

**Country Partnership Strategy
of the Republic of Korea for
the Republic of Uzbekistan
2016-2020**

The Government of the Republic of Korea

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Table of Contents

I. Summary	3
II. Priority Cooperation Areas and Implementation Strategy....	5
Education.....	5
Water Management and Health	6
Public Administration.....	8
III. CPS Evaluation Framework	9
IV. Mid-Term Allocation Plan.....	10
V. Partnership Plans	10

Country Partnership Strategy of the Republic of Korea for the Republic of Uzbekistan

I. Summary

Vision 2030 (2015-2030)
Become an industrialized, upper middle-income country by 2030 by improving development effectiveness



Strategy of Action on further development of Uzbekistan in 2017-2021
Increase the efficiency of the ongoing reforms and create conditions to ensure comprehensive and accelerated development of the Uzbek state and society



Objectives of the Republic of Korea's Development Cooperation for the Republic of Uzbekistan
<p>The Korean Government will support the Uzbekistan Government to realize the Strategy for Development of Uzbekistan for 2017-2021, focusing on the following objectives:</p> <ul style="list-style-type: none"> ▪ Improvement of human resources development for national competitiveness ▪ Enhancement of water management and health care systems for improved national welfare ▪ Strengthening of e-government and public administration capacities for improved government efficiency



Priority Cooperation Areas and Support Plans	Education
	<ul style="list-style-type: none"> ▪ Support improvement of the quality of vocational education and training ▪ Support education informatization
	Water Management and Health
	<ul style="list-style-type: none"> ▪ Support strengthening of water resource management capacity ▪ Support expansion of welfare service for infants and young children ▪ Support diagnostics and treatment system on communicable diseases
	Public Administration
	<ul style="list-style-type: none"> ▪ Support building of e-government system ▪ Support strengthening public administrative capacities

1. **(Vision)** The Republic of Korea's development cooperation in Uzbekistan will support the Uzbekistan government's efforts to implement its mid-term development plan with specific focus on human resources development, informatization, governance system, and public welfare.

2. **(Priority Cooperation Areas)** The priority areas will be selected based on Uzbekistan's development needs, Korea's capacity to provide assistance, and balance in aid. A minimum of 70% of the bilateral assistance will be allocated to the priority cooperation areas for the period of CPS.
 - **Education** including technical and vocational training and informatization of education system

 - **Water Management and Health** including capacity building of water resource management, infant and child health services, and diagnosis and treatment system of communicable diseases

 - **Public Administration** including capacity building for e-government and public administration services

3. **(Implementation)** In order to improve the effectiveness of assistance for Uzbekistan, Korea will support balance in aid and align with the policies and strategies of Uzbekistan in its development cooperation projects, and promote effective partnerships between grants, loans, and the private sector.

II. Priority Cooperation Areas and Implementation Strategy

A. Education

1. Development Needs

In Uzbekistan, the working-age group (15 - 64 years old) takes up 70.3% of the total population with the average age of 27.1. The working-age population of Uzbekistan attains a relatively high level of education and is regarded as a growth engine for Uzbekistan's future. Recognizing its high potential, the Uzbekistan government is investing in the education sector with a goal to strengthen its strategic status in Central Asia.

In the Welfare Improvement Strategy II (WIS II 2013-2015), the Uzbekistan government highlighted human resources development as the key strategic engine for economic growth, income inequality reduction, job creation, and income generation. The new national development strategy, Strategy of Action on further development of Uzbekistan in 2017-2021, continues to support the improvement of quality and development of general secondary education, specialized secondary, and higher education.

In regard to the current economic and population growth rates, the demand for new jobs is estimated to be 950,000. To this end, the government aims to strengthen vocational education and training, create new jobs through investment projects for the integrated development of the territories, promote business start-ups, and build capacity of small and medium-sized enterprises.

In addition, the Strategy of Action for Development of Uzbekistan 2017-2021 builds on the previous strategy and supports modernization and active diversification of leading economic sectors and improvement of economic and social infrastructures development for industrial competitiveness which were also promoted under the WIS II (2011-2015). To build an information-based society and to develop future industries, the Uzbekistan government is currently working towards strengthening IT capacities in educational institutions.

