



# Completion Report

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## **PUBLIC**

Project Number: 54160-001  
Loan Number: 3939  
September 2022

## Uzbekistan: COVID-19 Active Response and Expenditure Support Program

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**Asian Development Bank**



## CURRENCY EQUIVALENTS

Currency unit		–	sum (SUM)
		<b>At Appraisal</b>	<b>At Program Completion</b>
		(25 June 2020)	(29 January 2021)
SUM1.00	=	\$0.013315	\$0.011943
\$1.00	=	SUM75.10	SUM83.73

## ABBREVIATIONS

ACF	–	Anti-Crisis Fund
ADB	–	Asian Development Bank
COVID-19	–	coronavirus disease
CPRO	–	COVID-19 Pandemic Response Option
DMF	–	design and monitoring framework
GDP	–	gross domestic product
IMF	–	International Monetary Fund
MOF	–	Ministry of Finance
MOH	–	Ministry of Health
PPE	–	personal protective equipment
SFSE	–	State Fund for Support of Entrepreneurship
SMEs	–	small and medium-sized enterprises
SPRP	–	Strategic Preparedness and Response Plan
WHO	–	World Health Organization

## NOTE

In this report, “\$” refers to United States dollars, unless otherwise stated.

<b>Vice-President</b>	Shixin Chen, Operations 1
<b>Director General</b>	Eugene Zhukov, Central and West Asia Department (CWRD)
<b>Director</b>	Tariq H. Niazi; Public Management, Financial Sector, and Trade Division (CWPF); CWRD
<b>Team leader</b>	Giacomo Giannetto, Principal Financial Sector Specialist, CWPF, CWRD
<b>Team members</b>	Cigdem Akin, Principal Public Management Economist, CWPF, CWRD Ethyl Bulao-Lorena, Senior Operations Assistant, CWPF, CWRD Bobir Gafurov, Public Management Specialist, CWPF, CWRD Elinor Piano, Project Analyst, CWPF, CWRD Priyanka Sood, Principal Private Sector Development Specialist, CWPF, CWRD

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## BASIC DATA

### A. Program Identification

- |    |                                   |   |
|----|-----------------------------------|---|
| 1. | Country:                          | Uzbekistan  |
| 2. | Loan number and financing source: | Loan 3939 (ordinary capital resources)                      |
| 3. | Program Title:                    | COVID-19 Active Response and<br>Expenditure Support Program |
| 4. | Borrower:                         | Republic of Uzbekistan                                      |
| 5. | Executing Agency:                 | Ministry of Finance   |
| 6. | Amount of Loan:                   | \$500 million   |
| 7. | Financing Modality:               | COVID-19 Pandemic Response Option                           |

### B. Loan Data

- |     |                                  |                         |
|-----|----------------------------------|-------------------------|
| 1.  | Appraisal                        | Not applicable          |
|     | – Date started                   |                         |
|     | – Date completed                 |                         |
| 2.  | Loan negotiations                |                         |
|     | – Date started                   | 27 May 2020             |
|     | – Date completed                 | 27 May 2020             |
| 3.  | Date of Board approval           | 25 June 2020            |
| 4.  | Date of loan agreement           | 7 July 2020             |
| 5.  | Date of loan effectiveness       |                         |
|     | – In loan agreement              | 5 September 2020        |
|     | – Actual                         | 9 July 2020             |
|     | – Number of extensions           | None                    |
| 6.  | Program completion date          |                         |
|     | – Appraisal                      | 29 January 2021         |
|     | – Actual                         | 29 January 2021         |
| 7.  | Loan closing date                |                         |
|     | – In loan agreement              | 29 January 2021         |
|     | – Actual                         | Not applicable          |
|     | – Number of extensions           | Not applicable          |
| 8.  | Financial closing date           |                         |
|     | – Actual                         | 29 January 2021         |
| 9.  | Terms of loan                    |                         |
|     | – Interest rate                  | LIBOR + 0.60 less 0.10% |
|     | – Maturity (number of years)     | 15                      |
|     | – Grace period (number of years) | 3                       |
| 10. | Disbursements                    |                         |
|     | a. Dates                         |                         |

<b>Initial Disbursement</b> 10 July 2020	<b>Final Disbursement</b> 10 July 2020	<b>Time Interval</b> 0 months
<b>Effective Date</b> 9 July 2020	<b>Actual Closing Date</b> 29 January 2021	<b>Time Interval</b> 6.75 months

## b. Amount (\$ million)

<b>Category</b>	<b>Original Allocation (1)</b>	<b>Increased / (decreased) during Implementation (2)</b>	<b>Canceled during Implementation (3)</b>	<b>Last Revised Allocation (4=1+2-3)</b>	<b>Amount Disbursed (5)</b>	<b>Undisbursed Balance (6=4-5)</b>
7501	500.0			500.0	500.0	
<b>Total</b>	<b>500.0</b>			<b>500.0</b>	<b>500.0</b>	

**C. Program Data**

## 1. Program Financing Needs (million)

<b>Cost</b>	<b>Estimate at approval</b>	<b>Actual</b>
Foreign exchange cost (\$)	500.0	500.0
Local currency cost (SUM)	37,552.9	41,865.0

## 2. Financing plan (\$ million)

<b>Cost</b>	<b>Estimate at approval</b>	<b>Actual</b>
Implementation cost		
Borrower financed		
ADB financed	500.0	500.0
Other external financing		
<b>Total implementation cost</b>	<b>500.0</b>	<b>500.0</b>

## I. PROGRAM DESCRIPTION

1. On 30 January 2020, the World Health Organization (WHO) declared the rapidly evolving global health situation related to coronavirus disease (COVID-19) a “Public Health Emergency of International Concern.” On 11 March 2020, it declared COVID-19 a pandemic. COVID-19 was spreading to nearly every country, upending life, and derailing economies. As did governments in many other countries, the Government of Uzbekistan faced a severe economic crisis in 2020. The pandemic’s effects and immediate measures to stymie its spread quickly caused health care costs to rise along with employment and income losses, including wage reductions for affected families. Negative effects disproportionately affected groups that were already poor and vulnerable such that more people were pushed back into poverty or further into poverty. Recognizing this, the government prepared a response plan.

2. Under Presidential Decrees numbers 5969, 5978, and 5996, the government established an Anti-Crisis Fund (ACF) totaling SUM10 trillion. That was equivalent to \$1.05 billion under the state budget and 1.5% of gross domestic product (GDP). It also undertook countercyclical expenditures to strengthen the health sector, stabilize economic activity, and expand social protection for poor and vulnerable groups.<sup>1</sup> The ACF included three expenditure categories, covering (i) health-related measures, (ii) fiscal stabilization, and (iii) social protection measures. A special commission was set up on 29 January 2020, followed by an Anti-Crisis Commission on 19 March 2020, to oversee the pandemic response. Strict containment measures were instituted. A COVID-19 Strategic Preparedness and Response Plan (SPRP) was operationalized with WHO support.

3. The Asian Development Bank (ADB) responded with a multiphase comprehensive package of support, employing a range of existing and new products and services to help Uzbekistan address the crisis. ADB provided the COVID-19 Active Response and Expenditure Support Program in response to the government’s specific request for urgent budget support to provide fiscal space needed to act quickly and finance additional critical expenditures aimed at controlling spread of the COVID-19 virus while mitigating its immediate negative economic and social effects. ADB approved the program, a \$500 million loan under ADB’s COVID-19 Pandemic Response Option (CPRO) Countercyclical Support Facility,<sup>2</sup> on 25 June 2020. It became effective on 9 July 2020, with a closing date set for 29 January 2021. ADB’s funding constituted 48% of the government’s total response package at the time of CPRO approval and 39% of the government’s total response package of \$1.28 billion at the time of CPRO completion.

4. The program’s overarching development objective was mitigation of COVID-19’s adverse impacts on the population’s health, incomes, and economic opportunities, as well as on macroeconomic stability. Consistent with ADB’s CPRO policy, the program was designed to provide general budget support to fill gaps in the government’s overall development financing needs, thereby better positioning Uzbekistan to implement countercyclical development spending under its pandemic response plan. The program’s design and monitoring framework (DMF) focuses on key pro-poor and pro-vulnerable elements of the pandemic response plan that are developmentally critical and complementary to the macroeconomic stabilization pursued through fiscal stimulus. The expected effect of the reforms was that the COVID-19 outbreak would be more effectively managed and its adverse social and economic impacts reduced.

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<sup>1</sup> Government of Uzbekistan. 2020. Presidential Decree No. 5969 (19 March), Presidential Decree No. 5978 (3 April), and Presidential Decree No. 5996 (18 May). Tashkent.

<sup>2</sup> ADB. 2020. *Policy Paper: ADB’s Comprehensive Response to the COVID-19 Pandemic*. Manila.

## II. DESIGN AND IMPLEMENTATION

### A. Program Design and Formulation

5. The program enabled the government to undertake countercyclical expenditures to (i) strengthen health system capacity to combat the spread of COVID-19; (ii) support businesses, employment, and job-creating regional public works; and (iii) expand social safety nets. Uzbekistan met all the criteria required to access ADB's CPRO under the Countercyclical Support Facility. These included robust macroeconomic management, undertaking of key structural reforms, a pro-poor countercyclical expenditure program, and public debt levels maintained at sustainable levels. The reforms were rolled out by the government under a robust COVID-19 pandemic response plan, a core element of which comprised establishment and funding of the ACF. The program was consistent with the government's plan to deal with the pandemic to strengthen the health sector, stabilize economic activity, and expand social protection for poor and vulnerable groups. Specifically, the program supported the provision of medicine, medical devices, protective equipment, and test systems. It backed the cost of establishing and maintaining quarantine facilities and measures. Expenses and financial incentives for medical staff were supported. Funds were used for fiscal stabilization covering tax measures to support businesses, expanding capital used for loan guarantees, and helping compensate businesses for interest expenses. Temporary job creation was covered through public works projects in the health-related sector. The cost of additional social protection measures was supported for affected low-income households, the disabled, and families with children. Paid leave, quarantine leave, and temporary disability benefits were also part of the response package supported directly by the program.

6. The program is properly designed and relevant, being closely aligned with ADB's country partnership strategy, 2019–2023 for Uzbekistan, especially on reducing economic and social disparities, strengthening economic governance, supporting private sector development, and promoting regional cooperation and integration.<sup>3</sup> The program aligns with ADB's Strategy 2030 by promoting sustainable development through interventions in social sectors and infrastructure (para. 21), addressing remaining poverty, and reducing inequalities.<sup>4</sup> The government considered ADB's additionality as satisfactory, as the program was developed in a proactive manner with regular project team and ADB resident mission communication, was prepared in a short time, and reflected quick decision-making.

7. Strong ownership of the program was evidenced by the establishment of special commissions to oversee the pandemic response and the government's containment measures through the Special Republican Commission and the Republican Anti-Crisis Commission. A dedicated unit within the Ministry of Finance (MOF) monitored the activities and expenditures under the program and submitted quarterly progress reports to ADB. The government complied with all access criteria required by ADB to obtain the CPRO.

