currently underdeveloped, and if certain initiatives exist, they could not add the required value in ensuring stability of results.

Overall no critical barriers related to the enabling environment were identified. However, it would be beneficial for designing further similar interventions to explore this area and identify potential gaps and barriers in advance, which could limit the long-term sustainability of achievements.

5. 6. 2. Acceptance and ownership

This project has strategic value as it is connected with high political commitment from the Government of Uzbekistan to invest efforts and resources in youth employment and entrepreneurship, especially among women. The issue of acceptance and ownership is crucial for ensuring sustainability, especially in the case of the YEP project, where some of the activities were rather piloted and innovative for the Uzbekistan context.

It should be explicitly noted, that some key achievements of the project are being institutionalized along the implementation and possess the highest rank of likelihood for long-term maintenance:

- Joining the WorldSkills International movement and creation of the WorldSkills Expert Community in Uzbekistan. Results have been up taken by the newly established National

³⁷ Ibid, p. 37

³⁸ UNDP (2020). Study on the Impact of Covid-19 on SMEs in Uzbekistan, p. 8

Association for Development and Popularization of Working Professions, plans for long-term commitment are evident;

- Establishment of the vocational training and independent assessment centers for 14 competencies according to the WorldSkills standards. New curricula and standards are officially endorsed by MELR and vocational trainings are delivered by the “Ishga Marhamat” Monocenters in the regions. Significant scaling up is expected as regulatory steps have been taken to expand the network of Monocenters nationwide. Independent assessment is to be conducted by Competence Assessment Centers, supported by the project, entitled with clear functional responsibilities.
- Contributions made to the deployment of the Unified National Labor System. Mobile applications MyMehnat and Labour Migration are operational.

In addition, the active participation of a wide range of stakeholders in project implementation helped stimulating national and regional ownership, at least in introducing the new business processes and innovative models in their original mandate.

The good manifestation of ownership on behalf of the Government authorities is predominantly caused by the type of support provided by the project – backstopping reforms already initiated by national authorities. Results from the small business support initiative have already been acknowledged by MELR and a new subsidy has been introduced in the national intervention programme.

Though startup initiatives cover mostly a very specific segment of the young unemployed in Uzbekistan (due to the fact that the majority of participants are well-educated young people who fall outside the profile of an unemployed youth), their positive effects were acknowledged by variety of entities operating in the entrepreneurship ecosystem. Moreover, a number of incentives similar to start-up competition are launched by Government and non-Government organizations based on the experience and best practice created by the Startup Initiative.

5. 6. 3. Continuation of positive effects

The prospects for long-term sustainability of project achievements are good, especially for those related to supporting already started Government institutional reforms. The issue is very much connected with the ownership of participating stakeholders and their capacities to further maintain development processes.

What regards the incentives of a piloted nature long-term maintenance is rather questionable. The latter should be considered from two different perspectives: 1) creation of a Government-supported continuous mechanism to support startups and SMEs, and 2) vitality of supported SMEs in longer-term.

The FE didn't reveal a comprehensive national package of support services for entrepreneurship to cover knowledge and experience generation, training, coaching, mentoring, grants and access to loans, credits and advisory services. Though the entrepreneurship enabling environment is relatively well-established, grants are uncommon in Uzbekistan. A number of projects/interventions are currently being executed embracing one or more of those factors influencing stability of entrepreneurial activity, which in turn will contribute to a certain extent to continuation of YEP project positive effects.

In response to assuring long-lasting effect of YEP project achievements, two projects are launched even before the completion of the project, both of them funded under the TFD Youth Window facility. The latter is an expression of both sustained commitments on behalf of the national authorities, and appreciation from the donor's side about importance of such investment and impacts observed. Along with the YEP project, the *Adapting Population Skills to the Post-Pandemic economy in Ferghana Valley*

and *Empowering the Youth to Embrace the Digital Economy and Digital Entrepreneurship* projects started respectively in January 2021 and January 2022. As it was previously mentioned, the management of those three projects has been rounded up under a single portfolio, thus ensuring better coordination of activities and knowledge and experience sharing. Their rationale is very much grounded on YEP project results and lessons learned. A number of interventions under those two projects are designed as a continuation of actions piloted by the YEP project and are built on the experience already gained.

The *Adapting Population Skills to the Post-Pandemic Economy in Ferghana Valley* project complemented to continuation of YEP project outputs (with a special focus on those of them which were innovative by nature for the national context) by: assessing the supply and demand side for professional and technical skills building, designing and implementing short- and medium-term programmes for building technical skills and competencies of self-employed and unemployed in selected most demanded working professions; increasing the capacity of “Ishga Markhamat” Monocenters; designing and establishing regional and cross-border acceleration programmes building on the Start-up Initiatives; creating a network of Digital Innovation Hubs building on Integrated Business Support Initiative; strengthening the capacity of MELR and its regional branches. In addition, the project provides for further upgrading of YEP project results by focusing on digitalization-related skills and enabling environment required by the post-pandemic economy.

