

## ANNEX 1: Results Matrix

Country Development Goals	Issues and Obstacles	CAS Outcomes/Measurement indicators	Milestones	Bank program
<b>PILLAR 1. Enabling environment for shared growth</b>				
<b>Institutional support for WIS implementation and Promoting Good Governance</b>				
Maintain macroeconomic stability  <u>Contain inflation:</u> Baseline (IMF): 12% (2007) (Official government figure is 6.8%) Target: 6 % (2008-2011)  <u>Reduce poverty rate:</u> Baseline: 25% (2006) Target: 20% (2010)	Capacity constraints, both institutional and technical Limited exposure to broad international experience  Shortcomings in assessment of non-income dimensions of poverty  Inadequate Monitoring and Evaluation system for the WIS implementation	<b>Macroeconomic policy formulation is informed by enhanced analytical research and international experience and shows ability to respond adequately to internal or external shocks</b>  <b>The Government adopts techniques consistent with international practice in carrying out and analyzing Household Budget and Labor Force Surveys</b>  <b>The Government is equipped with a M&amp;E system for assessing implementation of the WIS and adapting it where necessary.</b>	Constructive dialog with the authorities takes place on macroeconomic policies to ensure that aggregate demand is consistent with macroeconomic stability, and potential external shocks to the economy  The government provides timely access to official statistic data and carries out joint analytical work with the WBG  <i>WIS monitoring framework</i> is developed and implementation started; Improved statistical indicators integrated in WIS M&E process	Core Macroeconomic Dialogue  Growth vulnerability assessment, under the Programmatic CEM AAA  Dialogue on Poverty trends AAA  Dialogue on Social Protection targeting AAA  IDF grant on Monitoring and Evaluation (ongoing) Just in time assistance in WIS implementation support  <u>Partnership:</u> IMF, UNDP, ADB
<u>Increase the Efficiency of Public Financial Management</u>  <u>More Effective Service Provision</u>	Lack of transparency in PFM  Insufficient accountability to citizens for the quality of public service delivery	<b>Aspects of Public Financial Management reform process are benchmarked by PEFA type assessments</b>  <b>Increased transparency in the utilization of public resources as measured by:</b>	Agreement is reached on benchmarking elements of the PFM system and the reform process, including a possibility of a joint PEFA assessment  Treasury uses good practice tools to manage expenditures	Programmatic PER  Guidance and TA support for Treasury implementation

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	<p>Low transparency, high secrecy and self-censorship</p>	<ul style="list-style-type: none"> <li>• Regular publication of summary Budget implementation reports</li> </ul> <p><b>Government implements first stages of Internal audit reform documented in a coherent Internal audit strategy based on good international audit practices</b></p> <p><b>Government adopts and begins to implement formal economic appraisal methodology for large investment projects</b></p> <p><b>Government adopts new accountability mechanisms on a pilot basis as a result of common work on Governance challenges in service delivery</b></p> <p><b>Dialogue on Governance challenges progresses and is gradually extended from sector specific to broader common issues</b></p> <p><b>Civil society has better access to information on in a least on major public service</b></p>	<p>Development of Internal Audit Strategy and a comprehensive internal audit manual</p> <p>Training activities to enhance capacity for modern internal audit techniques tested through pilot audits</p> <p>Up to 20 officials exposed to and obtain knowledge of economic appraisal techniques for investment projects.</p> <p>Primary Health Care Governance assessment findings are <i>widely disseminated</i> and <i>set of actions</i> to implement the findings are agreed and implemented</p> <p>Governance assessment carried out in at least one other key public service delivery sector and results are disseminated</p> <p>Results of the Primary Health Care Governance assessment and other Governance assessments are publicly available</p>	<p>IDF Grant on External and Internal Audit (ongoing) in conjunction with the PPER (see also above)</p> <p>Just in time assistance in WIS implementation support</p> <p>Dialogue on Good Governance to improve public service delivery AAA (e.g. Education/Hospitals and/or municipal services sectors)</p> <p>Follow-up dialogue based on results of Governance assessment in the Primary Health sector</p> <p><u>Partnership:</u> IMF, UNDP, ADB</p>