8. **Adverse impact from an exogenous shock.** COVID-19 cases and associated reported deaths rose, real GDP growth forecasted for 2020 was reduced from 6% to 1.5%, and an estimated 448,000 additional people were expected to fall into poverty. The fiscal deficit was projected to increase to 5.6% of GDP in 2020 against an earlier estimate of 2.7%, and budget revenues were expected to fall to 25.2% of GDP in 2020 compared with 28.6% of GDP in 2019.

<sup>3</sup> ADB. 2019. [Country Partnership Strategy: Uzbekistan, 2019 – 2023—Supporting Economic Transformation](#). Manila.

<sup>4</sup> ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

9. **Countercyclical development expenditures.** The government established the ACF totaling SUM10 trillion under the budget and expended funds to strengthen the health sector, stabilize economic activity, and expand social protection for the poor and vulnerable groups.

10. **Pre-shock record of sound macroeconomic management.** Uzbekistan has a strong record of sound macroeconomic management, having achieved average GDP growth of 6.8% during 2010–2019. The national poverty rate declined from 25.8% in 2005 to 11.4% in 2018. A conservative fiscal and debt policy has led to a low risk of debt stress. Structural reforms, including exchange rate liberalization, have been implemented since 2017. Under the inflation targeting regime, inflation has slowed from 17.5% in 2018 to 14.5% in 2019 and 12.9% in 2020.

11. **Structural reforms.** Special commissions (the Special Republican Commission and the Republican Anti-Crisis Commission) were established to oversee pandemic response, and strict containment measures were instituted. A COVID-19 SPRP was operationalized with WHO support. The government undertook credible countercyclical responses, including social protection measures, and support from development partners was mobilized and coordinated.

12. **Debt sustainability.** Uzbekistan was assessed as at low risk of debt distress. The budget support loans for COVID-19 were estimated to increase the outstanding public debt stock by 13.7%, consisting of 6.1% from ADB and 7.6% from the International Monetary Fund (IMF) and the World Bank. The public debt-to-GDP ratio was expected to rise from 23.3% in 2019 to 33.3% by 2021. These figures were well below the threshold of 70% for debt stress and sustainability.

13. **Coordination with the IMF.** The program was developed in close coordination with the IMF, having consulted with the IMF on the country's macroeconomic outlook, and especially as related to the impact of COVID-19.

## **B. Program Outputs**

14. The program supported the measures in the DMF, including the ACF, which is the government's program to mitigate adverse impacts of COVID-19 on the population's health, incomes, and economic opportunities, as well as on macroeconomic stability. The outcome was that the COVID-19 outbreak was better managed and its adverse social and economic impacts were reduced. The original government funding plan for the program through the ACF was SUM10 trillion (\$1.05 billion). That was raised in November 2020 to SUM13.4 trillion (\$1.32 billion). As of 31 December 2020, the spending target was achieved, with 96% of the revised ACF budget spent. The total allocated expenditure from the ACF was SUM12.827 trillion, leaving a surplus of SUM573 billion that was returned to the budget to be used in 2021. Of ACF funds, 39% was used in financing measures against the coronavirus, 27% was spent on construction and repair of social facilities, 10% was spent through increasing social support, 19% went to financial support for businesses impacted by the pandemic, and 5% covered the losses of local government budgets and the Pension Fund as a result of granting tax benefits.

15. The DMF is in Appendix 1 and included the following outputs.

16. **Output 1: COVID-19 response and health system strengthening measures implemented.** Output targets were achieved.

17. The government increased its health sector support. The Ministry of Health (MOH) launched the COVID-19 SPRP on 19 March 2020 as a framework for effective pandemic management. Funds allocated in support of the framework program under the ACF were 96% spent as planned through December 2020. The SPRP covered protocols on (i) pandemic risk

management; (ii) emergency risk communication and community engagement; (iii) medical systems for the identification, monitoring, and control of infectious disease; and (iv) mitigation of the socioeconomic impact.

18. The government allocated SUM1 trillion (\$104.6 million) from the ACF to (i) support the Agency for Sanitary and Epidemiological Wellbeing and its regional centers; (ii) boost preparedness of hospitals and quarantine complexes by providing additional equipment, staff, and vehicles; and (iii) supplement the salaries of 15,000 medical staff who were directly affected by COVID-19 with hazard pay equivalent to approximately 6% of salaries. About 19% of the ACF was allocated to financial incentives for medical staff and the implementation of protective measures. Two COVID-19 hospitals as well as modular hospitals, diagnostic laboratories, and quarantine stations in selected regions were established. Mobile laboratories were set up in high-risk areas. Overall, under the government's program, two special hospitals with total capacity of 4,128 beds were established in the Tashkent region; a temporary quarantine complex with total capacity of 20,000 beds was set up; and a modern diagnostic laboratory complex was reconstructed, as were 70- and 20-bed facilities for infectious diseases. The government's program also supported special hospitals and temporary quarantine complexes in Nukus, Samarkand, Pop, Termez, and Zarafshan districts.

19. The import of medicine and medical equipment was exempted from tax. The production of medical masks was increased, and testing was expanded. WHO, ADB, the World Bank, and the United Nations Development Programme supported the procurement of medical equipment and capacity building of medical staff. MOH purchased 1,662 ventilators for delivery by 31 October 2020 against a planned 500. Domestic capacity to produce COVID-19 test kits was established, with capacity of more than 500,000 test kits per month against a target to acquire 250,000 kits. MOH procured personal protective equipment (PPE) for health workers, including through December 2020 71,100 coveralls and 8,000 boot covers. With further support from the United Nations Population Fund (UNFPA), UNICEF, and ADB, 600,000 disposable three-layer masks were acquired and 200,000 gloves. The government adopted new standards for production and procurement of facial masks, protection clothing, and antiseptic devices.

20. Sustainability of the outputs is supported, as the 2021 budget envisages the allocation of SUM3 trillion for further implementing measures to combat COVID-19. These funds will be used for vaccinations, to improve sanitary and epidemiological services, to create modern testing laboratories, and to expand digitalization in the medical sector.

**21. Output 2: Affected sectors and businesses supported to prevent job losses from the economic downturn.** Output targets were achieved.

22. In 2020, a variety of tax measures and exemptions for small and medium-sized enterprises (SMEs), individual entrepreneurs, and businesses in certain sectors were established. The resulting tax benefits and reliefs totaled SUM6.7 trillion, of which tax benefits were SUM2.2 trillion and tax reliefs and unapplied sanctions were SUM4.5 trillion. Value-added tax and customs taxes on imports were deferred, and licensing requirements for freight were abolished. Social tax contributions for individual entrepreneurs were reduced by 50%. Payment of personal income and social taxes was suspended with interest-free deferment until 1 October 2020. SMEs and businesses in services, transportation, tourism, and aviation were exempted from property taxes, and their rate of social tax was dropped to 1% from 12%. Tax audits were suspended until 2021, and tax filing for 2019 was deferred from 1 April to 1 August 2020. Local governments reduced taxes by 30% and provided a 6-month grace period for paying property taxes and fees. MOF provided compensation to local governments for the lost revenues.

23. Per presidential decrees, loan maturities were extended, and loan payments were deferred without penalty until 1 October 2020 for businesses in the most affected sectors, such as tourism, transport, private education, and international trade. Loan deferments and restructuring of loans for affected individuals, self-employed entrepreneurs, and businesses were introduced. Interest-free loans were provided to businesses to support continued wage payments and to strategic enterprises for debt repayment. State-owned banks provided businesses with renewable revolving loans amounting to about 5% of GDP to support their working capital needs. Additional loans for construction of individual housing were made available. To support the finance sector and economic activity, the Central Bank of Uzbekistan provided \$748 million of liquidity to banks and reduced its policy rate twice from 16% to 14%.

24. Additional funds of SUM500 billion were allocated to the State Fund for Support of Entrepreneurship to expand loan guarantees. The target was exceeded, as by November 2020 the entrepreneurship fund had provided financial assistance in the amount of SUM8.4 trillion for loans in a value of SUM39.9 trillion allocated to 24,400 projects and resulting in the creation of 191,800 new jobs. A zero-rent policy was introduced for businesses in 3,600 government-owned properties. Bankruptcy declarations were temporarily halted for businesses experiencing financial hardship. Trade was supported for businesses in Uzbekistan to the Central Asia Regional Economic Cooperation Program (CAREC) region, wherein they could export without payment guarantees.

25. A total of SUM4.4 trillion was spent for the Public Works Fund to support such small-scale public works as rehabilitation of selected regional urban, agriculture, sanitation and health, and educational facilities. These works supported employment. The amount spent exceeded the SUM3.6 trillion planned through December 2020. The output supported employment and created jobs where at least 75% of the beneficiaries would be members of low-income households. To support businesses providing public works services and to stimulate labor demand, the Public Works Fund covered the wages of each employee in public works. In 2020, public works provided temporary employment for 570,029 people, mainly from the low-income population. Employment support programs were focused primarily on young people and women by offering employment assistance and training. Through August 2020, 206 companies received grants for employee training, and 198,900 people were employed in permanent jobs through referrals from Employment Assistance Centers. Overall, 270,549 women and 171,408 young people held temporary employment in public works. Additionally, 17,767 women and 12,365 youth had jobs subsidized by employment promotion centers. The procedure for obtaining unemployment benefits was simplified, with processing time reduced to 3 days from 10 with the possibility of automatic extension up to 6 months and without recourse to employment services. Almost 37,000 unemployed received benefits under the new procedure through June 2020.

26. **Output 3: Dedicated social safety net funds for social protection and compensation for economic losses of low-income households expanded.** Output targets were generally achieved.

27. The government increased social spending in 2020 to SUM8.5 trillion against SUM4.7 trillion in 2019. The total number of recipients rose to 5.7 million in 2020 from 4.7 million in 2019. Of the social protection expenditures, 45% were used to pay benefits to families with children and to provide financial aid to low-income families. Subnational governments also boosted their expenditures on various types of social benefits for vulnerable groups of individuals in 2020. Under the ACF, SUM1.3 trillion was allocated and spent to expand social safety nets for poor and vulnerable groups. The number of low-income households receiving social and childcare benefits was increased by about 20% as the eligibility criteria were simplified and the income criterion was

relaxed. Expiring social benefit payments were extended for as long as 12 months. To capture applications for social allowances from multiple channels, a fully automated single register of social protection was launched through the United Nations Development Programme supporting transparency, efficiency, and better targeted aid. The platform and the simplification of the application process enabled the government to increase the number of beneficiaries to 1.2 million against the target of 654,940 by extending the duration of childcare and family allowances that were due to expire. Elderly living alone and people with disabilities were provided with free food and hygiene products. Paid leave was provided to working parents caring for children and at-risk employees were granted 100% paid leave. The government also imported staple foods as needed to prevent shortages and price hikes. Priority support was delivered to women as The Ministry of Neighborhood and Family Support provided support for women with specific social and economic concerns. More than 14,000 women with difficult social conditions were provided permanent work with 179,900 employed in paid public works and 4,400 were supported in opening a business and becoming entrepreneurs. A total of SUM33 billion in loans (1,558) was provided to women for small business projects. Initial down payments in the amount of SUM14.6 billion were provided to 852 women to purchase housing. Additionally, protection warrants were issued to 4,780 women who suffered from violence.