A more advanced development and customization of digital entrepreneurship capacity building, advisory services, solutions and value chains targeted at youth and women shall be supported by the *Empowering the Youth to Embrace the Digital Economy and Digital Entrepreneurship* project. Efforts shall be invested in strengthening national systems and structures on dealing with digital entrepreneurship policies as well. One main dimension of the project is programmed at establishing alternative and innovative finance solutions and private instruments to improve access to financing of digital entrepreneurship projects and start-ups.

Efforts to ensure continuation of positive effects have been made with regard to some of the interventions of the YEP project. For example, special requirements are applied towards recipients of equipment under SBS and IBS programmes. Obtaining ownership over received items of machinery/other needed production equipment is linked to the fulfillment of a number of defined obligations. These are introduced to ensure that the small businesses are devoted to further invest in their incentives and shall sustain in their commitment. An external assessment was conducted of SBS-supported entities to review the application of the pre-defined requirements. It revealed that only two of them didn't achieved all the set targets, the others have been processed to transfer of equipment for permanent use. In addition, the beneficiaries are required to provide at least 20% co-financing to the overall budget of the project.

Some key measures to further enhance the potential for sustainability of the project outcomes could be highlighted, again logically divided by the nature of assistance provided:

- Continuous and consistent strategy for strengthening institutional capacities would retain the importance of generated results among the national priorities lobbying for further investment in initiated reforms;
- Provide assistance to public institutions in creating an environment to expand opportunities for youth and entrepreneurs;
- Intensification of joint efforts and building a strong coordination mechanism of initiatives emerged from various sources;
- Further enhancement of digitalization-related skills and entrepreneurship;

- Follow up advisory services and business mentoring after receiving support to start a new business or expand the existing one will allow the positive outcomes go beyond the creation of income generating activities and bring sustainable impacts on business practices;
- At political level, sustained commitment towards supporting entrepreneurial incentives among so called risk groups – those who do not possess sufficient capacity to benefit from existing banking and non-banking financial services. Youth, women from low-income households, people with lower level of education, micro businesses are among those who need reinforced backstopping.

5.6.4. Potential risks

Potential risks that may hinder sustainability of YEP project efforts derive from assessment of shortages in enabling environment and opinions expressed by stakeholders consulted in the course of the FE. The project document has identified ex-ante a number of externalities that could affect sustainability and those have been reflected in the project rationale. All of them are still relevant and are encompassed by the listing to follow.

Interruptions in Government commitment towards further developing the areas falling within the scope of the project would seriously hinder the likelihood of their sustainability. Given the explicitly manifested national strategic priorities towards SMEs and entrepreneurship, and the needs of both the economy and target groups, this risk is of relatively low likelihood of occurrence. What regards the assistance provided to institutional strengthening and transformations, shifts in Government direction, leading to restructuring of structures and systems, are more likely. Possible solution is broadening the knowledge and experience's transfer among organizations and partners at all levels of governance, thus ensuring preservation of intangible assets.

Persistent shortages in administrative capacities to perform responsibilities within the new reforms introduced could lead to blurring the achievements. Along with uptaking deliverables produced by the project, the efforts to generate knowledge and confidence applying new processes among staff shall persist and not being left occasional only in the course of the project.

There are two types of **financial risks** related to: 1) mobilizing needed resources to ensure the implementation of the interventions initiated, and 2) access to various financial instruments and support programmes for entrepreneurs from the high-risk segment.

Viability of supported enterprises could be entitled with high probability what regards YEP project's target groups, which may be influenced by a number of internal and external factors. The most visible in the context of youth entrepreneurship are: low level of financial and business literacy, insufficient experience, lack of continuous support and mentoring after receiving a grant, attracting investors and resources for business realization, availability of and access to markets, etc. According to the World Bank, Uzbekistan has an acute problem of firm survival and jobs sustainability over time, as underscored by its low ratio of net to gross job creation (just 29 per cent on average between 2010 and 2016).³⁹ Consequences of the COVID-19 pandemic additionally intensify this challenges.

The capacity of supported SMEs and start-ups to survive was anticipated as a risk of high probability already in the course of the project implementation. The issue was discussed during the Project Board meetings.

³⁹ World Bank (2018). Growth and Job Creation in Uzbekistan: An In-depth Diagnostic.

The most frequently mentioned problems by the beneficiaries with regard to running their businesses are as follows: i) attracting additional financial resources for development; ii) finding a suitable workforce; iii) compliance with all normative requirements; iv) establishing a stable clients' network.

5. 7. GENDER EQUALITY AND WOMEN'S EMPOWERMENT

5. 7. 1. Responsiveness to needs, policies and priorities

The YEP project document indicates a GEN-2 gender marker, which implies that project outputs will have significant contributions to gender equality, but is not the principle reason to undertake the project. Furthermore, during the formulation phase it was recognized that there is a gender gap in economically active men and women, especially young women. A gender mainstreaming approach was applied which focused on promoting gender equality at all levels of the project interventions, without being a key focus in any of them. All accompanying output indicators are gender-sensitive and clearly capture gender equality into the broader work planned. Whenever appropriate, indicators are disaggregated by sex. Setting gender aggregated target values of outputs would improve the quality of programming from the equality perspective and would show stronger commitment. The project rationale articulates that there is intent to advocate for the elimination of root causes of gender inequalities in the labour market and entrepreneurship.