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<b>Private Sector Development, Business Environment and Investment Climate</b>				
<u>Improve the business environment</u>  <u>Increase investment-to-GDP ratio</u>  Baseline: 18.6% GDP (2006) Target: 24% GDP (2010)  <u>Increase share of SME in GDP</u>  Baseline: 42.1% GDP (2006) Target: 52% GDP (2010)  <u>Increase share of private sector</u>  Baseline: 45% GDP (2006) Target: >45% GDP (2010)	Substantial state control over economy Unstable and non-transparent regulatory and tax environment  Significant de facto controls over financial system, cash transactions, foreign currency convertibility  Low public confidence in banks, in spite of recent improvements, partly due to their performance of non-banking functions.  Low risk management in banks  Laws, regulations, and infrastructure generally sound, but implementation weak  Weak accounting in SMEs limits quality of information for banks	<b>Government adopts and implements a system of screening legislation for its impact on the private sector and at least 4 pieces of legislation approved through the new system as measured by:</b> <ul style="list-style-type: none"> <li>SMEs report easier compliance with tax legislation and less harassment from the authorities, as measured by the IFC BEE survey</li> </ul> <b>Enterprises and financial institutions have greater control in financing, as measured by SME survey</b>  <b>Government policy is informed by agreed assessments of financial sector performance</b>	Introduction a screening mechanism for policy proposals affecting businesses  Reducing tax compliance costs for businesses through changes in Tax Code  Law prepared in consultation with the IFC PEP team “On Permits” is passed  Law prepared in consultation with the IFC PEP team “On Credit Information” passed  Annual SME surveys are conducted  Mandatory deposits of cash receipts by enterprises are relaxed; the distinction between cash and non-cash payments is reduced  Non-banking functions (including tax collection and non-essential reporting requirements) are eliminated in practice, as measured by SME survey  Action plan to further improve accounting and auditing practices is developed and implementation started  Increase exposure to international best practices in risk management, microfinance, and/or credit scoring  Finalization of plan to bring strategic investor into Asaka Bank and announce tender	Private sector investments by IFC.  IFC PEP TA on BEE (active) Dialogue on Private Sector reform and development  <u>Partnership:</u> IMF, EBRD, IFC  Follow-up dialogue based on results of Accounting and Auditing ROSC (active) IFC PEP TA on leasing, financial infrastructure and housing finance (active) IFC advisory services on Banking Association on its credit bureau, and with the Insurance Supervisor on an insurance glossary – might want to confirm with IFC. Dialogue on Financial Sector reform and development <u>Partnership:</u> IMF, EBRD

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	Low supervision capacity for insurance sector			
<i>Potential program: IFC's support of state bank privatization program, IFC's involvement in housing finance TA, IFC investment projects oil and gas subject to disclosure of revenue payments made to the government, WB/IFC support for introduction of PPP in infrastructure AAA</i>				
<b>PILLAR II INCREASE INCOME AND ECONOMIC OPPORTUNITIES IN RURAL AREAS</b>				
<p>Increase productivity of agriculture</p> <p>Increase farmers' incomes</p> <p>Increasing efficiency, effectiveness and environmental sustainability of irrigation and soil improvement</p>	<p>Cotton and wheat – dominant crops and subject to state order system</p> <p>Stagnating cotton yields</p> <p>Poor rural financial services</p> <p>High net taxes on agriculture</p> <p>Food safety certification obstacle to export of selected agriculture products</p> <p>Administrative and volatile obstacles to exports</p> <p>Poor state of irrigation system</p> <p>Land degradation and soil erosion</p> <p>Excessive water use and water logging</p> <p>Land degradation and soil salinization</p>	<p><b>Increased incomes of rural population through:</b></p> <p><b>1. Increased productivity of farming in a total area of 2 million ha as measured by:</b> Yields of cotton, wheat, potatoes, fruits and vegetables, and silage corn</p> <ul style="list-style-type: none"> <li>• <b>Improved irrigation and drainage system for rural producers</b> <ul style="list-style-type: none"> <li>- Area of irrigated land with adequate water supply is increased by 40,000 ha (RESP II area)</li> <li>- Area of irrigated land with adequate drainage is increased by 30,000 ha (RESP II area)</li> <li>- Area of irrigated land with adequate irrigation and drainage facilities is increase by 100,000 ha (Fergana Valley)</li> </ul> </li> <li>• <b>Improved soil quality as measured by:</b> <ul style="list-style-type: none"> <li>- Water table below the ground</li> </ul> </li> </ul>	<p>Support to build capacity of the newly independent farmers in seven provinces</p> <p>Achievement of accreditation of one food laboratory</p> <p>Rehabilitation of irrigation and drainage facilities in selected areas</p> <p>Rehabilitation of selected drainage networks</p> <p>Implementation of the project on drainage diversion in priority areas</p> <p>Strategy for raising efficiency in water use is developed</p>	<p>Rural Enterprise Support project RESP I (active) and II</p> <p>Agriculture review ESW</p> <p>Small towns/rural communal services project (FY10-11)</p> <p>IFC 1) agribusiness through banks, possibly with IDA support; 2) support for access to microfinance in rural areas; 3) private agribusiness projects</p> <p>Water Sector Investment Planning study ESW (active)</p> <p>Drainage, Irrigation and Wetlands Improvement project - I (active)</p> <p>Fergana Valley Water Resources Management project (FY09)</p> <p><u>Partnership:</u> ADB, UNDP, USAID, IFC ICARDA, IWMI, SDC/SECO, KfW</p>