To respond to the targets of the strategy, building human resources aligned to the priority areas of the government plan is an important next step. However, most of the vocational education and training institutions in Uzbekistan lack adequate facilities and do not meet the industrial labor market demands because the curricula are heavily centered on theoretical learning. Also, educational opportunities are limited to the unemployed and workers who need re-training.

2. Implementation Strategy

Korea experienced industrialization along with human resources development. Reflecting on its experience in developing vocational education and training models and ICT-based education, Korea will support the implementation of Uzbekistan's national development strategy.

Korea's CPS will support:

a. Improvement of Technical Vocational Education and Training (TVET)

- Capacity building of the vocational education and training institutions on practical training
- Improvement of the quality of curriculum
- Strengthening of teachers' capacities
- Enhancement of the system to train skilled technical professionals
- Improving employment opportunities
- Establishment of comprehensive infrastructure to support students learning on relevant and practical techniques for employment

b. Provision of IT facilities and equipment, IT education, and informatization programs

- Training of skilled professionals suited for forward-looking industries

B. Water Management and Health

1. Development Needs

▪ **Water Management**

In Uzbekistan, about 80% of the water supply is dependent on the surrounding nations' water resources. In this regard, the growing conflict from shared international rivers crossing Uzbekistan, Kyrgyzstan, Tajikistan, and Kazakhstan are a concern for national water resource management.

Challenges remain for maintenance of irrigation canals, ongoing water leakages, and evaporation that wastes more than 50% of water resources. A low precipitation rate, 100-150mm per year, also accounts as one of the greater factors for the country's water shortage situation.

Due to an insufficient water supply, the industries linked to the cotton sector — cotton production and processing makes up approximately 25% of Uzbekistan's GDP — and production of major crops are facing serious difficulties, leading to the continuous decline of agricultural productivity. The Uzbekistan government is planning to build a 415km water supply infrastructure in rural areas.

▪ **Health**

To improve the health sector, the Uzbekistan government plans to “strengthen maternal and child health services for reducing infant and child mortality” and “improve health facilities and devices and personnel capacities building for strengthening community centers' diagnosis and treatment capacities” in the WIS II 2013-2015 as key strategies for the development of the health sector.

The Uzbekistan government continues to commit itself to the reform of the healthcare system for the development of the social sphere under the new national strategy. Through the government efforts, the overall level of health services with reference to the level of income is favorable.

However, deaths by communicable diseases account for 34% of all deaths, higher than the regional average of 11%. In addition, numerous parasitic diseases treatable by simple diagnosis and medication are still highly prevalent. In addition, the efforts to improve the under-five mortality rate (12%) are challenged by insufficient health services, specifically due to a shortage of diagnosis and treatment devices and advanced medical equipment and systems, such as cardiosurgery and neurosurgery, which are needed for child health services.

2. Implementation Strategy

Korea will reflect on its experience with the advanced Integrated Water Resource Management (IWRM) system and government driven comprehensive water management plan for related development cooperation projects. Korea will also consider its experience for health sector development with improved health indicators, institutions, and infrastructures.

Korea's CPS will support:

a. Improvement of water management capacity

- Introduction of ICT-based water management technologies and improvement of water services and water resource conservation
- Improvement of efficiency in agricultural water supply for agricultural production
- Introduction of ICT-based water management technology for water resources distribution

b. Improvement of child health services

- Support Uzbekistan government's primary health care system reform
- Strengthening of regional health systems
- Improvement of basic health and medical services for children

c. Establishment of a diagnostic and treatment system for communicable diseases

- Capacity building of the Republican Sanitary and Epidemiology Center (SEC) which is in charge of controlling communicable diseases for overall systems of communicable disease prevention, diagnosis, and treatment
- Establishment and strengthening of a communicable disease management system between national, provincial, and local levels

C. Public Administration

1. Development Needs

Building on the experience of the WIS II 2013-2015 which prioritized sustainable economic growth, public welfare, governance and administrative capacity, the Strategy for Development of Uzbekistan (2017-2021) recognizes the importance of an institutional framework of the state administration and improvement of its legal framework.