Although in 2020 women compose 49.7% of Uzbekistan's population, their share in formal employment (41.4%) is lower than that of men (58.6%). From the start of 2020 the national unemployment rate rose from 9.1% in 2019 to 13.2%, with the highest levels being among women (17.4%) and youth (20.1%).⁴⁰

Moreover, the labor market displays clear gender patterns. Women predominate in lower-paid social sector jobs (in agricultural, forestry and fisheries, education, health care, social services, accommodation, catering), while men hold the advantage in numbers in technical and other more profitable fields (construction, industry, transport, communications, information technology). The limited number of formal sector jobs available locally and lack of necessary education, qualifications, and skills make women in rural areas much less competitive in the labor market. They are more likely to work in family-based businesses such as farming or handicrafts, which have significant potential and are supported by the state.⁴¹

Women, especially young women, are among the most vulnerable groups at the labour market in Uzbekistan, which makes the YEP project relevant to the current needs and priorities. Though not specifically targeted and adjusted to this group, the project provides a room for streamlined support towards some of the main vulnerability roots causes of women in employment: low skills, lower level of education, underrated self-esteem, lack of experience and knowledge, limited access to opportunities for financial support, etc.

Considerable share of the project support was devoted to enhancing entrepreneurship and SMEs, including among women. Women have no legal impediments to engaging or participating in income-generating opportunities. Moreover, the government provides constant support for women's entrepreneurship. However, some challenges are acknowledged. The Presidential Decree ПП-4235 as

⁴⁰ Data from Ministry of Employment and Labour Relations of Uzbekistan. <https://mehnat.uz/ru/news/uroven-bezroboticy-v-uzbekistane-sostavil-132-procenta>

⁴¹ Asian Development Bank (2018). Uzbekistan Country Gender Assessment: Update., p. 11. Updated with data from The State Committee of the Republic of Uzbekistan on Statistics. Gender Statistics, <https://gender.stat.uz/ru/osnovnye-pokazateli/trud>

of 7 March 2019 *on measures to further enhancing the system to support and ensure active participation of women in social life*, reveals that a number of systemic problems and shortages still exist that hinder the creation of mechanisms to guarantee women's rights and their effective entrepreneurship.

In 2017, 42.3% of small businesses were headed by women. They mainly occupy micro- and mini-business segments, mostly because of low skills in finance and management. Women-led businesses are in services (34%), trade (16%), nonfood production (16%), food production (9%), agricultural farms (5%), and other spheres (21%).⁴² While access to finance remains a business constraint for both men and women, evidence seems to suggest that women face higher hurdles, particularly for those who own micro and small enterprises.⁴³ There is also a shortage of vocational courses, which could provide women with skills in small business and vocational areas.

What regards partnership arrangements in formulating and implementing the YEP project, no specific mechanisms were revealed by the FE towards organizations operating in the gender equality and women's empowerment area. Though some grounds were laid down by the Government already in 2017. Pursuant to the point 70 of protocol No. 1 of the meeting of the Cabinet of Ministers of the Republic of Uzbekistan on January 14, 2017 "On issues of studying the authenticity of created jobs for women and graduates of vocational colleges, taking concrete measures to increase women's employment and create decent conditions for work and development of women's entrepreneurship", on February 7 of this year the Women's Committee, the Chamber of Commerce and Industry, the Central Bank and the Association of Banks of Uzbekistan developed and approved a joint action plan for Interagency cooperation.

5. 7. 2. Alignment with policies and interventions

Raising socio-political activity and empowerment of women falls within the focus of the Government of Uzbekistan in the recent years. Women's participation in labor market or entrepreneurial activity is not limited by any legislative act. Even more, a number of legal norms have been adopted to safeguard the equal opportunities for women and improving their well-being. At national level, programmes and activities are being implemented to improve the status of women and strengthen their economic rights.

The YEP project is fully aligned with the national strategic and operational framework targeting women's participation at the labour market and entrepreneurship. The project contributed to the following tasks set out in the Uzbekistan Development Action Strategy for 2017-2021:

- Increase of social and political activeness of women, strengthening of their role in public administration;
- Ensuring the employment of women, graduates of professional colleges, broad involvement of them in entrepreneurship, further strengthening the foundations of the family.

In addition, the Presidential Decree ПП-4235 as of 7 March 2019 *on measures to further enhancing the system to support and ensure active participation of women in social life* proclaimed the establishment of Women's Entrepreneurship Centers to operate as business-incubators with the following main responsibilities:

⁴² Ibid, p. 11

⁴³ Tadjibaeva, Dildora. ADBI (2019), Small and Medium-Sized Enterprise Finance in Uzbekistan: Challenges and Opportunities, p. 32

- provide assistance, together with MELR, in retraining of women after a long-term maternity leave and in deprived economic situation, training on professions required by the labour market and placement in employment;
- provide support to women willing to start their own business;
- training on topics related to business organization;
- consultancies in business plan development, taxation requirements, accounting and IT utilization;
- assistance in provision of premises in mahallas for women-led startups;
- assistance in partners' search, purchase of equipment, production distribution, obtaining soft loans.

