**UN Joint Programme “Building the resilience of communities affected by the Aral Sea disaster through a Multi-Partner Human Security Trust Fund”**

**IMPACT ASSESSMENT REPORT**

**ON SOCIAL INFRASTRUCTURE AND BUSINESS DEVELOPMENT PROJECTS IN KARAKALPAKSTAN**

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1. **Background**

UN Joint Programme “Building the resilience of communities affected by the Aral Sea disaster through a Multi-Partner Human Security Trust Fund” has been launched in October 2016. The Joint Programme is being implemented through joint funding from the participating UN agencies and the UN Human Security Trust Fund.

The purpose of the Programme is to mitigate inter-connected risks to human security and build the resilience of communities affected by the Aral Sea Disaster through an integrated and multi-level approach as well as facilitating sustainable financial support through the establishment of a multi-partner human security Fund for the Aral Sea. The main objectives of the programme are to i) address the human security needs of the population affected by the Aral Sea disaster at local and national levels and ii) establish a well-coordinated financial mechanism for implementing and sustainable financing of human security initiatives to promote the human security approach in target districts.

Within the framework of UN Joint Programme the UNDP hired a National Consultant on Community Development in order to conduct an impact assessment of the social infrastructures and business projects based on income generations. As per the concept note, the assessment was held in 3 target districts: Shumanay, Takhtakupir and Muynak.

1. **Methodology**

A qualitative case study approach with a realist perspective, i.e., exploring the processes in their naturally occurring environment was adopted. A combination of focus group discussions (FGDs) and individual interviews was used. Where respondents were homogeneous, interaction was expected to enhance data quality and the discussion was unlikely to include sensitive personal issues, FGDs were conducted. Individual interviews were conducted where respondents were busy professionals and the national consultant had to meet with them one-on-one. Purposeful sampling was done to gain access to the insights of particular subgroups and to triangulate information to draw conclusions. All entrepreneurs that benefited from UN Joint Programme were included in the study; the direct and indirect beneficiaries of the social infrastructure projects were invited to take part in focus group discussions. The study objectives were explained before consent was requested. Verbal consent from participants was obtained before the interview or FGD. Semi-structured guides were developed for each category of respondents based on resources available. Attention was given to the main questions, followed up with sub questions and probes, so as to draw maximum information in a systematic way. Open-ended questions that would generate discussion, rather than closed question that would lead to ‘yes’ or ‘no’ responses, constituted the main part of the interview guide. Modifications to the guides were made as the consultant moved from one discussion to the next. For business projects, the FGDs with customers and direct and indirect beneficiaries were held at the shop or the respective point to create convenience for the group participants and the interviews with the respective stakeholders were conducted at their workplaces. For all types of respondents, the discussions were continued until a data saturation point was reached, i.e., no further additional information was being obtained. Discussions were conducted by the consultant only; he moderated the discussion while taking notes on the flip board. All discussions were carried out in Karakalpak, later they were translated into English. The interviews and discussions were analyzed.

**Impact Assessment Outcomes:**

**Day 1**

**SHUMANAY DISTRICT**

**Water project in Berdibay community**

Some sections of the population of Shumanay district are exposed to unsafe water and sanitation. Access to piped water has improved, but more than 45% of the population has no access to piped water in the district. Especially, the remote communities are suffering from drinking water scarcity issues. Most people rely on hand-dug wells and hand pumps which do not meet the sanitation norms. Expanding safe piped water, especially in remote areas, is thus a critical priority for the district.

In order to mitigate this burden and enable access to safe drinking water, the UNDP held a water project in Berdibay community together with the local water institution in 2017. This joint project provided 34 households with clean drinking water.

An impact assessment was conducted to examine the project's potential negative and positive impacts to develop measures that are needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve its social performance. As an initial step in accordance with the concept note, a focus group was conducted with the residents of “Berdibay” community on September 10, 2018. The results of the focus group showed overall satisfaction with the new water network system. According to the participants, the past tiresome task of fetching unsafe water from distant places has been resolved. Nevertheless, access to tap water was not constant, i.e. only once a day. The water is dispatched from the central point for half an hour a day. This issue created some difficulties since they have to give up other tasks and wait for the water. Since the school #17 which is located in the community is in the balance of the Education Board, it was not connected to the central water network. Thus, the school administration is forced to carry water from neighboring places to provide the staff and school children with clean drinking water. During the talk with the school administration we learned that the school had applied to the Board with a request to get a tap water in the school yard and it was recently confirmed. So, this issue would be resolved in near future.

The group participants say that the existing old pipeline in Lomonosov street is badly worn out. The ground water gets mixed up with the clean water and thus, people get contaminated water from this line. The 35 households are connected to this line. They inquired assistance from UNDP in replacing the old pipeline.

Additionally, a series of problems have been identified during the focus group. The members of the focus group included direct and indirect beneficiaries. Secondary School #17 teachers were indirect beneficiaries since they were from other communities. Based on this fact, they expressed other concerns in regards with access to clean drinking water in other communities, dilapidated condition of the school building, worn out condition of the kindergarten, maintenance of the main road as well as low power supply issues in newly developed communities.