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		<p><i>Baseline: 1.5 m (2007)</i> <i>Target: &gt; 2.0 m (2010)</i></p> <p><b>2. Enhanced farm access to commercial financial services in seven provinces as measured by:</b> 500 new microcredit lines</p> <p><b>3. Including the international price of by-products such as vegetable oil to establish the state procurement price for cotton</b></p> <p><b>Capacity and financial viability of the Water User Associations is enhanced as measured by:</b></p> <ul style="list-style-type: none"> <li>- Increase amount of maintenance conducted by these WUAs from 30% to 45%</li> <li>- Increase water fee collection from 15% to 30%</li> </ul>	<p>Introduction of improvements and reduction of advance requirements in the commodity exchange</p> <p>Adoption of a resolution allowing farmers to market above state-quota cotton within the RESP II area</p> <p>Financial and institutional support is provided to 84 Water User Associations (WUAs)</p>	
<p><i>Potential program: IFC's support to establish new micro-finance lending institution in rural area, Cultural Tourism and Heritage Protection Project/ESW (FY10-11), ESW/JSDF on Youth Development, Irrigation Infrastructure project(s)</i></p>				

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<b>PILLAR III. Improved human development and social protection through improved basic services delivery</b>				
<b>Improved provision of safe water and sanitation</b>				
<u>Increased access to safe water</u>  Baseline: 80% (2006) Target: 86.8% (2010)	Safe water unavailable or unsustainable due to:  – System deterioration – Incomplete coverage – Unsustainable supply due to lack of financial resources	<b>Improved access to safe and sustainable water services in existing and future project areas measured by:</b> - Increased proportion of population in the project areas with access to safe water - Higher average quality of water in project areas by (WHO/National standards) - Better financial performance, cost-recovery, billings and collection	Treatment plant upgraded in Nukus and Urgench,  Treatment plan design completed and work commissioned in B&S  Replacement or rehabilitation of desalination plants in Karakalpakstan and Khorezm  Pipe replacement in relevant areas	Bukhara-Samarkand Water Supply Project (active) Rural Water Supply Project (active) Municipal Infrastructure management AAA Policy Note and TA dialogue on development of PPP approach in municipal services Municipal Services Project (FY10)
<b>Improved health indices</b>				
<u>Improved health status, particularly among the rural population</u> – Infant mortality per 1000 live birth Baseline: 14.9 (2005) Target: 12 (2010)  – Maternal mortality per 100 thous. live-birth Baseline: 29.2 (2007) Target: 24 (2010)	Hospitals consume a large share of public health budget and their funding is still capacity and input based, leading to inefficiencies. However reforms are underway to introduce case-based funding . Insufficient medical supplies and equipment and lack of experienced professional staff impacting the quality of treatment. Little implementation of evidence based medical	<b>Access to quality Health Care enhanced through:</b>  • <b>Output based financing of hospitals introduced as measured by:</b> - Number of CRHs using case-based financing <i>Baseline : 0% (2007)</i> <i>Target: 100% in at least 1 oblast (2010)</i>  • <b>Increased financing for primary and - outpatient services as measured by:</b> - % of health budget expenditures on PHC and outpatient care <i>Baseline – 43% (2007)</i>	Output based financing for hospitals introduced in all CRHs in at least 1 oblasts  Increasing number of Evidence-Based Medical guidelines used by GPs.  Increased financing and use of primary and outpatient services  Pooled contracting for drugs for SVPs introduced.	Health II project (active) National Flour Fortification Project (GIAN-financed) Health III project with focus on CRHs (FY10-11) Poverty Work AAA  Nutrition Sector/ Food safety AAA <u>Partnership:</u> ADB, USAID, WHO, UNICEF