Amendment of the same Presidential Decree as of 2021 transformed the existing State Trust Fund for Assistance of Women and Family into State Trust Fund for Women's Assistance. The Fund shall support women's entrepreneurship initiatives through allocation of resources in commercial banks and financing actions enabling women to obtain qualification on professions demanded by the labour market.

The Government has scaled up its commitment to support women's skills development and entrepreneurship as part of its response to the COVID-19 pandemic. On October 8, 2020, the President of Uzbekistan announced the introduction of "Women's notebook" and "Youth notebook" in each mahalla, district, city and region to identify women in need of social, legal and psychological support to help them acquire skills and link them with livelihood opportunities by utilizing both state and non-state vocational training centers.⁴⁴

A number of parallel projects targeting women's employment and entrepreneurship are implemented.

In this area, the Women's Committee of Uzbekistan is a government agency that coordinates women's affairs, focuses on assistance to women in the context of strengthening the institution of the family as well as providing support and assistance to women in different fields, such as entrepreneurship, health care, education, culture, etc. Women's Committee of Uzbekistan implemented a number of projects, such as "The Best Woman Entrepreneur of the Makhalla", "The Best Business Project of the Girl Entrepreneur".

UNDP project "Empowering Women to Participate in Public Administration and Socio-Economic Life" (period of implementation between October 2017 and December 2022) focused, among other actions, at supporting start-ups, social partnership initiatives for the development of education and entrepreneurship among women. Under this project a special Center for vocational training was established in Syrdarya region and over 1500 unemployed girls and women attended special trainings. Over 100 new job places were created for women. Technical support (purchase of equipment) was provided to selected enterprises led by women.

UNDP project "Aid for Trade in Uzbekistan" (January 2020 – December 2022) has a separate gender equality component that solely focuses on barriers women entrepreneur face. The following actions are envisaged:

- Conducting survey on existing programmes in support of young/ female entrepreneurs;
- Targeted workshops to continuously identify barriers for female entrepreneurs and develop feedback loop;

⁴⁴ President of the Republic of Uzbekistan, "New system of work on women and youth issues defined," October 8, 2020, <https://president.uz/ru/lists/view/3883>

- Supporting the formulation and establishment of a programme to support young female for entrepreneurship;
- Technical assistance to groups of women in business planning and supporting micro enterprises.

The MELR and the Ministry for Support of Mahallas and Families prepare the World Bank's project "Economic Empowerment of Rural Women in Uzbekistan" financed by a USD 2.7 million grant of the Japanese Social Development Fund. As part of the project, it is envisaged to promote a number of interventions to develop entrepreneurial and business skills of rural women, as well as to provide grants and subsidies to establish and support women's business collectives. Ferghana and Jizzakh regions shall be targeted by the project.

Commercial banks also have special soft loans for women. The WCU, the Public Fund for Women and Family Support and the Joint-Stock Commercial Bank "Microcreditbank" signed in September 2018 a Memorandum to improve microcredit opportunities for women entrepreneurs. The 'Every family is an entrepreneur' programme is launched.⁴⁵

Though no formalized coordination mechanism among all operating interventions was established, no major conceptual discrepancies are observed. All interventions claim their compliance with the national priorities and programmes. At the same time, overlaps could possibly appear at micro level – in providing support to individuals and enterprises, due to the fact that trainings, mentoring, financial and technical support are among the most common actions within the separate interventions.

5. 7. 3. Achievement of objectives

Two actions, defined in the project document, could be pointed out as being the only specifically gender-targeted:

- Support the development and promotion of preschool care services and kindergartens and launching several PPP-based kindergartens in pilot geographic areas;
- Developing methodology and guidelines on gathering gender disaggregated data for measuring youth unemployment rates.

In the course of project implementation, a decision was taken to withdraw support towards preschool care services and kindergartens due to the launch of a large-scale nation-wide Government programme in the same sphere. Methodology and guidelines stated above have been developed.

Achievements of the YEP project towards women mainstreamed within all other actions. Whenever possible, the YEP project monitoring system collected gender-disaggregated data, which have been presented in all information/reporting materials.

⁴⁵ ILO (2020). Women and the World of Work in Uzbekistan. Towards Gender Equality and Decent Work for All. p. 30

An overview of results towards women participation and support by the project is presented in Table 16 below.