**Income Generation Project “Beauty Salon Malika Sofia”**

***Focus group discussion with beauty salon clients***

Another focus group discussion was conducted with the clients of the beauty salon “Malika Sofia”. The clients were asked of the advantages and disadvantages of the newly established beauty salon. All of the participants confirmed that the salon was the most up-to-date and convenient one in the district. Besides, the owner of the salon (the initiator) has a large client pool and they are likely to use her service other than searching for other places.

Moreover, clients stated that the cleanness of the premise also played a big role for attending this place. The premise fully meets all sanitation standards and is equipped with all heating and cooling device to ensure convenience for clients. Additionally, all tools and equipment are clean and properly functioning. During the discussion it became clear that the client pool was expanding owing to the above mentioned factors.

The salon staff disposes wastes in line with the norms set by the sanitarian and epidemiological station and follow eco-friendly measures.

There are two more beauty salons in the community. They are Guldana – Gulshana “Elvira” and “Kristall”. However, many women prefer the “Malika Sofia” beauty salon. Because they believe that it is reliable, comfortable and offer fair prices.

**Income Generation Project “Furniture Shop - Ellion Sharap”**

***Focus group discussion with Ellion Sharap clients***

The furniture shop “Ellion Sharap” was selected as a venue for conducting the focus group discussion with clients. All participants were female clients of the store.

They said that they are regular customers of this shop. Initially they have heard about this place from friends and neighbors. Some respondents told that they noticed the store while passing by the street.

The respondents provided positive feedback about this store. They said that they had to trip to Khodjeili district or Nukus city in order to buy a furniture. That was very costly for them since they had to pay for transportation. Moreover, these stores had different price standards for the same furniture, i.e the clients had to pay 25% more if they had to pay through debit card or pay in monthly installments.

Currently, the shop is very convenient for Shumanay people in terms of its payment terms, location, quality of products as well as attitude to customers. The shop offers the clients different payment options without charging additional value for the same product. The clients said that the owner of the shop is well aware of the social condition of the local people. Some people, especially newly married families may not be able to purchase furniture at once. Therefore, these people can buy products at a fair price with conditions to pay in installments. Additionally, the shop manufactures high quality products and there have been no complaints about it.

People said that this is the only furniture shop in the district. Therefore, lots of people from different points of the district visit this place and they have large selection of products. They can get different types of dressers, chests, wardrobes, kitchen nook and sideboards at this store.

The clients expressed their wish on expanding the shop with different departments such as bedding items, kitchen tools, and so on.

**KEY INFORMANT INTERVIEWS (KII)**

***Interview with the Head of Water Distribution Unit in Shumanay district***

An individual interview was conducted with the head of Shumanay branch of Tuye Moyin State Unitary Enterprise. He was designated to this position a year ago. Before, he worked as an engineer for the same company for 4 years.

47 people work in this company. Out of 47 personnel: 38 males and 9 females. The premise of the company was provided by the company and they do not pay any rental fees. The building of the company is consisted of 3 rooms and 4 labs. The lab rooms are designed to take water sample and submit it to Sanitarian and Epidemiological Station (SES). Thereupon, the company dispatches water upon permission of SES.

The water supply company covers the district center, Ak Jap, Dauletbay village, Sultash and Myrzamurat communities.

According to the head of water supply company, the rate of coverage with clean drinking water is as follows:

District center – 95%

Myrzamurat community -100%

Dauletbay community – 98%

Sultash community – 40%

Generally, there is no specific water network for Sultash community. The index show above is due to the fact that people living nearby the main water network has initiated an activity to get connected to the network.

Overall condition of the building of Water Supply Company is below satisfactory level. The walls are worn out; the heating system does not work properly. The furniture is not enough for personnel, i.e. they need more chairs and tables (16 chairs and 5 tables).

The main responsibility of the water supply company is to provide the local population with clean drinking water, to ensure technical maintenance, household connections, to install water counters, identify new spots and provide suggestions in terms of clean drinking water delivery. Additionally the company is responsible for designing tables and schemes to supply schools, kindergartens and rural health points with clean drinking water.

Presently, the rate of coverage with clean drinking water throughout the district is 41%. The company intends to reach 75% of coverage within 5 years. The head of the water supply company stated that it was not possible to cover the whole district population since there are a lot of communities with sparse population.

Over the last 2 years the company made good achievements. The company performed 12 types of technical maintenance in various communities. 12 sites were provided with clean drinking water. (The list is attached).

Nevertheless, there are still many challenges in providing population with clean drinking water. For instance, the company has three water pumps. These water pumps are used to dispatch water to the communities. The company cannot use all of the three pumps due to the worn out condition of the power transformer. The capacity of the power transformer is 250 kva and the company needs additional 250 kva power transformer in order to use three pumps simultaneously. This old power transformer is being utilized for over 20 years. Due to the absence of truck-type loaders, maintenance of water pipelines is creating lots of difficulties during late fall and winter seasons.

The water supply company does not get monetary budget from the capital. They get stationaries, uniforms and some minor instruments and tools by the Nukus branch of Tuye Moyin State Unitary Enterprise.

The Water Supply Company closely collaborated when running the UNDP water project in Berdibay community. The company workers organized and held explanatory works with the population on the importance of water savings and the benefits of water counters. Besides, the company workers met with the initiative group members of the community and assisted in providing the subcontractors with lodging and hot meals during project implementation. During the implementation period, Tolep Allanazarov, personnel from Water Supply Company was assigned as a monitoring person. He was designated to this position in order to ensure smooth flow of the project and to prevent malpractice by subcontractors.

