

**World Bank Group**

**PERFORMANCE AND LEARNING REVIEW  
OF THE UZBEKISTAN COUNTRY  
PARTNERSHIP FRAMEWORK  
(FY2016-FY2020)**

**In-Country Consultations**

**April, 2018**

**Uzbekistan**

# Changes in Uzbekistan's Context

- Uzbekistan is undergoing an economic and social transformation;
- Over the last year, the Government has launched an array of institutional reforms to enhance macro-fiscal and financial resilience, create markets, foster private sector participation and improve the business climate;
- The exchange rate reform in September 2017 was a critical step in the right direction;
- The challenges lying ahead are substantial, and they involve both tackling the complex legacies of the old model, and properly managing the reform process itself.

# Challenges in Uzbekistan's Context

The Performance and Learning Review (PLR) of the World Bank Group Country Partnership Framework for Uzbekistan (FY2016-FY2020) (CPF) considers the following challenges:

- Macroeconomic policies will need to be carefully managed to anchor the reform appropriately;
- Given the rapidly increasing labor force, one of the main challenges remains to be the creation of good jobs;
- A sound financial sector that may mobilize and allocate domestic savings in the economy to support private sector activity is still lacking;
- A number of sectors in the economy need to urgently prepare to respond adequately to market price signals;
- In working on market reforms, the country will have to develop the systems in place to protect the most vulnerable citizens.

# Summary of Uzbekistan Country Partnership Framework (CPF) for (2016-2020)



## World Bank Group Country Partnership Framework for Uzbekistan 2016-2020

### BUSINESS



### PEOPLE



### AGRICULTURE



### CREATE QUALITY AND SUSTAINABLE JOBS



Improve investment climate and business environment



Increase access to quality education and health services



Sustain agriculture growth through cotton sector modernization and diversification



Expand access to finance



Increase access to water and sanitation services



Promote diversification in horticulture and livestock production



Increase private sector investments



Improve energy efficiency and security



Strengthen sustainable management of land and water resources



Improve economic and corporate governance



Enhance transport services and integrated urban development



Increase efficiency and sustainability of irrigation infrastructure



### GENDER EQUALITY

### CLIMATE CHANGE

### CITIZEN ENGAGEMENT

# Summary of the CPF Implementation

While the World Bank program will retain the **jobs agenda**, the changes introduced through the Performance Learning Review will widen its scope.

The new, closely interlinked focus areas are:

- **Sustainable transformation towards a market economy**
- **Reform of state institutions and service delivery, and**
- **Building the human capital and citizens participation**

This change requires an update of some initially proposed CPF objectives to better capture the evolving program

# Program adjustments going forward

- WBG program has been adapting quickly to new context in Uzbekistan. It is being rebalanced to support economic transformation and promote sector reforms
- WBG program will introduce projects and activities that will promote institution building to support the economic transformation The current and future infrastructure investments will be used as tools to promote sector reforms.
- IFC is refocusing its advisory services in order to:
  - identify constraints to creating markets and unleashing private investment
  - support the privatization process
  - deepen the transformation of the cotton sector
  - enhance corporate governance
  - develop the microfinance sector
  - develop a new framework for PPPs

## **Issues for Discussion**

- **Is our understanding of Uzbekistan's current development needs in the light of the ongoing transformation correct?**
- **Is the World Bank Group's contribution to the implementation of the reform agenda is properly defined?**
- **Do the adjustments proposed in the CPF respond to the country's reform agenda goals?**

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