Table 16 – Achievements towards women

Initiative	Action	Achievement
World Skills Uzbekistan	Elaboration of new standards on 14 working professions	Half of competencies taught under new standards by Monocenters were on professions predominantly occupied by women.
	WorldSkills championships	Half of disciplines were on working professions predominantly occupied by women
Integrated Business Support	Trainings on business management, marketing, finance and soft skills. Two-month individual coaching.	21% women-led out of the total number of enterprises
	Development of business plans and receive equipment.	30% women-led out of the total number of enterprises
	New jobs created	67% for women
Business Clinic	Online consultations on available assistance measures	20% women-led out of the total number of enterprises consulted
Small Business Support	Provision of equipment	62% women-led out of the total number of enterprises
	New jobs created	70% for women
Start-up (5 th cycle)	Applications received	29% from women
	Participated in training	24% women
	Participated in Demo Day	25 % women
	Winners	25% women

Source: Project progress reports

In general, women's participation in YEP project interventions is around 25%, with the SBS initiative being the most gender-sensitive – female constituting a share of 62% among all supported small businesses.

5. 7. 4. Change in women's situation

Although the YEP implementation didn't have any specific targeting at improving women's situation in a broader context and gender issues have been rather mainstreamed, positive effects towards improving the well-being of women caused by the supported interventions at individual level could be visualized in the visited beneficiaries of support from IBS and Start-up initiatives. Three out of nine small businesses, falling within the sample of beneficiaries, are headed by women: vocational training center and horticulture farm in Kashkadarya, and a sewing workshop in Jizzakh. All of them being operational at the moment of the field visit. Even more, these enterprises distinguished by results achieved in short-term period: increasing the number of employees and expanding their business.

5. 8. CROSS-CUTTING ISSUES

5. 8. 1. Poverty alleviation

“Ending poverty in all its forms everywhere” is the first of the 17 sustainable development goals set by United Nations with a pledge that no one will be left behind.⁴⁶

Economic growth is one of the principal instruments for poverty alleviation and for pulling the poor out of poverty through productive employment and personal advancement. Across the world the creation of micro, small and medium enterprises are seen as a way to drive economic development and transformative growth, and for some, a route out of absolute and relative poverty. Setting up such new enterprises is considered pivotal in the creation of new jobs to engage the labour force and maintain global employment rates and, in the absence of employment opportunities, to provide the unemployed with livelihood opportunities.⁴⁷

Over the past decades the poverty rate in Uzbekistan has dropped from 27,5% of total population in 2001 to less than 11,5% in 2020, and some half a million Uzbekistan youth join the labour market annually.⁴⁸ COVID-19 pandemic reportedly has significantly increased the number of people below the poverty line to 17% in 2021.⁴⁹

To halve poverty and reach upper-middle-income status by 2030 has been set up in the New Uzbekistan Development Strategy 2022 – 2026. Furthermore, the National Poverty Reduction Strategy for 2022 – 2026 stipulates the large-scale measures aimed at increasing the employment rate and entrepreneurship support, improving human capital through improving the quality of educational and healthcare services, improving accessibility of public infrastructure, and countering the environmental degradation.

Being a multi-dimensional phenomenon, poverty requires strategic and successive multi-stakeholder efforts. From this perspective, the YEP project rendered considerable support to the Government of Uzbekistan in tackling two of the major prerequisites of poverty reduction – employment and education (vocational education and training). The project encompassed a variety of actions targeted at youth and women - vulnerable groups on the labour market at risk of falling into poverty. Aside from direct support at individual level (unemployed persons and SMEs), transformative changes in systems and structures has been backed up. Those efforts have been encompassed within the broader national strategy towards poverty alleviation, which proved their relevance and added value.

⁴⁶ United Nations. Transforming our world: the 2030 Agenda for Sustainable Development. The UN General Assembly, A/RES/70/1. 2015

⁴⁷ United Nations Department of Economic and Social Affairs. (2020) Exploring Youth Entrepreneurship, p. 4

⁴⁸ The State Committee of the Republic of Uzbekistan on Statistics. <https://stat.uz/en/official-statistics/living-standards>

⁴⁹ To assess poverty, Uzbekistan uses the World Bank concept, which is based on household surveys and sets absolute poverty at 2,100 calories per person per day. The government classifies the vulnerable and low-income population as poor, and sets the low-income threshold at 1.5 times the minimum wage.

5. 8. 2. Capacity development and improved governance

Three levels of capacity development have been supported by the YEP project, evidenced by achievements in targeting people, systems and structures. Those were assisted to obtain, strengthen and maintain their capabilities to set and achieve their own development objectives over time. Capacity development and knowledge management could be observed from the perspective of both main objective, and crossing line throughout all the project activities. The approach established for the YEP project perfectly corresponds to the principles defined by UNDP with regard to capacity development.⁵⁰

Three points where capacity is grown and nurtured are identified: in an enabling environment, in organizations and in individuals. These three levels influence each other in a fluid way – the strength of each depends on, and determines, the strength of the others. The reflection of this approach within the YEP project is clearly visible and could be briefly outlined as follows:

1) Enabling environment. The project assisted the Government of Uzbekistan in further developing the active labour market policy by contributing to the creation of a number of legislative norms, policy frameworks and mandates needed for the lasting transformative reforms implemented. Some key YEP project achievements can be highlighted by their contribution to contextual transformations: establishment of the WorldSkills international movement in Uzbekistan leading to great modifications in the vocational education and training system; development of the Labour Code in a new edition; development of methodologies and documents to establish a unified approach in taking measures to promote employment and improve VET system.