The water supply company has been suggesting the upper levels to deliver clean drinking water to Berdibay community for many years. Unfortunately, this suggestion was left unresolved due to various reasons. The UNDP helped to resolve this issue in one year.

The head of the water supply company assumes that if the company keeps working with the same speed, then they can cover the 70% of district population with clean drinking water in 3 years. The head of the company requests to assist in installing hand pumps in remote areas where populations are sparkled.

The head of the water supply company confirms that there have been and still going on government led programmes in Shumanay district. Fund for saving the “Aral Sea”, EKOSAN, “Obod qishloq (Prosperous village)” programme and “Toza ichimlik suv jamgarmasi (Fund for clean drinking water)” have been replicating the project in various communities of the district.

***Interview with the Initiator of the Beauty Salon “Malika Sofia”***

An individual interview was held with the initiator of the salon on September 12, 2018. The beauty salon was selected as a venue for conducting the interview.

The enterprise was established on 15.02.2016. However, the entrepreneur could not run her business due to the lack of financial and material resources. Thereby, the UNDP rendered assistance in re-equipping the enterprise and make it fully functional.

The facility of the enterprise is the own estate of the entrepreneur. Six beauticians work for the salon. All of them are women. They provide service for women from all age ranges: 7-70 y.o.

The overall condition of the building is very good. The facility was recently renovated. All equipment and furniture are new. The facility is a 2 roomed building. First room is used for rendering hair care services. The second room is for renting out the wedding costumes. Besides, the facility is located in the district center which is comfortable for the staff to come to work.

The beauty salon on average serves 50 persons per day. The owner of the salon has dedicated herself in hair care. She considers it as the most enjoying job for her. The hair salon offers different types of hair care services. They are such as cutting and styling, single process coloring, quick weave, and up-do.

The pricing for haircuts is UZS 10 000. The enterprise is planning to create a spot for manicure/pedicure services.

The beauty salon purchases all necessary items from Khazarasp, a district in Khorezm region. The initiator spends UZS 200 000 for buying needles and other items for ear piercing; hairstyling products and hair pins – UZS 100 000; hair color for dying hair – UZS 300 000-400 000.

Monthly revenue from utilizing those items is UZS 3.5 – 4 mln.

Expenses for electricity range from UZS 100 000 to 200 000 depending on the consumption level. There is a tap in the facility. Monthly payment for water is about UZS 10 000 per month. The facility has installed a filtering equipment. The staff boils the water before using for services.

The enterprise has no fixed monthly salary for the staff. The employees work on a contract basis, i.e. they pay the half amount of the money they earned from the service. Besides, one employee has a different a contract type. She pays the enterprise UZS 70 000 per week to render hair care services at beauty salon.

Since the owner of the enterprise is engaged in several businesses (fishery, wedding costumes rental and beauty salon) she pays a Flat tax at the amount of UZS 1 200 000 per month (15% +8%).

The owner says that before receiving assistance from UNDP she worked alone. Nowadays she has 6 employees and 4 apprentices. The UNDP has purchased 90% of all furniture in the salon. The rest items were bought from her own pocket. Additionally, she carried out a full renovation of the facility. She spent UZS 25 mln for repairing walls, installing air conditioner and water boiler. The government was helpful with her ideas and helped to obtain loan for creating fishery in Shumanay district.

The initiator believes that she is successful with her business owing to her motivation, energetic attitude and confidence in herself. She says that she has not faced any challenges during project implementation and considers that everything ran as expected. In case of any difficulties she can rely on the assistance by the government since she received support from local Khakimiyat, Tax Company and district attorney.

Nowadays, client pool is increasing owing to the modern look of the facility, services qualities and fair pricing. People make phone calls before coming to the salon or some people just visit the place whenever they have time. The operation hours of the salon is from 9-00 to 19-00. Sunday is an off day.

***Interview with the Initiator of the Furniture Shop “Ellion Sharap”***

A one-on-one interview was conducted with the initiator of the furniture shop. The name of the initiator is Rakhat Berdibaev. He is 43 years old. He has been running the furniture shop for 6 years. The initiator has employed 4 people. Out of 4 employees: 3 males (carpenters) and 1 female (salesperson). The facility of the furniture shop is rented. The initiator pays UZS 450 000 per month. There are 4 rooms in the shop.

Overall condition of the facility is below satisfactory level. The building is old, no heating system and it needs capital renovation.

The shop serves over 2000 people. They come from every parts of the district. The furniture shop sells additional items as well. They are such as dishes, home appliances and furniture. Apart from furniture production, the initiator is engaged in farming. He also works at the Agricultural college #2 as a teacher. Moreover, the initiator has made negotiations with the local Khakimiyat and got approval for constructing kindergarten and equipping them with furniture in the near future.

In the past, the enterprise used to purchase ready-made items from other regions, collect furniture pieces and manufacture furniture. Currently, the situation has changed owing to the assistance provided by UNDP; the enterprise is now able to produce own furniture.

Nowadays, the enterprise manufactures dressers, various modern chests, kitchen corners and cupboards. The production rate depends on the demand by the clients. For instance, the enterprise was able to sell 10 chests, 4 kitchen corners and 3 dressers within 2 months. Clients do not visit this place very often due to the fact that it is a small shop and it is located in the remote district. Therefore, it is normal case to accept 1 or 2 clients per 5 days.