28. Of temporary disability benefits provided from the ACF, a proposed target was that at least 50% of temporary disability benefits (covering 100% of the average monthly salary to quarantined parents and individuals caring for children) would be given to women. Prior to the pandemic, there were no temporary disability benefits. SUM1.833 billion per month was allocated for more than 315,000 children with disabilities. There were 284,400 families receiving temporary disability benefits. Recipients of overall social benefits is comprised of 58% women and supports that over 50% of temporary disability benefits went to women.

29. The program established that the salaries for employees of state educational, sports, and cultural institutions would be continued, and it was prohibited to lay off quarantined employees or their family members. The salaries of schoolteachers, about 68% of whom are women, continued to be paid, with 46% of the government's budget allocated to social spending directed to pay these salaries. While the baseline in 2020 indicated 1.04 million schoolteachers to be paid, more accurate subsequent data by the State Committee on Statistics puts the number of educators and teachers for 2020's fourth quarter at 628,370, as the initial figure had included all employees in the education sector. In any event, the target was achieved as salaries continued to be paid and SUM30.7 billion of the government budget was allocated to such payments in 2020. To further support education, quarantine leave was granted to parents of kindergarten and primary school students.

### **C. Program Costs and Financing**

30. CPRO assistance of \$500 million to Uzbekistan was equivalent to 1.5% of nominal GDP. It constituted 48% of the government's total response package of \$1.05 billion at the time of CPPO approval, and 39% of the government's total response package of \$1.28 billion at the time of CPPO completion. The loan was disbursed in a single tranche upon loan effectiveness and the government availed itself of the full amount of the ceiling available to it as established in ADB's CPPO policy. Program cost at approval and actual is detailed in Appendix 2.

### **D. Disbursements**

31. The disbursement for the program was \$500 million. The loan was disbursed on 10 July 2020 in a single tranche as planned. For details, see Appendix 3.

## E. Gender Equity

32. The program was categorized *effective gender mainstreaming* as the countercyclical response involves social sector measures to preserve the health, incomes, and livelihoods of women, children, and low-income households. Women were more vulnerable to the health and socioeconomic impacts of the pandemic because they represented approximately 76.3% of the health sector workforce in 2020 and the health care sector is among the lowest paying sectors. Women constitute about 68% of educators and were more severely affected by the closure of all educational institutions. A gender monitoring matrix was prepared and implemented within three reform areas (Appendix 4). Program effects were achieved in that health measures were undertaken to combat spread of the pandemic that fully supported women broadly and without bias as an effective and inclusive response to the most affected sectors of the economy. The results of specific targets are summarized below and reflect that gender targets were generally achieved. Outputs had both direct and implicit material impacts on women overall. These impacts are most clearly recognized within such key areas as education (where women comprise 68% of the schoolteachers) and temporary public works projects that provided employment for 570,029 people that included 270,549 women and 171,408 youth (i.e., 77.5% of such jobs against a target of 75% for women and youth). Further, the salaries of health care workers were supplemented in the form of hazard pay for those affected by COVID-19, and women comprise about 76.3% of the health sector workforce. The limited availability of sex-disaggregated data made it difficult to easily assess gender achievements because systems were not yet fully expanded to provide for the requisite level of granularity. The government had focused more on the need to deal rapidly with the growing pandemic crisis overall in order to protect the population as a whole. Overall, at completion, implementation of the program's gender-related activities and achievement of the targets is considered successful, having achieved 6 out of 7 (86%) gender-related targets and completed 3 out of 3 (100%) gender-related activities. A gender matrix detailing these 10 gender-related targets and activities across the three outputs can be found in Appendix 4.

## F. Monitoring and Reporting

33. All loan covenants were complied with prior to disbursement of the loan proceeds (Appendix 5). No reform action or loan covenant was modified, suspended, or waived. Monitoring and reporting arrangements for the program were satisfactory and there were no delays in receiving required reports. The government complied with all reform actions identified in the policy matrix. The government submitted satisfactory status reports for the third and fourth quarters of 2020 and a final report on 6 October 2021. The government also kept ADB Uzbekistan Resident Mission well informed of progress and any issues.

# III. EVALUATION OF PERFORMANCE

## A. Relevance

34. The program is considered *highly relevant*.<sup>5</sup> ADB's provision of the CPRO program was timely and facilitated Uzbekistan's critically needed fiscal stimulus to better manage the immediate

<sup>5</sup> As per the guidance note of program completion reports (PCR) for CPROs, a highly relevant rating may be given if (i) there was a clear need for emergency budget support to help the developing member country (DMC) facilitate critically needed fiscal stimulus in the crisis context (re: CPRO access criterion 1); (ii) ADB's response to the government's request for support was timely; (iii) The CPRO design was appropriate for achieving its intended outcome in line with ADB's CPRO policy, namely: (a) DMC met the six CPRO eligibility criteria based on a competent diagnostic analysis to verify this; (b) the DMF was well prepared given the crisis context; (c) for CPROs rated effective gender mainstreaming (EGM)—gender actions effectively mitigated the pandemic's socio-economic effects on

economic and financial shocks created by the rapidly unfolding COVID-19 pandemic. The program was highly relevant at design, the CPRO design assessment met all 6 CPRO criteria, the DMF was well prepared, and gender actions supported mitigation of negative effects on women and were all relevant. The program was timely in that the government confirmed its budget needs formally in late March 2020, ADB immediately processed the program, and Board approval was on 25 June 2020. Actions taken to strengthen macroeconomic stability and implement structural reforms to social protections and the healthcare system create stronger resilience and build capacity to withstand future shocks.

35. Uzbekistan was under serious risk from COVID-19, which threatened to overwhelm its health care system, increase social and economic inequalities, and contract the economy. In this context, the government urgently needed to make an emergency response to mitigate and manage the pandemic's negative effects in the short-term and to buy time to transition into more targeted social and economic assistance measures for the medium and long terms. Any financial and technical gaps in the government's response could be filled only by its donors and multilateral partners. The CPRO was among the development partner interventions that helped fill the gaps. It was unique in providing rapid untied emergency budget support, and it was prepared in close collaboration with the government and other development partners. It was harmonized with other development partners, and particularly the IMF, as the program consulted with them on the country's macroeconomic outlook, especially as it related to the impact of COVID-19. Uzbekistan met the six access criteria outlined in ADB's CPRO policy at design and continued to meet them throughout the program's implementation period.

36. The DMF was highly relevant and set its target outputs according to the main components in the government's response plan that are priorities for achieving the objectives of ADB's Strategy 2030 and strategic objectives of Uzbekistan's country partnership strategy and complementary to mitigating the financial effects of the pandemic on the overall economy, namely (i) measures supporting citizens, (ii) health sector measures, and (iii) support to vulnerable businesses and fiscal stimulus measures. The DMF identifies the expected effects of these measures based on information and data available at CPRO preparation and anticipated to be available at completion. The DMF complements and elaborates upon the information provided in the report and recommendation of the President about how the government has met CPRO access criteria and outlines the type of information that ADB expected the government to monitor and report.<sup>6</sup> In consultation with the government, ADB endeavored to identify meaningful yet realistic indicators and targets for which data would be available.

37. Program outcomes were closely aligned with country and ADB development priorities under ADB's country partnership strategy, 2019–2023 for Uzbekistan and Strategy 2030 by promoting sustainable development through interventions in social sectors and infrastructure, addressing remaining poverty, and reducing inequalities. The program remained highly relevant at completion. The program was well designed to ensure achievement of outcomes. It provided critical budget support to enable the government to undertake countercyclical expenditures to (i) strengthen health system capacity to combat the spread of COVID-19; (ii) support businesses, employment, and job-creating regional public works; and (iii) expand social safety nets. The

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women and girls, referring to the CPRO's gender achievement rating (re: CPRO access criteria 2 and 4); and (d) the CPRO design had additional notable features, e.g., support via CPRO has prompted policy reforms to improve readiness or build capacities for effective crisis response in the future; and (iv) ADB's support was coherent and harmonized with other development partners (re: CPRO access criterion 6).

<sup>6</sup> ADB. 2020. *Report and Recommendation of the President to the Board of Directors: COVID-19 Active Response and Expenditure Support Program*. Manila.

COVID-19 pandemic caused an economic shock that dramatically reduced the country's employment, income, and well-being.

38. There was clear need for the program in that GDP growth for 2020 was estimated to drop to 1.5% against a forecast rate of 6%. Actual GDP growth in 2020 was 1.9%. ADB had projected GDP growth of 4.0% in 2021 and 5.0% in 2022. For the SME sector, 80% of businesses had to suspend activities and the proportion of GDP represented by SMEs fell from 54.2% in 2019 to 53.9% in 2020. Tourism revenues and remittances declined significantly. Based upon IMF's 2021 Article IV report projections, the rate fell to 9.5% in the second half of 2021 from 10.5% in 2020. That level nevertheless remained above the pre-crisis level of 9%. The 2020 figures ended below the initially projected rate of 16.5% for 2020 due in part to a faster rebound of economic activity until additional waves of the virus were identified in early 2021. The number of people living in poverty increased during 2020 after falling consistently for more than two decades. In December 2020, about 65% of households reported having no financial savings (14 percentage points higher than in 2019). The program backed the provision of alternative support, as an estimated 5.2 million people have received some form of emergency support at least once since April 2020. Nearly 16% of people have reported receiving direct assistance since the pandemic started. Assistance came as in-kind benefits or vouchers, as well as one-time cash benefits.

39. The program's reforms entailed important actions to stabilize the economy, helping Uzbekistan to be one of the few countries in the world that had positive growth during the pandemic. Its GDP growth was 1.9% in 2020. Overall, macroeconomic indicators remained stable, and the government continued its structural reform momentum despite the pandemic. Specifically, the program supported the provision of medicine, medical devices, PPE, and test systems. It backed the cost of establishing and maintaining quarantine facilities. Expenses and financial incentives for medical staff were supported. Funds were used for fiscal stabilization, covering tax measures to support businesses, expanding capital used for loan guarantees, and helping compensate businesses for interest expenses. Monetary policy measures were enacted to ease pressure on the finance sector from nonperforming loans and potential liquidity concerns. Temporary job creation was covered through public works projects in the health-related sector. Additional social protection measures were provided to affected low-income households, the disabled, and families with children. Paid leave, quarantine leave, and temporary disability benefits were also part of the government's response package supported directly by the program.

