

UZBEKISTAN

ETF Country Plan 2007

1. Socioeconomic background

Uzbekistan is a low-income rural country whose GNI per capita (Atlas method) was \$510 in 2005, which ranks the country 172nd amongst 208 countries. At the time of gaining independence in 1991, Uzbekistan was fully integrated into the Soviet economy. According to official statistics, the country's GDP contracted following independence, but within a few years the economy started achieving positive growth rates. Official GDP growth rates were reportedly between 4 - 7% in 2002 - 2005. Uzbekistan is rich in natural resources and has large-scale manufacturing industries such as car manufacturing, mechanical engineering, light and chemical industries, which coexist with small-scale, low-technology companies. Large-scale cotton farming remains dominant in agriculture.

The government has moved slowly towards a market-based economy. The investment climate remains difficult; there is failure to attract foreign investment, a restrictive trade regime, slow reform of agriculture with state-set prices for cotton leading to low productivity, and so on. International organisations are calling for further structural changes to support the revival of the economy.

The population of Uzbekistan is currently estimated at 27.3 million, of which 36% live in urban areas and 64% live in rural areas. Though the population growth rate has gone down, the pressure on the school system is still considerable, with close to 40% of the population being under 16 years of age. In 2004 estimated 28% of population lived under the national poverty line, while there are large regional differences, with around 70% of the poor living in rural areas.

In 2005 the labour force was estimated at 14.3 million (44% in agriculture, 20% in industry and 36% in services) and the female labour force participation was 45% in 2004. Registered unemployment is very low at less than 1% but there is at least 20% estimated unregistered unemployment or underemployment. The labour market is increasingly unable to absorb new entrants. Formal employment is not a guarantee against poverty, nor is it an expression of the number of people who engage in income-generating activities in Uzbekistan, given the growth of the informal sector. A large number of Uzbek citizens work abroad but there is a striking difference between the official figure of around 100,000 and the estimated several million.

2. Key policy issues and strategies in the Human Resource Development sector in the country

The overarching policies for education and training are laid out in the National Programme for Personnel Training (NPPT) of 1997. The programme gives strong priority to the introduction

of 12 years of compulsory education and the related changes in upper secondary education. Its aim is to delay the entry of young people into the labour market until after 18 years of age and to avoid the social problem of large numbers of 15–18-year-olds leaving school without having obtained a qualification, not being able to find a place in the labour market and without access to higher levels of education. To that end a large number of new vocational colleges is being established across the country.

According to NPPT the VET system will serve 90% of the 15 year population cohort and the current number of vocational colleges is planned to double to more than 1600 (!) by 2010. VET is seen as a major tool against youth unemployment vis-à-vis the sustained population growth and as one of the drivers of economic development. This policy brought huge investments in vocational colleges' infrastructure but a policy development which would make VET programmes and qualifications more responsive to its environment receives attention only recently. Authorities have retained centralised control over the VET system, as illustrated by continuing attempts to modernise the so called classifier, the list of officially recognised occupations for which VET programmes exist. The classifier remains input based, lacks systematic input from the side of social partners and remains determined by education policies. With ETF support, gradually policy thinking is moving towards key principles of a national qualification framework in which learning outcomes, employers input and a balanced structure of qualifications levels are being considered.

There has been a growing mismatch between VET supply and developing labour market needs. New and emerging occupations, small business development, informal labour market and needs of impoverished population have so far not been appropriately reflected by the VET system. Many graduates face unemployment and college capacities are not sufficiently used for retraining and adult learning in general. Improving quality by modernising teaching methods and content can make VET more attractive and contribute to improving its image.

The PRSP process in the country proceeds from the interim document to a final strategy for enhancing living standards of population. In the most recent strategy prepared under the lead of Ministry of Economy the need for quality of education and training is recognised. The ministry plans to combine system wide with local and/or regional development approaches in the new document.

3. EU and other donors' policy and interventions in the country

The government's commitment to implementing NPPT, and the new PRSP, provides a good point of departure upon which the donor community could build its actions in a harmonised and aligned way during 2007-2010. Both require external support in order to achieve systemic and lasting outcomes.

In 2007 the new Development Cooperation Instrument (DCI) will be introduced in Central Asia, while interventions from the final phase of the Tacis programme will continue in the region. The overall priorities for Central Asia in DCI are to promote stability, strengthen governance and transparency, reduce poverty and promote closer cooperation both within Central Asia and with the EU.

The Tacis project "Social partnership in education and training in Uzbekistan" (2004-2006) has made a significant contribution to raising awareness of social partnership and its results were effectively disseminated, having an impact at the national level. The process of involving social partners in education and training has just started and will require continuing support. The second phase of this project to be implemented in 2007-2009 aims to develop capacity at national, regional and local levels for designing and implementing vocational education and training policy based on social partnership.

The EC EuropeAid Co-operation Office in Uzbekistan aims at convergence and synergy between Tacis track 2 and 3 in the areas of education and training in the sense of supporting

measures for vocational colleges working more effectively in improving the standards of living in their own communities. This would imply a better coordinated approach between the national capacity building and regional poverty alleviation projects.

The Asian Development Bank implemented a combined loan and grant project (2001-2005) of a total value of US\$ 114 million. The project provided equipment to 42 vocational colleges and three academic lycea, assisted in teacher and trainer training, and in developing instructional materials. The Japan Bank for International Co-operation implemented a loan project of US\$ 60 million (2002-2004) to provide equipment for 50 agricultural colleges, related instructors training and capacity building. The GTZ, the Swiss Development Agency and the Institute for International Co-operation of the German Adult Education Association (IIZ/DVV) have recently implemented successful projects with pilot vocational colleges in different sectors, which have been able to attract the interest of employers in working together with colleges.