The head of the enterprise says that he is selling his products at a fair price. Clients also confirmed his words during the focus group discussion. One of the advantages of the shop is that they offer solid fair price on different terms. Consumers can pay in cash, through money transfer or debit card at the same price in installments. The prices for the furniture are as follows:

|  |  |  |
| --- | --- | --- |
| **#** | **Items** | **Prices (in UZS)** |
| 1 | Chests | 350 000 -550 000 (based on the types of chess) |
| 2 | Kitchen corner | 350 000 |
| 3 | Dresser (small size) | 600 000 |
| 4 | Dresser (big size) | 950 000 |
| 5 | Cupboard (small size) | 1 500 000 |
| 6 | Cupboard (big size) | 2 500 000 |

According to the initiator, the enterprise intends to manufacture more cupboards with various types and sizes. The net profit makes 15% of the sale, whereas the 85% cover all expenditures spent for manufacturing the furniture. The items for furniture production are procured from Khazarasp, a neighboring region situated in Khorezm. All items are procured in cash.

From time to time the enterprise is involved in charity activities. For instance, the enterprise presented a kitchen corner for the WWII veteran in the district. Every year the enterprise provides the orphanage with 10 packs of soft drinks. Besides, the enterprise is planning to build a wall wardrobe for children at the orphanage.

Rakhat says that the enterprise pays to electricity only since the facility is not supplied with gas or drinking water. The following table demonstrates all costs in terms of utilization services, staff salaries as well as taxation per month.

|  |  |  |
| --- | --- | --- |
| **#** | **Expenses** | **Amount (in UZS)** |
| 1 | Electricity | 250 000 |
| 2 | Taxes | 900 000 |
| 3 | Salary for assistant | 512 000 |
| 4 | Salary for saleswoman | 512 000 |
| 5 | Payment for 2 hired workers | 600 000 per person (payment is carried out twice a month) |
| 6 | Transportation | 300 000-400 000 |

Access to clean drinking water is an issue for the enterprise. The staff is forced to carry water from neighboring places and massive buildings.

The UNDP assisted the enterprise with an equipment to cut woods. The enterprise initiator made lots of investments to run this business successfully. The owner’s contribution was the rental of the facility, power transformer (UZS 14 mln), electricity meter (UZS 2 mln 800), circular saw, jigsaw and electric screwdriver (UZS 2 mln).

The owner of the enterprise believes that he is doing a successful business and is planning to expand it in near future through manufacturing various types of furniture. The success of his business is based on adequate management over transportation and service fees as well as time management.

Most people prefer this shop to other ones in neighboring district. Above all, this is cost effective in terms of transportation; secondly the shop offers fair prices and convenient payment terms.

**Impact Assessment: Day 2**

**Takhtakupyr district**

**Electrification Project in ‘Aydin Jol’ community**

***Focus group discussion with the representatives of the “Aydin Jol” community***

Focus group discussion with the population of “Aydin Jol” community was held in the building of MCC “Aydin Jol” on September 16, 2018. There were few participants since many people were mobilized to cotton picking campaigns.

Participants commented that the situation before installing the new power transformer was not good for various reasons. They had frequent power outages due to the inadequate capacity of the old power transformer. In this regard many home appliances got broken due to the lower power issues or frequent outages. Especially, children could not have a chance to do their homework in the evenings and housewives could not do any house jobs after the sunset.

People expressed positive feedback about the installation of the new power transformer in their community. Nowadays, people do not have to worry about home appliances, or to postpone their business for the evening. Children enjoy their evening time very much. They can study in the late evenings and watch TV.

Prior to the project implementation a workshop was held by UNDP and established initiative group from “Aydin Jol” community. The community activities monitored the installation process and organized hot meals for the constructors.

The local power supply company closely collaborated with the subcontractor company to ensure smooth running of the project. Thereby the project was implemented successfully.

Nowadays, the newly installed power transformer is in the balance of the local power supply company and they take responsibility for further maintenance. On its turn, the government is also replicating this project in other affected communities.

**KEY INFORMANT INTERVIEWS**

***Interview with the Chief Engineer of the Takhtakupyr Power Supply Company***

An interview with the chief engineer of the district Power Supply Company was held in the facility of the Mahalla Council of Communities. As a chief engineer, he is responsible for providing uninterrupted power supply, early solution of power outage problems and supervision over assigned employees.

The main responsibility of the district power supply company is to ensure constant power supply and render high quality services to the district population.

He has been working for the same company for about 32 years. In total, there are 38 employees at the district power supply company. Out of them: 38 are males and 4 are females. The facility is the own building of the power supply company. They do not pay any rental fees. The facility has 10 rooms. The overall condition of the facility is below satisfactory level. The building was constructed in 1978. Last repair works were carried out in 2002. The roof was covered with slates in 2015. There is no sufficient furniture in the facility.

The training room needs 12 tables and 30 chairs and a whiteboard to organize trainings, meetings and workshops for the staff. The company requested the central office of Karakalpak Regional Power Supply Company to provide with the above-mentioned furniture in July, 2017. Unfortunately, there was no response from the center.