## **B. Effectiveness**

40. The program is considered *effective* as all reform area outputs were achieved. ADB's quick processing of the program and distribution of funding directly supported the government's ability to deliver its response package to mitigate the economic, health, and social impacts of the pandemic. Additionality is further evident in selected elements of the government's reform program consistent with ADB's support. Prior to approval, the government already had begun to implement various pandemic mitigation responses. After CPRO approval, further important actions were promptly implemented and required funding. These responses included financing of measures to combat coronavirus; funding of small-scale public works to back temporary employment while also supporting construction or repair of health and social facilities; mitigating the economic impact on SMEs and selected business sectors most impacted by the pandemic; and increasing social benefits for the most vulnerable segments of the population, such as women, children, and the disabled.

41. The government's pandemic response program had been underway since early 2020 with launch of the COVID-19 SPRP that served as a framework for effective pandemic management

and of the ACF. Countercyclical expenditures supported by the CPRO were clearly aligned with and integral to delivery of the government's response program. Funds allocated in support of the program under the ACF were 96% spent as planned through December 2020. All output targets were achieved in line with objectives of the CPRO.

42. Under output 1, COVID-19 response and health system strengthening measures were implemented. These included elements such as protocols on pandemic risk management; emergency risk communication; medical systems for the identification, monitoring, and control of infectious disease; and mitigation of socioeconomic impacts. Regional health centers, diagnostic laboratories, and quarantine facilities were supported, and preparedness of hospitals was boosted. Production of medical masks and PPE was increased, and procurement of medical equipment, including ventilators and test kits, was funded.

43. Under output 2, affected sectors and businesses were supported to prevent job losses. Actions included a variety of tax relief measures and exemptions for SMEs, individual entrepreneurs, and businesses in certain sectors. Value-added tax and customs taxes on imports were deferred, and social tax contributions were reduced. SMEs and businesses in certain sectors were exempted from property taxes. Businesses in key affected sectors with bank loans had their loan maturities extended and expanded loan guarantees were offered.

44. Under output 3, social safety net funds for social protection and compensation for economic losses of low-income households were expanded. Of social protection expenditures, 45% were used to pay benefits to families with children and to provide financial aid to low-income families. The number of low-income households receiving social and childcare benefits was increased by approximately 20%. Temporary disability benefits were provided.

45. At project completion, 6 of 7 (86%) gender targets were achieved and 3 of 3 (100%) of activities were completed and outputs had both direct and implicit material impacts on women overall. The ability to assess the effectiveness of gender targets was difficult due to more limited availability of sex-disaggregated data on the level of granularity needed.

46. Long-term ADB additionality can be found in selected elements of the government's reform program. ADB's support for key elements of the government's program and the ACF allowed the government space to continue its structural reforms while improving the health care sector and infrastructure needed in the future. Through prior ongoing support and dialogue, ADB had been supporting the government to strengthen the health sector and expand social protection for the poor and vulnerable groups, especially by reducing economic and social disparities, strengthening economic governance, supporting private sector development, and promoting regional cooperation and integration. This ongoing engagement allowed the government to be better prepared and more efficiently and promptly to establish its support package. Additionally, there was space for the government's program to support establishing new or refurbishing existing regional health centers, special hospitals, and diagnostic laboratories that all have long-term additionality. These serve to boost preparedness and capacity in the health care sector beyond the current pandemic crisis period.

### **C. Efficiency**

47. CPRO was *highly efficient*. ADB responded to the government's request for assistance received on 25 March 2020 while utilizing ADB's fact-track business process guided by a One ADB team. The program was approved 92 days later (on 25 June 2020), committed 12 days after approval (on 7 July 2020), and the first disbursement was issued 3 days after commitment (on 10 July 2020). By comparison it took an average of 6.5 months for Countercyclical Support Facility

operations in pre-COVID-19 years.<sup>7</sup> All reform actions were completed, and no waiver was required. The program was closed quickly in just over 7 months from Board approval. The government promptly utilized funds and executed expenditures directly in support of the program's targets and outputs.

#### **D. Sustainability**

48. Sustainability focuses on the extent to which the net benefits of an intervention continue or are likely to continue. ADB's evaluation guidelines state that for policy-based loans "sustainability assessment should primarily consider continued political commitment and support from other stakeholders and the institutional capacity to maintain program reform outcomes." The sustainability conditions will vary with each of the four main policy-based loan products, and this is covered by OM D4/BP section D (page 21, para. 57(iii)). This referenced section of the operations manual specifies that, "In principle, (Countercyclical Support Facility) operations should focus on short-term fiscal responses at the macroeconomic level." As outlined in the CPRO policy, rather than medium-term structural reforms, the objective of CPRO was to help developing member countries to finance urgent measures needed to address effects of the pandemic during its initial stages. This is consistent with the literature on emergency budget support, which outlines the "three Ts" of a good stimulus package: timely, targeted, and temporary.<sup>8</sup> By design, none or almost none of the actions or reforms in the government's program were intended to be sustained beyond the crisis, nor is there an expectation that their benefits will be. Therefore, it is neither applicable nor appropriate to include sustainability as a basis for assessing a CPRO program's overall success. No rating is assigned for sustainability.

49. It is highly likely that the government can sustain the key elements of the program. The government's budget for 2021 remains socially oriented, backing continued recovery from the pandemic and supporting the most vulnerable parts of the population. The budget provides funds for the continuation of planned structural reforms. The government was supported to strengthen economic management and thus to reinforce macroeconomic stability and sustained growth. Macroeconomic stability, in turn, implied stronger resilience to adverse economic shocks and contributed to the country's being able to better mitigate the negative impacts of the pandemic.<sup>9</sup> Technical assistance supported project preparation through capacity building to establish a grievance redress mechanism as well as improved public sector budgeting and investment planning. Overall, the government has been highly committed to state-owned enterprise reforms and structural macroeconomic reforms, which also strengthened sustainability. Budget expenditures for social programs in 2021 are planned to increase from 20.1% of GDP in 2020 to 24.0%. This highlights that the initial program reforms serve well as starting points for further actions by the government and are not one-off changes. Planned new expenditures include supporting the social focus of the budget and development of human capacity through complete financing of programs in the fields of health care, education, science, culture, and sports, as well as creation of social registers for improving the system of social protection. Funding for continued reforms will cover ensuring stable budget revenues, implementing measures to reduce the shadow economy, streamlining tax incentives and policy, and gradually unifying the excise tax rates for imported and domestic products. Budgetary policy reforms will cover developing a new budget calendar and improving the budget process, introducing fiscal rules to help ensure stability of the tax and budgetary system, developing arrangements to introduce program-based

<sup>7</sup> ADB. 2021. [2020 Development Effectiveness Review](#), Figure 2.2, page 29. Manila.

<sup>8</sup> European Central Bank. 2009. Monthly Bulletin. March. (Box 7. The effectiveness of various fiscal measures to stimulate the economy, p. 78).

<sup>9</sup> ADB. 2020. *TA 9538: UZB Economic Management Improvement Facility*. Manila.

budgeting, introducing a fiscal risk assessment system, and more efficiently managing public debt.

50. Fiscal and debt capacity after the program remains sound and supports the sustainability of reforms. The fiscal deficit is projected at 5.5% in 2021, compared to 4.4% for 2020. A debt ceiling at 60% of GDP was introduced with the Budget Law of 2021, and public debt is projected to hit 42.1% for 2021, up from 37.8% in 2020. Those levels are well below the 70% threshold regarded as indicating low debt stress. Official reserves have also been stable, reaching \$34.1 billion by 1 July 2021.<sup>10</sup>

## **E. Development Impact**

51. The program's development impact is rated *satisfactory*. All reform area outputs were achieved and two out of three performance indicators for program effects were met and the program blended positively with the government's reform agenda and framework to mitigate health, social, and economic impacts of the pandemic. The program successfully provided support allowing the government to effectively manage the outbreak and reduce its adverse social and economic impacts by helping to limit mass unemployment and sustain vital social protection programs, particularly for the country's most vulnerable and poor. The program supported the government's response to the pandemic, enabling it to mitigate many of the negative impacts that could affect the country's progress toward its Sustainable Development Goals. Specific measures supported citizens, social and health sectors, and infrastructure while addressing remaining poverty and inequalities that are consistent with development goal objectives and the aims of ADB's Strategy 2030. Funds allocated in support of the government's response package were 96% spent as planned through December 2020. The CPRO assistance was equivalent to 1.5% of nominal GDP. It constituted 48% of the government's total response package of \$1.05 billion at the time of CPRO approval, and 39% of the government's total response package of \$1.28 billion at the time of CPRO completion.

52. Notable impact is indicated by the government's achieving general maintenance of the poverty rate near the pre-pandemic level. The national poverty rate through 31 December 2021 was to be maintained at or below the pre-COVID-19 level while using the 2018 rate of 11.4% as a baseline. Although at the end of 2020 the target was nominally not achieved, as the rate had reached 11.5% as reported by the State Committee on Statistics, this measure did not reflect a material increase and supports the general downward trend in the national poverty rate that has continued from the 25.8% level in 2005. Through its program and ACF, the government also implemented a broad range of support through social benefits to help mitigate any temporary rise in core poverty resulting from the pandemic.

53. The ability of the government to maintain positive GDP growth of 1.9% in 2020 and through the pandemic is an important impact that helps maintain progress in support of reducing wealth gaps, unemployment, and poverty. Specifically, SMEs and employment were supported. An objective was that at least 75% of SMEs would remain in business by 31 December 2021. While year-end 2021 data are not yet available, the overall target was achieved through 31 December 2020, as the number of SMEs in business increased to 411,203 against a 1 April 2020 baseline of 352,167. The increase was supported by the favorable tax and other incentives put in place for SMEs, whereby individuals could look beyond the pandemic period to anticipate business opportunities going forward. With the significant increase in the number of SMEs in operation, the rebounding of the economy, and the decline of pandemic impacts, prospects bode well for the

<sup>10</sup> IMF. 2021. Article IV Consultation with the Republic of Uzbekistan, April 22. <https://www.imf.org/en/News/Articles/-2021/04/23/pr21112-uzbekistan-imf-executive-board-concludes-2021-article-iv-consultation>.

target to have been met at year-end 2021. SMEs contribute broadly to employment and therefore to economic well-being of families, and the program's support is important to prevent widening of inequalities.

54. Safety net funds for social protection and compensation for economic losses of low-income households were expanded. Temporary job creation was covered through public works projects in the health-related sector. Additional social protection measures were provided to affected low-income households, the disabled, and families with children. Paid leave, quarantine leave, and temporary disability benefits were also part of the government's response package supported directly by the program. These elements helped mitigate temporary impacts of the pandemic, allowing the country to remain on targets in promoting citizens' health and social well-being while addressing remaining poverty gaps. Of the program's social protection expenditures, 45% were used to pay benefits to families with children and to provide financial aid to low-income families. The number of low-income households receiving social and childcare benefits were increased by approximately 20%. Impact is supported going forward because the 2021 budget remains socially oriented, backs continued recovery from the pandemic, and plans increased budget expenditures for social programs in 2021. The program's targets are consistent with the main components in the government's response plan and with priorities for achieving the objectives of ADB's Strategy 2030 and the country's Sustainable Development Goals.