2) Structures. Systemic approach formalized in changed norms and principles that lead to satisfactory immediate results in transformational processes rarely could be sustainable if they do not also strengthen structures at all levels of governance from the perspective of available resources: procedures and delivery mechanisms, budgets, methodological guidance, staffing and their respective capabilities in applying effectively the new norms introduced, knowledge sharing and continuous learning. In this respect, the YEP project provided significant support to the Government in establishing innovative models in service delivery, and empowering and strengthening endogenous capacities. The project backed up with methodological support, equipment and trainings the newly established “Ishga Marhamat” Monocenters. Methodological papers and training manuals on delivering vocational trainings on selected professions were elaborated. Labour market assessment and forecasting designs were created. Extensive training and learning activities were conducted. New IT applications and software packages (“My Mehnat” and “Labour Migration”) were introduced in public services’ business processes, which eased the interaction and service delivery among institutions and target population.

3) Individuals. Access to resources and experiences that can develop individual capacity are largely shaped by the organizational and environmental factors described above, which in turn are influenced by the degree of capacity development in each individual. The project invested in improving

Capacity Development Integrated System

Enabling environment: broader system within which people and organizations function. It includes all the rules, laws, policies, power relations and social norms that govern civic engagement

Organizational level: internal structure, policies and procedures that determine an organization’s effectiveness.

Individual level: skills, experience and knowledge that allow each person to perform. Some of these are acquired through formal training and education, others through learning by doing and experience.

Source: UNDP (2015). Capacity Development: A UNDP Primer

⁵⁰ UNDP (2015). Capacity Development: A UNDP Primer

capabilities of physical and legal entities – youth, women, start-ups and SMEs. The latter was delivered by a variety of mechanisms: specialized trainings, mentoring, coaching, financial and material support. The focus on knowledge generation and personal empowerment striving for increased self-confidence has the greatest added value to capacity building at this level.

Capacity development efforts at the first two levels could be associated with the principle of improved governance.

The FE reveals that YEP project interventions are well-designed and coherent with regard to the recognized approaches in dealing with capacity development issues.

5. 8. 3. Social and Environmental Standards (Safeguards)

UNDP's Social and Environmental Standards (SES)⁵¹ are an integral part of UNDP's quality assurance and risk management approach to programming. The SES require that all UNDP programming maximizes social and environmental opportunities and benefits as well as ensures that adverse social and environmental risks and impacts are avoided, minimized, mitigated and managed. The implementation of a project's "safeguards" measures can therefore have significant bearing on its results overall.

The following responsibilities were entrusted to the MELR in its capacity as Implementing Partner to ensure compliance with SES in the course of YEP project formulation and implementation:

- 1) conduct project-related activities in a manner consistent with the SES;
- 2) implement any management or mitigation plan prepared for the project to comply with such standards;
- 3) engage in a constructive and timely manner to address any concerns and complaints through the Accountability Mechanism.

Screening of risks which may hinder the SES was conducted during the project formulation phase, which revealed only one possible risk associated with the capacity of duty-bearers to meet their obligations in the project.⁵² This risk was assessed in the risk analysis and properly included in the risk log, updated yearly. The risk related to consistency of Government organizational structure and institutional memory materialized in the lifetime of the project. Necessary and appropriate mitigation measures have been taken to overcome the consequences of those negative events, which prevented from major hindering the project overall performance.

The YEP project strictly followed the SAS overarching principles: 1) human rights, 2) gender equality and women's empowerment, and 3) environmental sustainability. Moreover, the project ultimate objectives strive for and directly contribute to improving the conditions of people suffering of poverty and especially women.

No harm on any of the indicators related to environmental sustainability was revealed by the FE.

⁵¹ <https://www.undp.org/accountability/social-and-environmental-responsibility/social-and-environmental-standards>

⁵² The SES screening procedure is published on the UNDP CO web site.

5. 8. 4. South-South and triangular cooperation

Manifested officially for the first time in 1978⁵³, the South-South cooperation⁵⁴ strives for solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment of internationally agreed development goals, including the 2030 Agenda for Sustainable Development. Triangular cooperation is collaboration in which traditional donor countries and multilateral organizations facilitate South-South initiatives through the provision of funding, training, management and technological systems as well as other forms of support.⁵⁵

South-South and Triangular Cooperation has been seriously considered during both the formulation and implementation phases of the YEP project. The project document reveals for the establishment of mechanisms for exchanging experience and knowledge among relevant state authorities, international development organizations (i.e. ILO, JICA, World Bank, ADB, KOICA, GIZ, EU, UK Embassy) involved in private sector development, youth and women entrepreneurship development, and skills development initiatives in order to increase the overall impact of the efforts. Interventions supported by different donors, operating in similar to the YEP project area, were approached in order to establish coordination and exchange of experience.