The coverage of the power supply company is consisted of 6484 households, 224 enterprises and companies throughout the district. The company has 1 minivan, 1 truck and 1 tractor in the balance of the company. All of them are operating very well. Everyday 3 duty electricians and 4 workers visit the sites and carry out maintenance.

Last year the UN Joint Programme assisted in procuring 2 power transformers. 1 transformer was installed in “Garezsizlik” VCC a massive house with 16 households and small enterprises are connected to this transformer. The latter transformer was installed in “Aydin Jol” VCC. 48 households, 1 warehouse, SES, Tax Company, 3 small enterprises and bakery are connected to this power transformer.

The old power transformer with the capacity of 160 kva was replaced with the new powerful one (400 kva) in Aydin Jol community.

On its turn, the government is also replicating similar projects throughout the district. For example, the reconstruction and big scale repair works were carried out in “Kara Oy” and “Atakol” VCCs; namely, the company installed 2 new power transformers with the capacity of 100 kva and 7 km long overhead power lines in these communities. Besides, the company replaced 11.25 km long power cables throughout the district. 3 power transformers were extensively repaired in the district.

The main challenge of the company is the deficiency of materials such as power cables, power lines, poles and etc.

The district power supply company does not own its budget. Every transaction is centrally controlled, i.e. the central power supply company distributes materials, uniforms and allocates salaries to the district level. The district power supply company can provide maintenance to private enterprises that have their own power transformers. These private enterprises transfer money to their account and thus, the accountant unit at the central level provides with stationaries and other necessary materials.

The government led programmes such as “Abad aul (Prosperous village)” and Presidential Decree No. 20/21 “On reconstruction and modernization of overhead power lines” can serve as a vivid example for replication and upscale of the UN JP programme.

**Income Generation Project “Packaging Agricultural Products – Borshi Family Enterprise”**

***Interview with the initiator of “Borshi” FE***

The UN Joint Programme procured packaging machine, sunflowers roasting machine and sunflower seeds cleaning machine for “Borshi” FE in April, 2018.

The family enterprise is run by a 25-year-old woman along with her family members. The enterprise was established in 24.04.2017. There are 3 employees working for the enterprise. 2 of them are females and 1 is male.

The enterprise produces packed sunflower seeds and distributes throughout the region. Yet the enterprise cannot cover many areas due to its small capacity. The enterprise produces 15-20 blocks of packed sunflower seeds per day. Every block is consisted of 50 packs. The company was able to produce 25 500 packs of sunflower seeds since May, 2018.

The wholesale price for one pack is UZS 800 and 1 block costs UZS 40 000.

The enterprise initiator says that the equipment provided by UNDP can not only pack the sunflower seeds but also other legumes. In this regard, she is seeking funding opportunities to purchase raw materials for packing different types of legumes.

In order to produce a packed sunflower seeds the enterprise needs salt, sunflower seeds and a roll for packaging. The rolls are shipped from Tashkent. The initiator with her spouse goes to Khodjeli district to purchase sunflower seeds. They purchase the sunflower seeds in cash from Khodjeli market. Initially, the entrepreneur received 4% credit from the bank to purchase the rolls for packaging. Overall sum of the credit is UZS 17 mln.

The enterprise uses 1 roll per month. 1 roll is sufficient for producing 15-20 blocks of sunflower seeds. The facility is supplied with natural gas, electricity and tap water. The tap water is located outside the building. The heating systems work properly.

The enterprise pays for natural gas about UZS 60 000 per month. Water is used for cleaning the sunflower seeds. They do not boil the water. The enterprise pays for water consumption UZS 5000 per month. Payment for electricity consumption is UZS 200 000 per month.

Net salary amount per employee: UZS 460 000 (500 000 with accrual)

Transportation expenses range from UZS 300 000 to 400 000 per month. The enterprise is exempt from Flat Tax but it pays other tax payments.

Unified social tax – UZS 598 975

Insurance payments (8%) – UZS 200 000

Personal income tax – UZS 64 209,20

Tax for retirement fund – UZS 23 348, 80

After the procurement of machines by UNDP, the entrepreneur purchased package sealing machine with cutter and dater machine. Additionally she extensively renovated the facility (roofing with slates, linoleum flooring, cosmetic repair works, installation of gas cabinet, gas counter, electricity meter, power cables and fuse box). Overall, it cost her UZS 25 mln to carry out this extensive refurbishment.

**Income Generation Project “Textile Development – Private Enterprise ‘Tkachikha Takhta’**

***Interview with the chief tailor of the PE “Tkachikha Takhta”***

The interview was conducted with the chief tailor of the enterprise at her workplace. The enterprise was established in 27.12.2014 to render tailoring services for the community as well as production of tank tops, underwear and socks. The organization could not function properly due to financial issues in the past. In this regard, the initiator decided to render tailoring services for the district population.

The UNDP purchased 6 overlock machines, 3 sewing machines, loopers, rippers, button sewer machine, bezel and tools for cutting materials for the enterprise.

The initiator does not have a prior experience in textile. He established the enterprise based on the advice from “Kateks” textile factory.

The chief tailor has 26 years of work experience. She works as the master of the textile shop. The total number of employees is 7 persons. Out of them males: 2 and females: 5.