## **F. Performance of the Borrower and the Executing Agency**

55. The performance of the Government of Uzbekistan and the executing agency were highly satisfactory. Both the government and MOF demonstrated strong commitment to the program and reform actions. The government quickly launched a pandemic crisis management and oversight framework that served to oversee the program's implementation through establishment of the Special Republican Commission on 29 January 2020 and the Republican Anti-Crisis Commission on 19 March 2020. The government carried out the program with efficiency and in conformity with sound administrative, financial, public policy, social, and governance practices. It complied with all loan agreement covenants. The program required no extension or modification and was closed promptly about 6 months after approval. The government prepared and submitted to ADB quarterly status reports and a final completion report that were of high quality.

## **G. Performance of the Asian Development Bank**

56. ADB's performance was *satisfactory*. Continuing in long-term engagement with the government on reforms and given the critical need for support of the country to mitigate the impact of the pandemic, the program was processed and prepared for the Board in a short period of about 3 months. Disbursement of the program's funds occurred in a single tranche on 10 July 2020. ADB coordinated closely with other development partners, and especially with the IMF, to ensure complementarity. ADB's strong prior relationship with the government gave it deep insights into the country's condition and needs. There were regular, ongoing communications during program preparation, allowing for the rapid preparation of the program, quick decision-making and responses to issues, and identification of precise reforms to be pursued. Moreover, ADB processed and approved two additional, related financings under TA 9538 Economic Management Improvement Facility for \$300,000 on 14 August 2020 and an additional \$325,000 on 9 December 2020 to support such COVID-related activities as monitoring and reporting, bank stress testing, and debt management.<sup>11</sup>

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<sup>11</sup> ADB. 2020. *TA-9538 UZB: Economic Management Improvement Facility*. Manila.

## H. Overall Assessment

57. Overall, the program is rated *highly successful*. It was *highly relevant* to the government's efforts to mitigate impacts of the pandemic on the economy and the health of the population. It was *highly efficient* in rapidly responding to the government's request and intermediating support to the economy and public. The program is *effective* since all reform area outputs were achieved. Its development impact is deemed *satisfactory*, and the borrower and the executing agency performed in a *highly satisfactory* manner. ADB's performance was considered *satisfactory*. The program is *successful* for gender equality results, based on 86% of gender targets achieved and 100% of relevant activities having been completed.

Overall Ratings	
Criteria	Rating
Relevance	Highly Relevant
Effectiveness	Effective
Efficiency	Highly Efficient
Sustainability	Not Rated. Sustainability is not an objective of the CPRO instrument.
<b>Overall Assessment</b>	Highly Successful
Development impact	Satisfactory
Borrower and executing agency	Highly Satisfactory
Performance of ADB	Satisfactory

ADB = Asian Development Bank, CPRO = COVID-19 Pandemic Response Option.

Source: Asian Development Bank.

## IV. ISSUES, LESSONS, AND RECOMMENDATIONS

### A. Issues and Lessons

58. Data disaggregated by sex and age of end recipients were often not available at the time of program preparation. Even after effectiveness during implementation, only limited new data were prepared by the government. Systems were lacking to collect such data. The program did identify this gap, and in response the government agreed to expand availability and collection across fiscal, tax, social, and health areas. The general agreement was for systematic collection of sex-disaggregated data of beneficiaries, including, but not limited to, (i) disaggregation by sex and age of end recipients; and (ii) composition of households, including male versus female heads and number of dependents. The challenges evident in the collection of additional gender, age, and recipient data can be partially explained by their unavailability on a level of granularity required inasmuch as the goals were set quite ambitiously. As crisis conditions were evident and critical health and social needs were present and needing to be addressed rapidly, it was not possible quickly adapt systems to be capable of collecting more detailed data before implementing reforms and assistance programs. The key lesson is that the ambitiousness of goals should be balanced against the availability of data and capacity to quickly augment more granular data collection.

59. Continued engagement with the government on macroeconomic and structural reforms is another key lesson. This program was an integral part of ADB's overall country support activities and backed the government's strong commitment to state-owned enterprise reform and structural macroeconomic reform. Given this success, ADB must continue to work closely with stakeholders to further move reforms forward. This program was a continuation of engagement, particularly with the technical assistance on strengthening economic management that supports macroeconomic stability, sustained growth, and project preparation. A \$100 million loan focused upon the health sector strengthened the country's resilience to public health emergencies, including COVID-19, by steadily improving testing, diagnosis, and cases management. Structural

reforms also supported through a policy-based loan on SMEs development to undertake reforms improving the enabling environment for SMEs.

## **B. Recommendations**

60. **Requirement for enhanced disaggregated data.** When future programs are required due to urgent needs of an ADB member country, care should be given to the extent that augmented data collection systems are required to be implemented across all outputs. Due to the nature of a rapid program, a government will be challenged to quickly enhance data collection mechanisms while rapidly delivering assistance. Reforms that incorporate the expansion of data collection should be viewed as longer-term actions, as reflected in the inability under this program to quickly expand collection of data disaggregated by sex and age for end recipients of benefits or health care. Although the Government of Uzbekistan does have a commitment to expand the level of data granularity, this could not be delivered easily within the program timeframes.

61. **Future monitoring.** ADB should continue to engage with the government through policy-based and targeted project lending support to the health sector with targets for women, children, and the disabled and with the SME sector, as these areas are most susceptible to the negative impact of crises such as the COVID-19 pandemic. Programs and projects should be formulated to continue in building their long-term resilience. Such engagement can continue to deepen the impact of the policy reforms in the current program.

## DESIGN AND MONITORING FRAMEWORK

Country's Overarching Development Objective		
Adverse impacts of COVID-19 on the population's health, incomes, and economic opportunities as well as macroeconomic stability mitigated <sup>a</sup>		
Results Chain	Performance Indicators	Program Achievements
<b>Effect of the Program</b>  COVID-19 outbreak more effectively managed and its adverse social and economic impacts reduced <sup>b</sup>	1. COVID-19 confirmed cases doubling rate reduced to at least 30 days or more by 31 December 2020 (22 April 2020 baseline: 14 days)  2. National poverty rate is maintained at or below the pre-COVID-19 level by 31 December 2021 (2018 baseline: poverty rate at 11.4%)  3. At least 75% of SMEs remained in business by 31 December 2021 (1 April 2020 baseline: 352,167 SMEs operational)	<b>Achieved.</b> The estimated doubling rate for COVID-19 confirmed cases moved from 17 days on 9 July 2020 to 140 days on 28 October 2020, and 284 days on 31 December 2020, against a target of 30 days by 31 December 2020.  <b>Not Achieved.</b> The national poverty rates estimated by the State Committee on Statistics were 11.4% in 2018 and 11.0% in 2019. The State Committee on Statistics estimated the poverty rate for 2020 as 11.5%, which is higher than the target of 11.4%, but only nominally. Poverty rate for 2021 is not yet available. Source: <a href="https://stat.uz/en/181-ofytsyalnaia-statystyka-en/6385-living-standards1">https://stat.uz/en/181-ofytsyalnaia-statystyka-en/6385-living-standards1</a>  <b>Achieved.</b> As of 1 April 2020, there were 352,167 SMEs in business. Under the assumption that many of these would be forced to close, the target number still in business at 31 December 2020 was set at 75%, that is 264,125. The number of SMEs in business was reported as 411,203 as of 31 December 2020. Source: <i>The State Committee of the Republic of Uzbekistan on Statistics. Small business in the Republic of Uzbekistan for January–December 2020.</i>
<b>Reform Areas</b> 1. COVID-19 response and health system strengthening measures implemented	By December 2020: 1.1 COVID-19 SPRP implemented (March 2020 baseline: No SPRP)  1.2 At least 500 ventilators, 250,000 testing kits, and appropriately sized personal protective gear, including	<b>Achieved.</b> On 19 March 2020, the MOH launched the COVID-19 SPRP, prepared with WHO support, as a framework document for effective pandemic management.  <b>Achieved.</b> By end of October 2020, 1,662 ventilators had been received, of which 1,362 had been delivered to site. This compares with

Results Chain	Performance Indicators	Program Achievements
	gender responsive individual packages for female health workers, <sup>c</sup> delivered to identified medical facilities <sup>d</sup> (March 2020 baseline: none)	<p>a DMF target of 500 ventilators by 31 December 2020. A further 419 ventilators were scheduled to arrive by the end of 2020.</p> <p>From July 2020, Uzbekistan started domestic mass production of COVID-19 test kits. This was announced by the Ministry of Innovative Development. The test kits are manufactured by the LLC 'Biotest-LAB' at the Centre for Advanced Technologies. The Ministry announced that the production capacity is over 500,000 test kits per month.</p> <p>The MOH procured PPE for health workers who are providing medical services to COVID-19 patients, including with support for international development partners. In September 2020, ADB and UNICEF supported 71,100 coveralls and 8,000 boot covers as well as RNA Mini extraction kits which provide the fastest and easiest way for lab tests. As of December 2020, with support from UNFPA, UNICEF and ADB, 600,000 disposable three-layer masks were provided to the maternity hospitals in Tashkent City as well as 200,000 gloves for frontline health care workers.</p> <p>While specific details on production of gender responsive gear nor provision of hygiene kits are not available, many domestic enterprises refitted production to focus on a broad range of PPE needs. The MOH procurement of large sums of PPE for frontline health workers directly and through the support of international development partners would have covered the broad range of needs.</p> <p>Sources:</p> <p>Uzbekistan COVID-19 situation report 29 July 2020.  <a href="https://reliefweb.int/sites/reliefweb.int/files/resources/COVID19%20SitRep%20Uzbekistan%2029-07-2020_FINAL.pdf">https://reliefweb.int/sites/reliefweb.int/files/resources/COVID19%20SitRep%20Uzbekistan%2029-07-2020_FINAL.pdf</a></p> <p>WHO. Uzbekistan COVID-19 Situation Report for 16 November, 3 December and 31 December 2020.  <a href="https://www.unicef.org/uzbekistan/en/press-releases/adb-and-unicef-assist-government-uzbekistan-fighting-covid-19">https://www.unicef.org/uzbekistan/en/press-releases/adb-and-unicef-assist-government-uzbekistan-fighting-covid-19</a></p>