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	<p>practices.</p> <p>The procurement of drugs and medical equipment is not “best practice” in terms of efficiency and transparency.</p> <p>Diseases related to failure to fully adhere to the principles of healthy nutrition and food safety regulations.</p>	<p><i>Target – 50% (2010)</i></p> <ul style="list-style-type: none"> <li>- % of SVPs stocked with essential medicines</li> </ul> <p><i>Baseline – 45% (2007)</i></p> <p><i>Target – 60% (2010)</i></p> <ul style="list-style-type: none"> <li>• <b>Increased utilization of primary care services</b></li> </ul> <ul style="list-style-type: none"> <li>- % of women who receive antenatal care in the early stage of pregnancy (up to 12-week pregnancy period)</li> </ul> <p><i>Baseline – 85% (2007)</i></p> <p><i>Target – 95% (2010)</i></p> <ul style="list-style-type: none"> <li>• <b>Anemia in fertile age women is decreased</b></li> </ul> <p>The baseline 60%</p> <p>Target 48%</p>		
<p><u>Reduced health risk from global pandemic</u></p> <p>– HIV/AIDS prevalence</p>	<p>Inadequate in-country capacity to quickly diagnose and respond to risks of global pandemic.</p> <p>Threat to overall health due to rapidly rising HIV and TB infections</p> <p>Insufficient level of public awareness of measures of HIV and TB prevention</p>	<p><b>Health risk from global pandemic is reduced through:</b></p> <ul style="list-style-type: none"> <li>• <b>Improved HIV/AIDS prevention and control</b></li> </ul> <ul style="list-style-type: none"> <li>- Number of HIV+ve children born to HIV+ve mothers</li> </ul> <p><i>Baseline: 60%(2007)</i></p> <p><i>Target: 85%(2010)</i></p> <ul style="list-style-type: none"> <li>- % of HIV +ve pregnant women receiving ARV prophylaxis of vertical transmission of HIV</li> </ul> <p><i>Baseline: 90%(2007)</i></p>	<p>Reduction in mother to child transmission of HIV/AIDS</p> <p>100% coverage of HIV+ve positive pregnant women with ARV treatment.</p>	<p>Avian Flu grant project (active, grant)</p> <p>CA AIDS Control project (active, regional grant)</p> <p>Health II (IDA grant for HIV/AIDS)</p> <p><u>Partnership:</u> FAO, WHO</p>

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	<p>Inadequate veterinary services and food safety</p> <p>Insufficient incentives for animal owners to report diseases</p>	<p><i>Target: 100%(2010)</i></p> <p>- % of HIV +ve women receiving ARV treatment among those voluntarily requesting treatment <i>Baseline: 70%(2007)</i> <i>Target: 100%(2010)</i></p> <p>• <b>Improved seasonal influenza prevention and control</b></p> <p>- Percentage of population at risk vaccinated <i>Baseline: 50%(2007)</i> <i>Target: 100%(2010)</i></p> <p>Number of AI diagnostic tests carried out annually on animal and human samples</p>		
<b>Improved basic education and learning</b>				
<p><u>Increase access to quality basic education:</u></p> <p>– Improved learning achievements Baseline: NA</p>	<p>Inadequate availability of basic teaching and learning materials</p> <p>Poor children have less access to learning materials</p> <p>Learning achievement is deficient because some teachers lack knowledge of effective teaching practices</p> <p>Ineffective learning due to lack of cooperation between parents and</p>	<p><b>Schools adopt quality enhancing techniques, materials and participatory practices as measured by:</b></p> <p>- % of schools where core set of educational materials is available <i>Baseline: 10% (2007)</i> <i>Target: 80% (2011)</i></p> <p>- % of retrained teachers in project schools <i>Baseline: 5% (2007)</i> <i>Target: 70% (2011)</i></p> <p>- % of project schools with active boards <i>Baseline: 75% (2007)</i></p>	<p>Increased availability and use of teaching and learning materials</p> <p>Teachers in project schools retrained in interactive teaching methods through school-based teacher training</p> <p>Activation of participation of School Boards and local community involvement in project schools.</p> <p>An assessment tool for standardized student assessment is developed and implemented.</p>	<p>Basic Education Project I (active)</p> <p>Basic Education Project II (FY09)</p> <p>Education AAA</p> <p><u>Partnership:</u> ADB, UNDP, UNICEF, SECO, KfW, JICA, JBIC</p>