The enterprise mainly provides sewing services for the community. Apart from that it produces T-shirts, shorts dresses and costumes for children as well as shorts for adults, pajamas and dressing gowns. On average, the shop sells 3-4 clothes per day. But this happened during summer time. It is not very easy to sell clothes on a regular basis. Because the shop is located in the outskirt of the district. On the other hand, the shop lacks advertising.

The price for products varies based on the types and sizes. The following table provides the price list for items. The pricing is indicated in uzbek soums.

|  |  |  |
| --- | --- | --- |
| # | Items | Prices (in UZS) |
| 1 | T-shirt | 22 000 |
| 2 | Shorts (for children) | 15 000 |
| 3 | Shorts (for adults) | 20 000 |
| 4 | Dress (for girls) | 20 000 |

The enterprise is planning to produce winter clothing such as pajamas for children, dressing gowns for women, sports costumes and dresses. In order to produce these items, the entrepreneur purchases raw materials from Nukus market. Prices for raw materials are as follows:

|  |  |  |
| --- | --- | --- |
| # | Items | Prices (in UZS) |
| 1 | Light tissues | 37 000 per kg |
| 2 | Thick cotton made materials | 45 000 per kg |

All materials are paid in cash. The enterprise produces 8 dresses (for girls) or 4 dressing gowns from 4 meters of material.

The overall condition of the facility is satisfactory. It is light and wide. The heating system works properly. There is no tap in the facility and thus the staff is forced to carry water from neighboring places.

Overall expenses of the enterprise are as follows: (expenses are indicated in UZS)

|  |  |  |
| --- | --- | --- |
| # | Expense type | Amount in UZS |
| 1 | Electricity | 500 000 |
| 2 | Natural gas | 0 |
| 3 | Water | 0 |
| 4 | Facility rental fee | 500 000 |
| 5 | Premise renovation | 8 000 000 |
| 6 | Installment of lights | 3 000 000 |
| 7 | Installment of air conditioners | 3 000 000 |
| 8 | Payment for trainers from Tashkent | 2 000 000 |
| 9 | Transportation expenses | 30 000 |
| 10 | Raw materials for tailoring | 1 300 000 |

The facility rental fee includes the expenses for gas. Initially the initiator made an agreement on these terms with the owner of the facility.

The sewing tools and other equipment are in good working condition. Most of them have not been used due to the lack of experience in working with such complex equipment. The entrepreneur has invited 2 trainers from Tashkent to instruct the staff on using the sophisticated tools. However, the staff considers that one-time training was not enough to work comfortably with these sophisticated machines. In this regard, the initiator is intending to send the chief tailor and a machine technician to Tashkent to receive an in-depth training on maintenance.

The pricing for products is fair. It is confirmed with the fact that other entrepreneurs sell the same clothes at a higher price. The client pool is increasing very slowly since people hear from each other.

**Impact Assessment: Day 3**

**Muynak district**

**Income Generation Project “Bakery Shop – Private Enterpreneur “Sarsenova Zamira”**

***An interview with the Baker at PE “Sarsenova Zamira”***

Consultant contacted with the close relative of the entrepreneur and requested him to make an appointment at 10:30 am on 25.09.2018. The relative agreed with this appointment. Unfortunately, the entrepreneur was not at home when the consultant arrived at the place. It turned out that the entrepreneur had left for earning a week ago. In this regard, an interview was conducted with the baker and the close relative of the entrepreneur at the bakery PE “Sarsenova Zamira”.

The name of the baker is Toremuratova Raziya. The enterprise has started functioning since February, 2018. Both of the employees do not have prior experience in bakery. The community had a bakery until 2008. Initially, the entrepreneur hired a person who worked for the state bakery in the past. This person trained Zamira and Raziya on how to use baking equipment, details about timing and ratio of ingredients.

Presently, Zamira and Raziya run the enterprise. The facility of the enterprise is rented. The initiator pays UZS 200 000 per month. Recently, the local government has offered the entrepreneur a premise for free. It is one unit of the ex­-hospital in the community. That facility is in very poor condition. It needs an extensive renovation. The current facility is consisted of two rooms and it is in poor condition. There are no heating system, no tap water and no gas in the building. It is often too cold to work during winter season. Some cosmetic works have been done to the building.

The staff carries water from hand pumps and wells. Water from hand pump is used both for drinking and for baking they use water from well. Water is transported from the district center. There is no furniture in the building except for the old table and chair.

As per the contract, the enterprise was intending to produce macaroni. However, it is not being practiced at all due to the lack of furniture and density of the facility. The enterprise produces 180 bread per day. The demand is very high. People come to the bakery from neighboring communities such as Kizil Jar, Porlitau and Shagirli. Two types of bread are baked here: loaves (80 pcs) and flat bread (100 pcs).

The following table indicates the production rate and pricing for bread types:

|  |  |  |  |
| --- | --- | --- | --- |
| **#** | **Bread type** | **Price** | **Production amount** |
| 1 | Loaves | UZS 1000 | 80 |
| 2 | Flat bread | UZS 750 | 100 |

The enterprise is not engaged in wholesale. They sell their products in retail price. According to the personnel of the bakery, the enterprise is planning to upscale their business through procuring another Bread Baking Oven. Eventually, the enterprise will move to the new facility and will start producing macaroni as well.