Results Chain	Performance Indicators	Program Achievements
2. Affected sectors and businesses supported to prevent job losses from the economic downturn	2.1 Sector-specific tax and other incentives (i.e., exemptions, lower tax rates, tax holidays, and loan repayment deferments) for SMEs provided, of which at least 40% are women-owned and/or managed <sup>e</sup> (March 2020 baseline: No tax and/or other incentives)	<p><b>Achieved.</b></p> <p>According to MOF, in 2020, tax benefits and tax reliefs amounted to SUM6.7 trillion, of which tax benefits were SUM2.2 trillion, tax reliefs and unapplied sanctions were SUM4.5 trillion. A variety of tax measures and exemptions for SMEs have been awarded by MOF:</p> <ul style="list-style-type: none"> <li>• The social contributions tax for individual entrepreneurs has been reduced by 50% (from 12% to 6%) from 1 April to 1 October 2020.</li> <li>• Payments of personal income tax, and social tax for individual entrepreneurs and SMEs, have been suspended with interest-free deferment until 1 October 2020.</li> <li>• SMEs and businesses in services, transportation, tourism and aviation are exempted from property and land taxes and will pay a reduced social contributions tax (1% instead of 12%).</li> <li>• The State Tax Committee suspended tax audits until 1 January 2021.</li> <li>• The filing of personal income tax declarations for fiscal year 2019 has been postponed from 1 April 2020 to 1 August 2020.</li> <li>• Local governments will reduce taxes by 30%, provide a 6-month grace period for paying property and land taxes and fees for water use, and suspend the accrual of tourist (hotel) tax from April until October 2020. The MOF will compensate the loss of revenue to local governments.</li> <li>• The tax rate for water use on agricultural irrigated land was reduced by 50%. The deadlines for audit reports are extended until 1 October 2020.</li> <li>• Property tax and land tax are exempted for the period from 1 June 1 to 1 September 2020 for small business entities, and markets and shopping malls, cinemas, catering, public transport, sports and fitness facilities, as well as legal entities engaged in the transportation of passengers, the provision of household services, the provision of rental premises, including for banquets.</li> </ul>

Results Chain	Performance Indicators	Program Achievements
		<ul style="list-style-type: none"> <li>• Additional state support in the form of write-offs are provided for: property tax and land tax payable for April and May 2020; penalties and fines for land tax and property tax, as of 15 May 2020; business entities' deferral of payment of VAT up to 120 days, when importing goods; social tax rate reduced from 12% to 1% between 1 May and 1 July 2020 for micro-firms and small enterprises; and SFSE is to allocate compensation for covering interest expenses for some loans.</li> <li>• As per Presidential Decree No. 5969 on 19 March 2020; Presidential Decree No. 5978 on 3 April 2020, and Presidential Decree No. 5996 on 18 May 2020, loan maturities have been extended and loan payments worth SUM7.9 trillion deferred without penalty until 1 October 2020 for businesses in the most affected sectors, i.e., tourism, hotels, transport, private education, and international trade.</li> <li>• Additional loan deferment and restructurings of SUM11.7 trillion for affected individuals, self-employed entrepreneurs, and businesses have been introduced.</li> <li>• To ensure continuity of business operations and activities, banks issued over \$3.1 billion (or approximately 5% to GDP) worth of short-term loans to replenish working capital of business entities whose cash flows had declined sharply.</li> <li>• During March to September 2020, banks deferred loans for customers facing financial difficulties totaling \$2.6 billion, of which \$2.1 billion related to legal entities and \$503 million to individuals (household sector).</li> <li>• Specific sex-disaggregated data on incentives received by SMEs owned or managed by women have been made available by the State Tax Authority.</li> </ul>
	2.2 An additional SUM 500 billion provided to the State Fund for Support of Entrepreneurship to provide guarantees and compensation of interest expenses for SMEs, of which at least 40% <sup>1</sup>	<p><b>Achieved.</b></p> <p>As of November 2020, the SFSE has provided entrepreneurs with financial assistance in the amount of SUM8.4 trillion for loans worth SUM39.9 trillion allocated for a total of 24,400 projects.</p>

Results Chain	Performance Indicators	Program Achievements
	are women-owned and/or managed (March 2020 baseline: No guarantees or interest compensation)	<p>This has resulted in the creation of 191,800 new jobs. The amount of SUM8.4 trillion financial assistance greatly exceeds the DMF target of SUM500 billion. In particular, the following have been provided:</p> <ul style="list-style-type: none"> <li>• Guarantees worth SUM4.9 trillion for the allocation of SUM12.8 trillion of credit for 6,600 projects.</li> <li>• SUM3.5 trillion compensation to repay part of the interest on loans worth SUM27.1 trillion for 17,800 projects.</li> <li>• SUM33.4 billion of preferential resources for 49 projects for the allocation of soft loans worth SUM35.0 billion.</li> <li>• While women entrepreneurs constituted 12% of the total number of entrepreneurs supported, they were given 45% of the total amount of financial support provided to SMEs being SUM223.4 billion.</li> <li>• Tax reductions and incentives supported SMEs and business regardless of gender and women received substantial benefits from all incentives offered that included tax exemptions, lower tax rates, tax holidays, and loan repayment deferments.</li> <li>• Additionally, data on benefit funds allocated from the ACF to JSCB Agrobank shows that these funds were used to open a credit line to support low-income families and to provide employment for school graduates by offering business start-up loans. In both cases more women received benefits than men.</li> </ul>
	2.3 SUM 3.6 trillion from the ACF spent on small-scale public works <sup>9</sup> in the regions to create temporary jobs, at least 75% of which employ members of low-income households (March 2020 baseline: None)	<p><b>Achieved.</b></p> <p>As of 31 December 2020, the total amount spent on public works has reached SUM4.4 trillion. Public works related to rehabilitation of basic urban facilities, agriculture, sanitation and health, and education-related facilities were covered. In 2020, paid public works provided temporary employment for 570,029 people, mainly from the low-income population and including 270,549 women and 171,408 young people.</p>
3. Dedicated social safety net funds for	3.1 Number of low-income households receiving childcare and	<b>Achieved.</b>

Results Chain	Performance Indicators	Program Achievements
social protection and compensation for economic losses of low-income households expanded	social benefits increased by at least 10%, with priority given to single mothers, divorced women, and widows (March 2020 baseline: 595,400 households)	<p>According to the Citizens Budget for 2021, total planned expenditures for social protection is SUM10,244.7 billion compared to SUM8,519.4 billion in 2020. The total number of recipients of social benefits will reach 4,722,321 compared to 5,684,583 in 2020, including one-time financial aid recipients. Of the social protection expenditures, 45% will be used to pay social benefits to families with children and provide financial aid to low-income families. In 2021, the total number of families receiving childcare allowance for children below 2 years of age, families receiving benefits for children under 14 years of age and low-income families receiving financial aid increased to 1,150,223 families against a targeted figure of 595,439 in March 2020, which doubles the original target (exceeding the target of 10% increase).</p> <p>Priority support was provided to women, including single mothers, divorced women and widows, as evidenced by the following.</p> <p>The Ministry of Neighborhood and Family Support provided the following types of support for women with specific social and economic concerns:</p> <ul style="list-style-type: none"> <li>(i) More than 14,000 women with difficult social conditions were provided permanent work. A total of 179,900 women were employed in paid public works and 4,400 were supported in opening a business and becoming entrepreneurs.</li> <li>(ii) The Women and Family Support Fund provided a total of SUM33 billion in loans (1,558 loans) to women for small business projects.</li> <li>(iii) Initial down payments in the amount of SUM14.6 billion were provided to 852 women to purchase housing.</li> <li>(iv) Protection warrants were issued to 4,780 women who suffered from violence.</li> </ul> <p>Presidential resolution "On Measures for the Further Improvement of the Support System and Provision of the Active Participation of Women in the Life of Society." The action provided for</p>

Results Chain	Performance Indicators	Program Achievements
		comprehensive assistance for training, mastering professional skills and employment for women, support for women's entrepreneurial initiatives, and a systematic study and identification of solutions for the problems and needs of women. These needs were further cumulated within the Women and Youth notebooks (databases) that identify women in vulnerable categories, difficult social and living conditions (divorced, widowed, disabled) and those unemployed and socially inactive so to prioritized assistance.
	<p>3.2 At least 50% of temporary disability benefits given to women<sup>h</sup> (April 2020 baseline: Temporary disability benefits not provided)</p> <p>3.3 Salaries of schoolteachers, of whom at least 70% are women, continued to be paid (2020 baseline: 1.04 million schoolteachers on payroll)</p>	<p><b>Achieved.</b> Data on a sex-disaggregated basis was available on the priority of benefit payments made to women. Recipients of overall social benefits is comprised of 58% women.</p> <p><b>Achieved.</b> As per Presidential Decree No. 5969 on 19 March 2020, it was announced that 1.04 million employees of state educational, sports and cultural institutions that have suspended their activities will continue to receive salaries in a timely manner. MOF confirms that all educators and teachers (628,370 as of Q4 2020) are being paid.</p>

ACF = Anti-Crisis Fund, ADB = Asian Development Bank, COVID-19 = coronavirus disease, GDP = gross domestic product, MOF = Ministry of Finance, MOH = Ministry of Health, PPE = personal protective equipment, SFSE = State Fund for Support of Entrepreneurship, SME = small and medium-sized enterprise, SPRP = Strategic Preparedness and Response Plan, VAT = value-added tax, WHO = World Health Organization.

<sup>a</sup> Presidential Decree No. 5969, 19 March 2020; Presidential Decree No. 5978, 3 April 2020; Presidential Decree No. 5996, 18 May 2020.

<sup>b</sup> Because of uncertainties in how the outbreak will unfold, its economic effects, the need for government responses to be flexible as the situation evolves, and because new data collection and reporting systems to monitor the crisis are being developed and evolving, it is not yet possible to set more specific and realistic targets than those presented in the design and monitoring framework. Additional indicators to measure the effects will be identified at a later stage and used to report on the program's effectiveness as comprehensively as possible in the project completion report.

<sup>c</sup> Menstrual hygiene kits in adequate number and quality.

<sup>d</sup> Not funded by other projects.

<sup>e</sup> SME ownership and/or management as defined by the Agency for Development of Small Business and Entrepreneurship.

<sup>f</sup> 43% of SMEs were owned and/or managed by women in 2017.

<sup>g</sup> Such public works will be small-scale and/or low-skilled, mostly maintenance-related and confined to existing facilities for the purposes of boosting short-term employment.

<sup>h</sup> Temporary disability benefits cover 100% of the average monthly salary and are provided to quarantined parents and individuals caring for children.

Source: Asian Development Bank.

**PROGRAM COST AT APPROVAL AND ACTUAL**  
(in millions)

<b>Item</b>	<b><u>Approved</u></b>		<b><u>Actual</u></b>	
	<b>Foreign Exchange (\$)</b>	<b>Local Currency (SUM)</b>	<b>Foreign Exchange (\$)</b>	<b>Local Currency (SUM)</b>
Loan 3939 (OCR)	500.0	37,552.9	500.0	41,865.0
<b>Total</b>	500.0	37,552.9	500.0	41,865.0

Source: Asian Development Bank estimates.

**DISBURSEMENT OF ADB LOAN PROCEEDS**

(\$ million)				
<b>Year</b>	<b>Annual Disbursement</b>		<b>Cumulative Disbursement</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
2020	500.0	100.0	500.0	100.0
<b>Total</b>	500.0	<b>100.0%</b>		

Source: Asian Development Bank.