4. ETF strategy of intervention in a mid-term perspective

ETF functions in Uzbekistan will concentrate on supporting the delivery of Community assistance and providing information, policy analysis and advice. Given these functions, the expected key results of ETF activities are improved relevance of HRD components in EU funded interventions, enriched education and training policy debates and education and training system playing its role in poverty reduction efforts.

In more detail, the mid term objective for ETF support is to contribute to the programming and evaluating the human resource development aspects of the DCI support of economic development in Uzbekistan, to review the policy impact of the final Tacis VET project, and to assist the VET reform by informing the policy development and implementation processes through the ETF policy advice activities combined with capacity building. ETF activities in the programming period will draw on an enhanced network of key stakeholders to provide policy analysis and information support to human resource improvements linked to economic and social development objectives, comprising the role of skills development in raising the competitiveness of enterprises, and increased employability.

The concept of national qualification frameworks as a reference tool for reviewing the education and training system will be discussed with the network of stakeholders. ETF interventions will be policy oriented, using peer review and learning activities for policy advice, analysis and the facilitation of national policy dialogue. Options for regional cooperation between the countries of Central Asia in the area of qualifications will be explored, possibly including also the wider NIS region. For Uzbekistan as a sending country of labour migrants mainly to Kazakhstan and Russia this could bring progress in the form of improved allocation, transparency and recognition of qualifications.

At the end of the mid term period, ETF's activities in Uzbekistan will have

- supported the mainstreaming of the outcomes of the Tacis Social partnership in education and training projects within the National Programme for Personnel Training (NPPT) and possible new VET related national strategies
- contributed to human resource development dimension of the DCI projects supporting the development of economy and enhancing standards of living in Uzbekistan by taking part in their design and evaluation
- facilitated policy discussion on national qualifications framework which broadened the circle of VET stakeholders, resulted in an NQF strategy, provided methodological advice to national capacities and informed VET reform through NPPT implementation
- contributed to increased regional cooperation in VET between Uzbekistan and its neighbouring countries through regional projects, peer learning activities and a policy advice approach coordinated across Central Asia

- contributed to aid effectiveness by supporting the alignment of the EU aid flow in human resource development to national priorities, by coordinating national capacity building with other donors, and by promoting the preparation for the sector based approach in education and training.

5. Objectives and indicators for the Work Programme 2007

The ETF country objective in 2007 will be to monitor the final Tacis project Social partnership in education and training, to contribute to the programming of the human resource development aspects of the DCI support of the economic development in Uzbekistan, and to assist the VET reform by informing the policy development and implementation processes through the ETF policy advice activities. It will be achieved through two ETF projects: Support to Tacis and DCI project cycles, and National Qualification Frameworks in Central Asia.

Support to Tacis and DCI project cycles will aim to improve relevance of HRD components in EU funded interventions in the country through ETF support to their definition, preparation and impact assessment. The outcome indicators for the project will be the ETF contribution to the design of DCI support of economic development in Uzbekistan and to the design of Tacis track III project in Uzbekistan.

National Qualification Frameworks in Central Asia will aim to build consensus among key stakeholders about policy to be adopted concerning a national qualification framework and to further promote regional cooperation with neighbouring countries in the area of qualifications. The outcome indicators for the project will be the pilot framework of qualification profiles, level descriptors and assessment principles for tourism, and a national qualification framework policy paper.

ETF 2007 Activities and Services in Uzbekistan

ETF Country Objective 2007: To monitor the final Tacis project Social partnership in education and training, to contribute to the programming of the human resource development aspects of the DCI support of economic development in Uzbekistan, and to assist the VET reform by informing the policy development and implementation processes through the ETF policy advice activities.

Project Number	Project Title	Objective of the project at the country level Longer-term effects the project is expected to have at the country level	Expected outcomes of the project in the country Outcome = short-term and medium-term effects of an intervention's output	Outcome indicators Quantitative or qualitative variables measuring achievement against the expected outcomes	Sources of verification	(Yearly) Outputs Products and services resulting from activities
DCI 07-01	Support to Tacis and DCI project cycles	To improve relevance of HRD components in EU funded interventions in the country through ETF support to their definition, preparation and impact assessment	DCI and Tacis interventions identified and designed	ETF contribution to the design of DCI support of economic development in Uzbekistan ETF contribution to the design of Tacis track III project in Uzbekistan	DCI project specification Tacis track III project TOR	ETF participation in DCI and Tacis programming missions in Uzbekistan ETF drafts and consultations
DCI 07-02	National Qualification Frameworks in Central Asia	To build consensus among key stakeholders about policy to be adopted concerning a national qualification framework and to further promote regional cooperation in the area of qualifications	Basis for further development of sector qualification framework for tourism Implications of the pilot sector qualifications development for a national policy on qualifications assessed	Pilot framework of qualification profiles, level descriptors and assessment principles for tourism A national qualification framework policy paper drafted by country team	Pilot qualifications framework for tourism Draft NQF policy paper for Uzbekistan	Learning outcomes /qualification profiles Level descriptors Assessment approaches (formal, informal, non-formal learning) Implications for developing related VET programmes Identified policy issues & review of pilot experience Draft NQF policy Consultations of draft