Flour is bought from Kungrad through the Order of Council of Ministers. Other minor ingredients are purchased from the local market in cash. Currently, it is getting difficult for the entrepreneur since they are not provided with wheat flour from Kungrad. They were told that the price for wheat flour has been changed, i.e. it got doubled and thus, the sales has been on hold.

The table below shows monthly expenses for bread production and transportation.

|  |  |  |
| --- | --- | --- |
| **#** | **Expense type** | **Cost in UZS** |
| 1 | Electricity | 150 000 |
| 2 | Gas | 0 |
| 3 | Water | 120 000 |
| 4 | Wheat flour (2 tons and 300 kg) | 2 162 000 |
| 5 | Salt | 50 000 |
| 6 | Yeast | 400 000 |
| 7 | Sunflower seeds oil | 3000 |
| 8 | Transportation from Kungrad | 400 000 |
| 9 | Transportation from Nukus | 600 000 |
| 10 | Salary for Zamira | 800 000 |
| 11 | Salary for Raziya | 800 000 |
| 12 | Tax for retirement fund | 184 300 |

The UNDP has assisted the enterprise to procure a dough mixer. Other equipment and tools were purchased at the expense of the entrepreneur. The entrepreneur has obtained a loan from the government in the amount of UZS 17 mln with 4% interest rate.

There is a growing demand for bread in the community. The enterprise is not able to cover whole customers. There are couple of obstacles to provide the whole customers with fresh bread. First of all, the amount of the wheat flour distributed to the enterprise is not sufficient. Second, the capacity of the oven is not enough to produce more bread. Third, the price of the wheat flour from other sources is very high.

Despite these issues, the enterprise is buying wheat flour at a higher price from other sources. The price of the flour is UZS 88 000 per pack. One pack of wheat flour is 50 kg. This is done to keep the customers and provide the community with fresh bread. The staff complains that it is not profitable for them to sell their products at fixed prices (Loaf of bread – 1000 sums; Flat bread – 750 sums).

The enterprise serves only local population. People are very satisfied with the quality of the products as well as the pricing. It is especially convenient for people to buy from bakery during rainy and snowy periods.

**Income Generation Project “Banner Production – Private Enterprise “Muynak Kompyuter Servis”**

***Interview with the Initiator of the PE “Muynak Kompyuter Servis”***

Marat Toksanbaev is an initiator of the PE “Muynak Kompyuter Servis”. He established the enterprise in 06.04.2014. The UNDP has assisted the enterprise twice since 2014. In 2014, the UNDP procured six personal computers along with tables and a banner printer for the enterprise. Later, UNDP procured a banner printer in 2017.

The initiator has 18 years of experience in IT. Initially he was an IT teacher at the college. 3 people are employed by the enterprise. All of them are males: 1 initiator, 1 designer and 1 administrator. The facility of the enterprise is the own estate of the initiator. Overall condition of the building is very good. It is provided with electricity and natural gas. They do not have a tap water. The staff carries water from neighboring organizations. The facility is consisted of 2 rooms: 1 computer hall and 1 storage room.

The enterprise serves population from district center, Shagirli, Aral, Kazakdarya and Ush say communities. The enterprise produces banners, internet services, maintenance of IT equipment and makes Passport ID photos.

The enterprise receives about 60-80 orders per month. The number of internet users per month is 400 people. The amount of repair works of office equipment per month is 48-50. The number of orders for Passport ID photos is 100.

The entrepreneur is planning to expand his business through offering a new service. The enterprise has procured a Digital Heat Press Machine for Printing On T-shirt, Cap and Mugs. This machine was procured from the money earned from banner service.

The table below shows overall expenses of the enterprise.

|  |  |  |  |
| --- | --- | --- | --- |
| **#** | **Service type** | **Materials** | **Costs in UZS** |
| 1 | Banner production | Vinyl/oracal | 800 000 |
| 2 | Internet | - | 300 000 |
| 3 | Maintenance of office equipment | Repair parts, toners | 200 000 |
| 4 | Natural gas consumption (during winter) | - | 100 000 |
| 5 | Electricity | - | ranges from 50-80 000 |
| 6 | Water | - | - |
| 7 | Transportation | - | 50 000 |
| 8 | Salary of initiator | - | 503 000 (per month) |
| 9 | Salary of designer |  | 229 000 (part time) |
| 10 | Salary of admin | - | 229 000 (part time) |
| 11 | Unified social tax | - | 15% deducted from salary |
| 12 | Flat tax | - | 5% of the turnover |

The repairs part and other necessary items are purchased from vendors in Nukus. The payment is carried out through bank transfer payment. The UNDP contributed a lot to help the entrepreneur to run his business successfully. In total, the UNDP procured 6 personal computers, 6 PC tables and 1 banner printer.

On its turn, the government assisted the initiator when constructing the facility of the enterprise. The local government helped with workers to construct the building. The entrepreneur has purchased 3 personal computers, photo camera, scanner, laminator and set of instruments for equipment maintenance as a contribution to the project.

The satisfactory level of the enterprise is middle. The initiator assumes that it is due to the low coverage rate and the IT is not well developed in the district.

One of the challenges with the project was the premise issue in the past. People would often complain for noisiness and disturbance of visitors. This issue has been resolved when the enterprise moved to the new building.