The level of governance is a challenge for ease of doing business, attracting foreign investments, and an improved corporate environment. In turn, Uzbekistan is prioritizing to reduce state regulation of the economy, improve the quality of public services on all social-levels, and strengthen the government's administrative capacity.

For improvements in productivity and efficiency, the development of a firm civil society is also encouraged as a key factor in resolving long term socioeconomic development issues. For the time being, facilitation of efforts to improve policy and system is needed.

2. Implementation Strategy

Korea's experience in government innovation, administrative reform, and IT sector development will be reflected on for development cooperation projects regarding administrative information systems¹.

Korea's CPS will support:

a. Building of e-government system

- Computerization and informatization of the administrative system of ministries
- Provision of ICT infrastructure and associated systems for the framework of e-government system

b. Capacity building for public administration

- Policy consultation and training programs for government work process enhancement and reform and innovation of public sectors

¹ In UN's E-Government Survey, Korea was ranked No.1 among 193 nations for two consecutive terms in three areas (e-government development index, online service index e-participation index). The "UNI-PASS," by the Korea Customs Service (KCS), was awarded the "WCO Trophy 2006." The Korea ON-line E-Procurement System (KONEPS) has won UN Public Service Award and was selected as an exemplary transparency improvement case by the OECD. Home Tax Services was selected as the Best Practice for e-Tax Administration by the OECD.

IV. Country Partnership Strategy (CPS) Evaluation Framework

National Development Plan: VISION 2030 (2015-2030) Improving development effectiveness and becoming an industrialized, high middle-income country by 2030				
CPS Strategic Goals				
Priority Areas	Goals	Expected Challenges	Performance by Priority Area	Evaluation Index
Education	Improve human resource development for national competitiveness	Low level of social infrastructure and complex administrative system	-Improved vocational education and training curriculum -Improved vocational education and training environment -Improved education informatization infrastructure	CPS Conformity (whether a project has been appropriately identified and developed in accordance with CPS goals) Project Implementation Status (whether projects aligned with CPS have been implemented)
Water Management and Health	Improve water management and health care systems for national welfare	Low level of industrial infrastructures Shortage of sufficiently-trained labor force	-Establishment of comprehensive water management master plan -Improved basic health services for infants and children -Improved health care capacity -Strengthened capacity for communicable disease management and control	
Public Administration	Strengthen e-government and public administration capacity for government efficiency	Communication coordination among Uzbekistan government ministries	-Administrative informatization in each government sector -Strengthened public sector personnel capacity	

V. Mid-Term Allocation Plan

Korea aims to allocate 70% of Korea's ODA to **priority areas** of bilateral cooperation, while some flexibility will be allocated to respond to urgent humanitarian demands and socioeconomic changes in Uzbekistan.

Also, resource allocation will be adjusted based on program mission, policy dialogue, interim monitoring, delays in projects, and other possible changes in circumstances.

The budget allocation could also be adjusted during the budget discussions and project planning stages and is subject to parliamentary decision.

VI. Partnership Plans

1. Partnership with other donors

As an official donors council has yet to be established, Korea will place efforts to cooperate with other key bilateral donors to maximize assistance effectiveness and avoid the overlapping of assistance.

Korea will also work closely with other donor organizations which are implementing projects for health system reform, system improvement, child health services improvement, communicable disease management, and etc. to share information and discuss collaboration plans with them.

2. Alignment

Through policy and working group meetings, Korea will cooperate with the Uzbekistan government and discuss projects' alignment with the relevant policies of Korea and Uzbekistan. Through these meetings, the possibilities for integrating different sectors and projects will be considered.

Korea will also develop and establish assistance plans through discussions with Uzbekistan's Ministry for Foreign Economic Relations Investments and Trade, the Ministry of Finance, and other ministries in charge of managing foreign assistance.

Korea will also review the utilization of Uzbekistan's national systems (Public Finance Management, Public Procurement System, and etc.) when relevant.