⁵³ United Nations General Assembly (1978), Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries. Adopted by Resolution 33/134, <https://digitallibrary.un.org/record/187203?ln=en#record-files-collapse-header>.

⁵⁴ Operational definition of South-South cooperation has been endorsed by UN in 2016, as follows: *a process whereby two or more developing countries pursue their individual and/or shared national capacity development objectives through exchange of knowledge, skills, resources and technical know-how and through regional and interregional collective actions, including partnerships involving Governments, regional organizations, civil society, academia and the private sector, for their individual and/or mutual benefit within and across regions*. United Nations (2016). South-South Cooperation for Development. Framework of Operational Guidelines on United Nations Support to South-South and Triangular Cooperation, p. 5

⁵⁵ United Nations Office for South-South Cooperation. <https://www.unsouthsouth.org/about/about-sstc/>

6. MAIN FINDINGS, CONCLUSIONS, RECOMMENDATIONS AND LESSONS

6. 1. Main findings

Relevance and synergy

When considering the objectives of the YEP project, which is to focus on support to promote youth employment in Uzbekistan by helping the Government implement initiated active labour market initiatives, at the formulation phase it was well aligned with the political, economic and social context in Uzbekistan.

There is a clear strategy in place to build and develop partnerships already in the project document. It has resulted in additional sources of funding which doubled the initial financing and the good level of continuation of results. The approach used by the project to engage stakeholders resulted in a strong ownership of achievements, which should secure the long-term sustainability of these achievements.

The project displayed an adequate adaptive management towards significant changes occurred by succeeding to stay aligned to priorities and urgent needs. COVID-19 pandemic and its consequences on the socio-economic situation in the country influenced the most the YEP project's modus operandi, implementation dynamic, and targeting.

Final evaluation ranked the YEP project with a high-relevance grade as being fully responsive to the needs of beneficiaries identified in the project document. The project strategy and delivery mechanism was adaptive to the changing environment and increased demand in certain contributions.

Effectiveness

The project performed well judging through the existing set of performance indicators, targets, activities performed and satisfaction level of the beneficiaries and key stakeholders. A certain deviation from the initially planned interventions is observed – mainly caused by changing priorities of the Government and the negative impacts of the COVID-pandemic.

The project supported the Government of Uzbekistan threefold: 1) institutions and processes/ policies set up and development; 2) support the entrepreneurship among target groups, especially youth and women; and 3) technical assistance to institutions operating in the ALMP area.

The efforts of the YEP project concentrated on supporting entrepreneurs to start their own small business or to further enhance development of the existing one through implementation of several initiatives.

Efficiency

An additional co-financing of USD 1,208,608 was attracted since project start. The additional budget mobilized, which doubles the original funding of the project, is an excellent achievement which shows the strong interest in this initiative from other both national and external/international donors, and the importance of the YEP project for the efforts of the Government of Uzbekistan in tackling the consequences of the COVID-19 pandemic. The distribution of expenditures among activities is adequate and aligned with the demands of target groups in the pandemic period and the priorities of the Government to mitigate the influence of the crisis.

The administrative and financial system put in place by the project has been providing the required service to the project as expected. Management challenges associated with staffing problems has been overcome with a new project management approach introduced. Cost-efficiency of the portfolio management applied is clearly visible, as besides reduced administrative costs, it can be considered as a precondition for scaling-up and sustainability of achievements.

The established partnerships within the YEP project supported to a great extent the delivery mechanism of most of the initiatives implemented.

The project performed well in rising interest in the provided financing opportunities. The communication and information activities carried out for potential beneficiaries/beneficiaries can be considered adequate and effective.

The established monitoring framework is well-structured, but some shortages in the system to collect, store and aggregate data in structured form for the purposes of M&E were revealed. Albeit data collection and aggregation activities were not well-organized in practice, the project regularly used feedback from M&E to address appropriately and adequately any new challenges and thereby ensure the achievement of established targets.

Impact

The YEP supported the Government in conducting systemic reforms in labour market institutes at all levels via methodological support, innovative solutions for service delivery, equipment and trainings. The project interventions have been guided by Government's priorities and served as a contributor to, rather than an initiator of transformative changes. Actions targeting at two main directions could be attributed a highest systemic transformation potential: reforms in vocational education and training system, and digitalization of employment service delivery.

The YEP project had a positive effect on vitality of the supported small businesses, and respectively on the employment they generate.

Sustainability

This project has strategic value as it is connected with high political commitment from the Government of Uzbekistan to invest efforts and resources in youth employment and entrepreneurship, especially among women. The prospects for long-term sustainability of project achievements are good, especially for those related to supporting already started Government institutional reforms. Some key achievements of the project are being institutionalized along the implementation and possess the highest rank of likelihood for long-term maintenance.

The good manifestation of ownership on behalf of the Government authorities is predominantly caused by the type of support provided by the project – backstopping reforms already initiated by national authorities. Results from the small business support initiative have already been acknowledged by MELR and a new subsidy has been introduced in the national intervention programme.