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	teachers  Although all the issues above are being addressed by Government with the support of the BE project.	<i>Target: 85% (2011)</i>		
<b>PILLAR IV. ENVIRONMENTAL MANAGEMENT, DISASTER RISK MANAGEMENT, AND GLOBAL GOODS PROVISION</b>				
Improving municipal solid waste management	Technical, institutional and financial capacity constraints	<b>Municipalities in project cities improve collection, transfer and safe disposal/treatment of solid waste , as measured by internationally recognized indicators and standards</b>	Investment needs for waste disposal improvement are identified  Solid waste collection and disposal improvements in project cities are initiated	ESW to identify investment needs Industrial and Hazardous Waste Management TA (follow up to IDF grant on improving environmental management institutions) Small towns/rural communal services project (FY10-11) Municipal Services Project (FY10)
Improvement of energy efficiency	High losses in electricity and natural gas sectors and unreliability of supply in rural areas	<b>Awareness on energy savings and renewable energy supply sources is enhanced in selected remote areas:</b> - Number of Public service buildings in rural/remote areas equipped	Pilot introduction of alternative energy sources in health and education facilities in some remote areas  Support to improvement of legislation on energy use  Financial viability of energy companies further improved	Energy saving and renewable energy AAA
Reducing greenhouse gas emissions	Significant gas flaring  High technical losses in the gas and electricity distribution networks	<b>Reduction of greenhouse gas emissions as measured by:</b> • <b>Emissions:</b> <i>Baseline: 121 mln. tons CO<sub>2</sub>,(2004)</i> • <b>Intensity:</b> <i>Baseline: 2686 tons CO<sub>2</sub> per mln. 2000 ppp US\$ GDP (highest in ECA)</i>	Assistance to GoU to attract carbon revenues for eligible projects under the CDM of the Kyoto Protocol  Agreement on the portfolio of CDM projects under CDM Funds utilization of the Kyoto Protocol is signed	Carbon Finance Shurtan Gas Flaring Reduction project (active)  Carbon Partnership Facility (CPF): sectoral or programmatic carbon project(s) (FY09)

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			<b>Increased portfolio of CDM projects under the Kyoto Protocol as measured by:</b> - Number of signed agreements	
Improved environmental and disaster risk management	Analytical and technical capacity to analyze and evaluate environmental impacts	<b>Government adopts improved environmental management practices and capacities by:</b> - Strengthening of policies and Institutions for environmental sustainability (institutional context components)	Number of constructive dialogues with authorities and donors on Disaster Risk Management and climate change adaptation  Assessment of the climate change impact and its implications for irrigation and rural poverty  Preparation of the inventory of persistent organic pollutants and implementation plan for safe storage/management	Regional Water-Energy dialogue ESW/TA (regional program) Disaster risk mitigation and adaptation AAA (regional program) Climate change mitigation and adaptation in the Syr Darya and Amu Darya River Basins AAA (regional program) Persistent organic pollutants (POP) and environmental liabilities ESW/TA (regional program) <b>Partnership:</b> ADB, UNDP, IWMI, CAREC, UNECE
<b>Potential program:</b> CF Solid waste project, CF Tashkent Combined Cycle Gas Turbine project, CF UzTransGaz (gas transmission) project, CF Gas distribution leakage reduction project, Energy efficiency / renewable project, or as component(s) of other investment projects (health/municipal services) (FY10-11), CF Gas distribution leakage reduction project, GEF Hydromet/Agromet ESW (regional program), GEF Past Environmental Liabilities, Environment ESW/TA (supporting CF and GEF projects).				