## GENDER EQUALITY ACHIEVEMENTS AND RESULTS

1. The program was categorized *effective gender mainstreaming*. The gender elements were highly relevant to the program overall as the countercyclical response involved social sector measures to preserve the health, incomes, and livelihoods of women, children, and low-income households. Women were more vulnerable to the health and socioeconomic impacts of the pandemic since they represented approximately 76.3% of the health sector workforce in 2020 and the health care sector is among the lowest paying sectors. Women also constituted about 68% of educators and were more severely affected by the closure of all educational institutions.
2. Three reform areas were outlined within the gender monitoring matrix. The overall aim was that the COVID-19 outbreak was more effectively managed and its adverse social and economic impacts reduced for women as well as other more vulnerable groups.
3. Overall program effects were achieved in that health measures were undertaken to combat the spread of the COVID-19 pandemic, and these indirectly and directly supported the distinct concerns of women. The results of specific gender targets are summarized below reflecting that most were fully achieved and in all cases, outputs had both direct and implicit impact on women overall.
4. Overall, at completion, implementation of the program's gender-related activities and achievement of the targets is considered *successful*, completing 3 out of 3 (100%) gender-related activities and achieving 6 out of 7 (86%) gender-related targets. A gender matrix detailing the 10 gender-related targets and activities across the three outputs is contained in this appendix. The key gender-related achievements are as follows.
5. The program supported provision of equal opportunities to benefit from the temporary jobs created through small-scale public works. As of 31 December 2020, the total amount spent on public works reached SUM4.4 trillion (above the target of SUM3.6 trillion dedicated from the ACF) and temporary public works provided employment for 570,029 people that included 270,549 women and 171,408 youth reflecting 77.5% of jobs against a target of 75% for women and youth. Employment for women was also supported through employment promotion centers that benefited a further 17,767 women and 12,365 youth. The number of low-income households receiving childcare and social benefits rose significantly to 1.2 million in 2020 against the baseline of 595,000 in March 2020 and more than the target increase of 10%. Tax reductions and incentives supported SMEs and business regardless of gender and women received substantial benefits from all incentives offered that included tax exemptions, lower tax rates, tax holidays, and loan repayment deferments. The program supported the continued payment of the salaries of schoolteachers, of whom about 68% are women. While the baseline in 2020 indicated 1.04 million schoolteachers, this figure included both teachers and administrative staff and more accurate subsequent data by the State Committee on Statistics reflects the number of educators and teachers for Q4 of 2020 at 628,370. Regardless, the target was achieved as salaries were continued to be paid and the government budget allocated to for payments was SUM30.7 billion in 2020 and SUM34.6 billion in 2021 and a majority were women. Data from January 2021 shows that about 68% of secondary school teachers are women.
6. A final assessment of gender achievement was difficult to complete as data was not readily available in all cases or was of limited availability on a sex-disaggregated basis. Effort was needed to work with the government to obtain additional data or seek proxy data to make draw conclusions.

**Table A4: Gender Monitoring Matrix and Achievements**

Gender Performance Indicator	Achievements	Data sources																				
Reform Area 1: COVID-19 response and health system strengthening measures implemented																						
1.1.1 At least 500 ventilators, 250,000 testing kits and appropriately sized personal protective gear, including gender responsive individual packages for female health workers delivered to identified medical facilities (March 2020 baseline: none)	<p><b>Target 1 not achieved.</b></p> <p>While specific details on production of gender responsive gear nor information on provision of menstrual hygiene kits provided are not available, many domestic enterprises also refitted production to focus on a broad range of PPE needs and would have clearly provided necessary items. As of end December 2020, 1,662 ventilators were acquired, and domestic production of test kits stood at 500,000 monthly; 600,000 disposable three-layer masks were provided to the maternity hospitals in Tashkent City as well as 200,000 gloves for frontline health care workers. The MOH also procured large sums of PPE for frontline health workers directly and through the support of international development partners that cover the broad range of needs.</p>	<p>Uzbekistan COVID-19 situation report for 29 July 2020.</p> <p>WHO: Uzbekistan COVID-19 Situation Report for 16 November, 3 December and 31 December 2020.</p>																				
Reform Area 2: Affected sectors and businesses supported to prevent job losses from the economic downturn																						
2.1.1 Sector-specific tax and other incentives (i.e., exemptions, lower tax rates, tax holidays, and loan repayment deferments) for SMEs provided, of which at least 40% are women-owned and/or managed (March 2020 baseline: No tax and/or other incentives)	<p><b>Target 2 achieved.</b></p> <p>Tax reductions and incentives supported SMEs and business regardless of gender and women received substantial benefits from all incentives offered that included tax exemptions, lower tax rates, tax holidays, and loan repayment deferments as approved by Presidential Decree No. 5996. Specifically, women dominate ownership in a number of key sectors that includes catering, rental services and event management, handicrafts, and providing private educational services. The table below reflects that at least 40% of these sectors are women-owned and or managed.</p> <table><tr><th>Women dominated sectors receiving incentives (December 2020)</th><th>% of Women</th><th># Women</th><th># Men</th></tr><tr><td>Catering</td><td>45.2%</td><td>2055</td><td>2492</td></tr><tr><td>Provision of rental and event services</td><td>40.9%</td><td>159</td><td>230</td></tr><tr><td>Handicraft</td><td>42.1%</td><td>6476</td><td>8900</td></tr><tr><td>Private Education</td><td>66.9%</td><td>6460</td><td>3201</td></tr></table> <p>Source data: State Tax Committee</p>	Women dominated sectors receiving incentives (December 2020)	% of Women	# Women	# Men	Catering	45.2%	2055	2492	Provision of rental and event services	40.9%	159	230	Handicraft	42.1%	6476	8900	Private Education	66.9%	6460	3201	<p>Ministry of Finance Newsletter no 13 July 2020</p> <p>Ministry of Finance Newsletter No 12 June 2020</p> <p>Presidential Decree No. 5996 “On further measures to support the population and business during the coronavirus pandemic” approved on 18 May 2020.</p>
Women dominated sectors receiving incentives (December 2020)	% of Women	# Women	# Men																			
Catering	45.2%	2055	2492																			
Provision of rental and event services	40.9%	159	230																			
Handicraft	42.1%	6476	8900																			
Private Education	66.9%	6460	3201																			
2.1.2 An additional	<p><b>Target 3 achieved.</b></p>	2020 Citizens Budget – Ministry of Finance																				

Gender Performance Indicator	Achievements	Data sources
SUM500 billion provided to the SFSE to provide guarantees and compensation of interest expenses for SMEs, of which at least 40% are women-owned and/or managed. (March 2020 baseline: No guarantees or interest compensation)	The SFSE exceeded the SUM500 billion target for providing guarantees and compensation by November 2020 as financial assistance was given in the amount of SUM8.4 trillion for loans worth SUM39.9 trillion. While women entrepreneurs constituted 12% of the total number of entrepreneurs supported, they were given 45% of the total amount of financial support provided to SMEs being SUM223.4 billion.	Reports by Ministry of Economic Development and Poverty Reduction, and State Fund for Support of Entrepreneurship
2.1.3 Systematic collection of sex-disaggregated data of beneficiaries including, but not limited to: (i) number/percentage of women-owned/managed SMEs; and (ii) disaggregation by sex, age.	<p><b>Activity 1 completed.</b></p> <p>Per report of State Committee on Statistics, share of women-owned enterprises declined to 9.8% as of November 2020. SFSE likewise was able to identify the number of male and female entrepreneurs that benefited from this measure.</p>	<p>Ministry of Finance Newsletter no 13 July 2020</p> <p>Ministry of Finance Newsletter No 12 June 2020</p> <p>State Committee on Statistics</p>
2.2.1 SUM3.6 trillion from the ACF spent on small-scale public works in the regions to create temporary jobs, at least 75% of which employ members of low-income households, including women. (March 2020 baseline: None)	<p><b>Target 4 achieved.</b></p> <p>The reform also supported provision of equal opportunities to benefit from the temporary jobs created through small-scale public works. As of 31 December 2020, the total amount spent on public works reached SUM4.4 trillion (above the target of SUM3.6 trillion dedicated from the ACF) and temporary public works provided employment for 570,029 people that included 270,549 women and 171,408 youth reflecting 77.5% of jobs against a target of 75% for women and youth. Employment for women was also directly supported through subsidizes at employment promotion centers that benefited a further 17,767 women and 12,365 youth.</p>	<p>2020 Citizens Budget – Ministry of Finance</p> <p>Public Works Fund, State Employment Promotion Fund, and State Targeted Fund for Women and Family Support</p>
2.2.2 Systematic collection of sex-disaggregated data of	<p><b>Activity 2 completed.</b></p> <p>Reports from the Ministry of Employment and Labor Relations, provided information on the number of women and youth that were provided employment by this measure.</p>	<p>2020 Citizens Budget – Ministry of Finance</p> <p>Ministry of Employment and Labor Relations</p>

Gender Performance Indicator	Achievements	Data sources
beneficiaries including, but not limited to: (i) disaggregation by sex, age; and (ii) composition of households—male/female heads, number of dependents		
Reform Area 3: Dedicated social safety net funds for social protection and compensation for economic losses of low-income households expanded		
3.1.1 Number of low-income households receiving childcare and social benefits increased by at least 10% with priority given to single mothers, divorced women and widows. (March 2020 baseline: 595,400 households)	<p><b>Target 5 achieved.</b></p> <p>Social safety net funds were expanded for social protection and compensation for economic losses of low-income households. The reform exceeded the target. The number of low-income households receiving childcare and social benefits rose significantly to 1.2 million in 2020 against the baseline of 595,000 in March 2020 and more than the target increase of 10%. Priority support was provided to women, including single mothers, divorced women and widows, as evidenced by the following.</p> <p>The Ministry of Neighborhood and Family Support provided the following types of support for women with specific social and economic concerns:</p> <ul style="list-style-type: none"> <li>(i) More than 14,000 women with difficult social conditions were provided permanent work. A total of 179,900 women were employed in paid public works and 4,400 were supported in opening a business and becoming entrepreneurs.</li> <li>(ii) The Women and Family Support Fund provided a total of SUM33 billion in loans (1,558) to women for small business projects.</li> <li>(iii) Initial down payments in the amount of SUM14.6 billion were provided to 852 women to purchase housing.</li> <li>(iv) Protection warrants were issued to 4,780 women who suffered from violence.</li> </ul> <p>Presidential resolution “On Measures for the Further Improvement of the Support System and Provision of the Active Participation of Women in the Life of Society.” The action provided for comprehensive assistance for training, mastering professional skills and employment for women, support for women’s entrepreneurial initiatives, and a systematic study and identification of solutions for the problems and needs of women. These needs were further cumulated within the Women and Youth notebooks (databases) that identify women in vulnerable categories, difficult social and living conditions (divorced, widowed, disabled) and those unemployed and socially inactive so to prioritized assistance.</p>	<p>Presidential Decree No. 5723 of 21 May 2019</p> <p>Since 1 September 2019, according to Presidential Decree No. 5723 of 21 May 2019 <a href="https://www.lex.uz/docs/4346131">https://www.lex.uz/docs/4346131</a></p> <p>Reports by Ministry of Economic Development and Poverty Reduction, and Ministry of Neighborhood and Family Support</p> <p>Presidential resolution PQ 5020 dated 5 March 2021 “On Measures for the Further Improvement of the Support System and Provision of the Active Participation of Women in the Life of Society.” - <a href="https://mineconomy.uz/en/info/4221">https://mineconomy.uz/en/info/4221</a></p> <p><a href="https://gender.stat.uz/en/main-indicators/social-protection">Social protection (stat.uz)</a>  <a href="https://gender.stat.uz/en/main-indicators/social-protection">https://gender.stat.uz/en/main-indicators/social-protection</a></p>