Potential risks that may hinder sustainability of YEP project efforts derive from shortages in enabling environment related to policy and legislation, stable institutional mandate, financing, human capital and support.

Gender equality and women's empowerment

A gender mainstreaming approach was applied which focused on promoting gender equality at all levels of the project interventions, without being a key focus in any of them. Though not specifically targeted and adjusted to this group, the project provides a room for streamlined support towards some of the main vulnerability roots causes of women in employment: low skills, lower level of education, underrated self-esteem, lack of experience and knowledge, limited access to opportunities for financial support, etc. In general, women's participation in YEP project interventions is around 25%, with the SBS initiative being the most gender-sensitive – female constituting a share of 62% among all supported small businesses.

6. 2. Conclusions

The YEP project was designed as an innovative project seeking to apply integrated principle to interventions planning – simultaneously targeting individuals, companies and public administration. It was highly relevant to needs and context, and particularly strong in adapting to environmental and policy changes over time. The project served as an effective platform for scaling up support to the Government in time of the crisis building on the existing project capacities, governance and management arrangements, partnership network, knowledge base and expertise.

Being aligned to emerging demands, its interventions received greater support among stakeholders, which influenced the delivery and efficient use of resources, as well as the degree of ownership of the resulting benefits (and this their sustainability). This contribution took place during a time of rapid change, including the implementation of key reforms, which led to a very high level of appreciation regarding the project adequacy and relevance to the needs of youth and small businesses on behalf of all stakeholders and beneficiaries.

6. 3. Recommendations

The FE recognizes the considerable achievements of the project and would like to make the following recommendations. They are in no particular order.

Recommendation 1: Sustainability challenges should be addressed through broad discussions involving key state and donor stakeholders at the very initial phase of the project formulation. An exit strategy, including a clearly defined plan for sustainability, could be part of any further intervention from the very beginning. It would be beneficial to explore critical barriers related to the enabling environment and identify potential gaps, which could limit the long-term sustainability of achievements, in advance. To ensure continuation of positive effects, sustainability assessment of beneficiaries receiving start-up support should be performed during the selection phase. Mechanisms for sustaining institutional memory need to be constantly introduced at all levels of governance.

Recommendation 2: Follow up advisory services and business mentoring after receiving support to start a new business or expand the existing one will allow the positive outcomes go beyond the creation of income generating activities and bring sustainable impacts on business practices. This includes the availability of demand-driven and accessible non-financial business development services like business management training, capacity building, mentoring and coaching, as well as operational services like accounting and legal advice, IT and design support, and sector-specific support. When transfers of cash or equipment (other tangible assets) are made to vulnerable groups and combined with skills training, business mentoring, coaching and follow up advisory services, the positive outcomes can go beyond the creation of income generating activities, and bring sustainable impacts on business practices and earnings.

Recommendation 3: Intensification of joint efforts and building a strong coordination mechanism of initiatives emerged from various sources are needed to generate greater and sustained impact. The latter is specifically valid at operational level.

Recommendation 4: Enhanced involvement of regional and local authorities in all stages of project implementation is needed – from formulation to exit strategy enforcement. On one side, this will contribute to expanding the coverage of interventions in remote and rural areas, and on the other, strengthening the capacity and ownership of institutions and organizations operating at these levels of governance.

Recommendation 5: Additional efforts are needed with regard to the M&E system: Monitoring system established in the project document is clear and comprehensive, but data collection and aggregation activities suffer from certain shortages. To eliminate bias and inconsistencies in data collection, a good practice would be to develop a separate protocol per output indicator containing the following information:

- precise definition – state exactly what should be measured. The definition must be detailed enough to ensure that different people at different times, will use the exact same definition (have the same understanding). Clarification of each term used in the output definition would be useful;
- disaggregation variables – identify how data will be separated to improve the breadth of understanding of results reported (age, gender, geographic location, etc.);
- data source – place where the original data are obtained;
- frequency and timing of data acquisition – how often the data are to be collected;
- baseline and target values.

6. 4. Lessons learned

Several lessons learned are presented below. There are based on the review of project documents, interviews with key informants and analysis of the information collected for this evaluation:

- High relevance to Government objectives, the context and the needs of target groups guarantees higher likelihood of sustainability and ownership of results achieved by the project;
- Flexibility of the project interventions allowed for better responding to changed priorities and circumstances. It provided the project with ability to perform efficient adaptive management;
- Portfolio management approach of several interventions targeted at similar objectives increases the efficiency and effectiveness;
- Enhanced engagement of all relevant stakeholders supports the delivery of interventions and provokes ownership.

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7. ANNEXES (attached to this final evaluation report)

ANNEX 1: Term of Reference

ANNEX 2: Field visits itinerary and persons interviewed

ANNEX 3: List of stakeholders interviewed remotely and distributed written questionnaires

ANNEX 4: List of documents reviewed

ANNEX 5: Evaluation matrix

ANNEX 6: Questionnaires used

ANNEX 7: Signed UNEG Code of Conduct forms

ANNEX 8: FE Audit Trial Form