Main clients of the enterprise are personnel from kindergarten, college, secondary schools, organizations as well as local population. The enterprise sets fair prices for their services. There have been no complaints regarding the price. Besides, the enterprise accepts all payment forms at the same price.

The initiator considers that they are committed to finish orders on time, set fair prices and welcome their clients with warm greetings.

**Social Infrastructure Project on Primary School Construction in Adai community**

***Focus group discussion with the residents of Adai community***

FGD was conducted with community residents on September 25, 2018 in Adai village**.** TheFGD participants were mainly the parents and grandparents of the school children #16. People said that until recently their kids used to study in an old dimly lit building. Especially, it was hard for school children to attend school during winter. The old school had a furnace made of clay. The staff used to bring woods and burn it to generate heat. Often the chimney was blocked with creosote and would suffocate children with flue gas. The building was cold and dampness in the building doubled the effect forcing children gathered around the furnace. Parents said that their kids often would come with burnt coat or boots.

The situation has changed when UNDP took into action to help with the new school building to the community residents. A newly constructed school building fully responds to the education standards. Now kids have a strong motivation to go to school. The community residents say that they did not stand alone during construction of the school building. Every member from all households came to help the workers. They took turns to feed the workers and provided with lodging during their stay in the community. The initiative group members as well as other community activists often visited the construction site to monitor the project implementation. Community residents and teachers collected all construction materials from the old school building and used for renovating other school branch which is located 24 km away from VCC “Hakim Ata”.

Upon completion of the construction works, the local Education Board accepted the building and included in its balance as a branch of Secondary School #17.The community residents and teachers have big plans for the future. They are intending to plant saxaul trees around the school building. They say they would love to plant trees but due to water scarcity in the community, saxaul would be the best option for landscaping the school area.

Nevertheless, despite all achievements, there are still challenges related with education system. The school children are placed in one classroom. 1st, 2nd, 3rd and 4th grade pupils study together in one classroom. It is really disturbing for pupils to study classes. The headmaster of the school explained that it was due to the insufficient number of pupils. In total, there are only 11 pupils that attend this school.

Moreover, there are some technical issues related to the school building. Some parts of the walls are peeling off; the internal bathroom does not work. The participants said that they did not have any idea about acryl based paints and thus did not know whether this job was done properly or not. In addition to that, people complain about the outdoor bathroom. They say that it needs to be redesigned. The subcontractors installed a lavatory pan for the pit toilet. The lavatory pan would be good for pour-flush system but not for a pit toilet. Therefore, it would be better to dismantle the lavatory pan and put wooden planks instead. Otherwise, the outdoor toilet would be clogged very soon and would be of no use at all.

**KEY INFORMANT INTERVIEW**

***Interview with School Headmaster***

An interview with school headmaster was conducted in the school building in “Adai” community. He has been working as a Headmaster of the Secondary School #17 for 5 years. In total, he has 12 years of work experience as an educator.

There are 11 pupils in the newly constructed school branch of the Secondary School #17; out of 11 pupils: 5 boys and 6 girls. Overall number of pupils of the secondary school #17 is 120; out of 120 pupils: 56 boys and 64 girls. This year 3 pupils were enrolled for Grade 1; out of 3 pupils: 2 boys and 1 girl. Last year 3 pupils were enrolled for Grade 1; out of 3 pupils: 2 boys and 1 girl. There are 5 teachers working at the primary school in “Adai” community; out of 5 teachers: 3 males and 2 females. All pupils belong to Kazakh ethnic groups. The furthest villages from the main school are Karasakal and Adai communities. The furthest destination is over 1.5 km and it takes 15 min of walk for pupils to reach the school. Akbasty village center is the closest point to the school and it is 100 m away from the school. It takes less than 5 min of walk for pupils to get to the school.

The newly constructed primary is school is consisted of 2 classrooms, 1 staff room, 1 bathroom and 1 storage room. The school does not have a library. The school administration is organizing volunteer works and putting efforts to create a playground for pupils. The fence of the school building is made of pressed dried bush plants. School teachers together with the community residents surrounded the school building.

There are 2 bathrooms in the school: 1 indoor bathroom and 1 outdoor bathroom (pit toilet). The flush of the indoor bathroom does not work at all. The staff could not fix it as they have never used such equipment before. The main source of drinking water is from a hand pump located outside the building. The water is pumped to faucets and the bathroom in the building. The quality of pumped water is not very good. It is brackish. The school is provided with constant power supply. It is very reliable. There have been no power outages until nowadays.

The headmaster says that there has never been school drop outs in the school. The head teacher regularly meets with parents of the pupils and discusses about their performance and other issues.

During project implementation the Education Board helped the school building with connection to gas pipelines. The Education Board purchased gas pipes and counters for the school. The amount was estimated as UZS 1 500 000.

The school does not own a budget to purchase necessary instruction tools and items. Everything is distributed centrally. This summer the Education Board allotted UZS 253 000 for repair works of the school building. The headmaster used this amount to replace the floor of the other primary school located in the remote area.

The school does not pay fees for electricity and natural gas consumption. Instead, the staff takes the picture of the gas/electricity meter and sends it via Telegram to the Education Board.

Presently, the school headmaster is working on the territorial issues of the school since the half territory of the community belongs to the neighboring district Kungrad. He is working on obtaining necessary documents from Kungrad cadaster office which confirms that the school belongs to Muynak district.