Gender Performance Indicator	Achievements	Data sources																																																				
3.1.2 At least 50% of temporary disability benefits given to women (April 2020 baseline: Temporary disability benefits not provided)	<p><b>Target 6 achieved.</b></p> <p>Temporary disability benefits refer to 100% of the average monthly salary to quarantined parents and individuals caring for children. SUM1.833 billion per month was allocated within the budget to be available for parents of the more than 315,000 children with disabilities. There were 284,400 families receiving temporary disability benefits. Recipients of overall social benefits is comprised of 58% women and supports that over 50% of temporary disability benefits went to women. A breakdown of recipients of benefits is found here.</p> <table><tr><th>Indicators</th><th>2018</th><th>2019</th><th>2020</th></tr><tr><td>Total pensioners and recipients of social benefits</td><td>3,412.9</td><td>3,601.9</td><td>3,744.3</td></tr><tr><td>old-age pensions</td><td>2,618.4</td><td>2,749.8</td><td>2,849.0</td></tr><tr><td>disability pensions</td><td>379.7</td><td>392.0</td><td>395.9</td></tr><tr><td>other</td><td>414.8</td><td>460.1</td><td>499.4</td></tr><tr><td><b>Female</b></td><td><b>2,034.1 (60%)</b></td><td><b>2,110.8 (59%)</b></td><td><b>2,181.0 (58%)</b></td></tr><tr><td>old-age pensions</td><td>1,729.6</td><td>1,784.4</td><td>1,833.6</td></tr><tr><td>disability pensions</td><td>154.5</td><td>157.1</td><td>159.1</td></tr><tr><td>other</td><td>150.0</td><td>169.3</td><td>188.3</td></tr><tr><td><b>Male</b></td><td><b>1,378.8</b></td><td><b>1,491.1</b></td><td><b>1,563.3</b></td></tr><tr><td>old-age pensions</td><td>888.8</td><td>965.4</td><td>1,015.4</td></tr><tr><td>disability pensions</td><td>225.2</td><td>234.9</td><td>236.8</td></tr><tr><td>other</td><td>264.8</td><td>290.8</td><td>311.1</td></tr></table>	Indicators	2018	2019	2020	Total pensioners and recipients of social benefits	3,412.9	3,601.9	3,744.3	old-age pensions	2,618.4	2,749.8	2,849.0	disability pensions	379.7	392.0	395.9	other	414.8	460.1	499.4	<b>Female</b>	<b>2,034.1 (60%)</b>	<b>2,110.8 (59%)</b>	<b>2,181.0 (58%)</b>	old-age pensions	1,729.6	1,784.4	1,833.6	disability pensions	154.5	157.1	159.1	other	150.0	169.3	188.3	<b>Male</b>	<b>1,378.8</b>	<b>1,491.1</b>	<b>1,563.3</b>	old-age pensions	888.8	965.4	1,015.4	disability pensions	225.2	234.9	236.8	other	264.8	290.8	311.1	<p>Presidential Decree No. 5969 on 19 March 2020</p> <p>State Committee on Statistics <a href="https://gender.stat.uz/en/">https://gender.stat.uz/en/</a></p> <p>Reports and data by Ministry of Economic Development and Poverty Reduction, and Ministry of Neighborhood and Family Support</p> <p><a href="#">Social protection (stat.uz)</a></p>
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3.1.3 Salaries of schoolteachers, of whom at least 70% are women continued to be paid. (2020 baseline: 1.04 million schoolteachers on payroll)	<p><b>Target 7 achieved.</b></p> <p>While the baseline in 2020 indicated 1.04 million schoolteachers, more accurate data refers to this number to include employees of state educational, sports and cultural institutions. subsequent data by the State Committee on Statistics reflects the number of educators and teachers in Q4 of 2020 at only 628,370. The target was achieved as salaries continued to be paid and the government budget allocated for payments was SUM30.7 billion in 2020 and SUM34.6 billion in 2021. Further, most schoolteachers are women with interim data from January 2021 showing that about 68% of schoolteachers are women.</p>	<p>Presidential Decree No. 5969 on 19 March 2020</p> <p>2020 Citizens Budget – Ministry of Finance</p> <p>Q4 of 2020 Data Report</p>																																																				
3.1.4 Systematic	<p><b>Activity 3 completed.</b></p>	<p>Reports and data by Ministry of Economic Development and</p>																																																				

Gender Performance Indicator	Achievements	Data sources
collection of sex-disaggregated data of beneficiaries including, but not limited to: (i) disaggregation by sex, age of end recipients; and (ii) composition of households—male/female heads, number of dependents.	Data on a sex-disaggregated basis was available on the priority of benefit payments made to women, the distribution of disability benefits and related to schoolteacher employment.	Poverty Reduction, Ministry of Neighborhood and Family Support and State Committee on Statistics

ACF = Anti-Crisis Fund, COVID-19 = coronavirus disease, MOH = Ministry of Health, PPE = personal protective equipment, SFSE = State Fund for Support of Entrepreneurships, SME = small and medium-sized enterprise, WHO = World Health Organization.

Source: Asian Development Bank.

## STATUS OF COMPLIANCE WITH LOAN COVENANTS

<b>Covenant</b>	<b>Reference in Loan Agreement</b>	<b>Status of Compliance</b>
Section 3.01 The Borrower shall cause the proceeds of the Loan to be applied to the financing of expenditures for the Program in accordance with the provisions of this Loan Agreement.	Art. III, Use of the Proceeds of the Loan	Complied with.
Section 3.02 The proceeds of the Loan shall be withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.	Art. III, Use of the Proceeds of the Loan	Complied with.  The full amount of the loan was disbursed value dated 10 July 2020.
Section 4.01. The Borrower shall cause the Program to be carried out with due diligence and efficiency and in conformity with sound administrative, financial, public policy, social, and governance practices.	Art. IV, Particular Covenants	Complied with
Section 4.02. In the carrying out of the Program, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Loan Agreement.	Art. IV, Particular Covenants	Complied with
Section 4.03. The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Program are conducted and coordinated in accordance with sound administrative policies and procedures.	Art. IV, Particular Covenants	Complied with
Section 4.04. As part of the information and reports referred to in Section 7.01 and 7.04 of the Loan Regulations, the Borrower shall furnish, or cause to be furnished, to ADB all such reports and information as ADB shall reasonably request concerning (i) the Counterpart Funds and the use thereof; and (ii) the implementation of the Program, including the accomplishment of the targets and carrying out of the actions set out in the Policy Letter.	Art. IV, Particular Covenants	Complied with  No request was made by ADB.
Para. 2. An application for withdrawal from the Loan Account shall be submitted to ADB by the Borrower and shall be in a form satisfactory to ADB.	Schedule 3, Withdrawal of Loan Proceeds	Complied with.
Para. 3(a) Prior to submitting the first application to ADB for withdrawal from the Loan Account, the Borrower shall nominate an account (Deposit Account) at CBU into which all withdrawals from the Loan Account shall be deposited. The Deposit Account shall be established, managed and liquidated in accordance with the applicable regulations and procedures of the Borrower.	Schedule 3, Withdrawal of Loan Proceeds	Complied with.
Para. 3(b) Separate accounts and records in respect of the Deposit Account shall be maintained in accordance with accounting principles acceptable to ADB. Upon ADB's request, the Borrower shall have the financial statements for the Deposit Account audited by independent auditors, whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB. Promptly after their preparation but in any event not later than 6 months after the date of ADB's request, copies of such audited financial statements and the opinion of the	Schedule 3, Withdrawal of Loan Proceeds	Complied with.  No request was made by ADB.

<b>Covenant</b>	<b>Reference in Loan Agreement</b>	<b>Status of Compliance</b>
auditors on the financial statements, in the English language, shall be furnished to ADB.		
Para. 1. The Borrower, through the Program Executing Agency, shall be responsible for implementation of the Program, including monitoring and reporting the implementation of the Program.	Schedule 4, Program Implementation and Other Matters	Complied with.
Para. 2. The Borrower shall promptly discuss with ADB, problems and constraints encountered during the Program implementation and appropriate measures to overcome and mitigate such problems and constraints.	Schedule 4, Program Implementation and Other Matters	Complied with
Para. 3. The Borrower shall keep ADB informed of policy discussions with other multilateral and bilateral aid agencies that may have implications for the implementation of the Program and shall provide ADB with an opportunity to comment on any resulting policy proposals. The Borrower shall take into account ADB's views before finalizing and implementing any such proposal.	Schedule 4, Program Implementation and Other Matters	Complied with
Para. 4. The Borrower shall ensure that the Counterpart Funds are used to finance the implementation of certain programs and activities consistent with the objectives of the Program.	Schedule 4, Program Implementation and Other Matters	Complied with
Para. 5. The Borrower and the Program Executing Agency shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Program; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.	Schedule 4, Program Implementation and Other Matters	Complied with  No cases.
Para. 6. The Borrower, through the Program Executing Agency, shall monitor, provide quarterly reports until 6 months after the Effective Date, and engage in dialogue with ADB throughout the implementation period of the Program, including on: (a) macroeconomic and financial sector conditions, (b) implementation of anti-crisis measures under the Borrower's COVID-19 response plan, (c) budget execution, expenditures and flow of funds, and (d) activities and expenditures made from the state budget to support the countercyclical measures, including expenditures on medical response activities, support for affected sectors and businesses, and social protection; and € tracking of beneficiaries of social assistance programs with gender indicators (with sex-disaggregated data).	Schedule 4, Program Implementation and Other Matters	Complied with.  First and second (last) reports received on 16 November 2020 and 22 February 2021, respectively.
Para. 7. Within 6 months after the Loan Closing Date, the Borrower, through the Program Executing Agency, shall submit to ADB a Program completion report that assesses the status of the Program's implementation and achievement of its expected effects based on the indicators agreed with ADB.	Schedule 4, Program Implementation and Other Matters	Complied with.  The government PCR was received on 6 October 2021.

ADB = Asian Development Bank. CBU = Central Bank of Uzbekistan, COVID-19 = coronavirus disease.

Source: Asian Development Bank.