

	Reduction of Inequalities, (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line(s) (article, item): BGUE-B2022-14.020130-C1-INTPA Total estimated cost: EUR 27,000,000 Total amount of EU budget contribution EUR 27,000,000, of which EUR 20,000,000 for budget support and EUR 7,000,000 for complementary support.  This action is part of a TEI. The indicative contributions of member states and European Development Finance Institutions (EDFIs) are: Germany - EUR 9 million, Latvia - EUR 0.2 million, France - EUR 217 million, EIB - EUR 100 million, EBRD – EUR 125.5 million.			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Direct management</b> through: Budget Support: Sector Reform Performance Contract; Procurement; <b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.2.			

## 1.2. Summary of the Action

The proposed intervention supports the 2021-27 MIP for Uzbekistan, Priority area 3: Development of a smart and eco-friendly agri-food sector, and shall contribute across both of its specific objectives 1: Agri-food policy framework and advisory services; and 2: Sustainable, smart and resilient rural livelihoods.

This is intended to be the second EU budget support. The first one was introduced in 2020 (EUR 40 million) benefitting the agri-food sector and rural livelihoods. The disbursement of funds was accelerated in view of the COVID-19 pandemic to support the progress of key reforms and the resilience of the most vulnerable rural population.

The overall objective of this action is “to contribute to the development of a sustainable market oriented and inclusive agri-food system that will increase farm income, expand rural livelihood opportunities and enhance food security for smallholder farmers, women and the most vulnerable groups in Uzbekistan”. The specific objectives are to support 1) the implementation framework of the agri-food development strategy, enabling inclusive development of a climate smart agri-food system; and 2) sustainable livelihood opportunities, decent jobs and access to markets for the most vulnerable (smallholders, micro, small and medium-size enterprises (MSMEs), youth, women, disabled, migrants).

The action shall be instrumental in sustaining the pace of reforms defined in the Uzbekistan Agri-food Development Strategy 2020-2030, and also in facilitating implementation of reforms in the area of Public Finance Management (PFM), budget transparency and oversight, and effective measures for macro-economic stability. The EU remains keen to promote a healthy, environmentally sustainable and fair food system that takes into consideration climate change and biodiversity, and supports the livelihoods, market inclusion and competitiveness of smallholder farmers, in particular, women, youth, and the most vulnerable. This should contribute as well to addressing the challenge of labour migration, originating predominantly from the rural areas of the country. The outputs of the Agri-food strategy buttressed through the budget support will also reinforce the government’s actions aimed at improving food security and nutrition, complying with international standards for food safety, and at creating a demand responsive agricultural innovation that promotes climate smart and digital solutions. The complementary capacity building component of this action will strengthen key institutional functions for strategic planning, the integrated management of development programmes, statistics and digital tools, advisory and business support services at central and local levels, and will contribute to better inter-institutional coordination of reform efforts. The assistance will be also provided to build capacities for trade and enhancing the potential for benefitting from the GSP+ and the Enhanced Partnership and Cooperation Agreement (EPCA) with EU. It will also further promote the private-public dialogue, and involvement in the sector governance of the civil society and farmer associations.

The action reflects the commitment that the Government of Uzbekistan (GoU) has towards economic liberalisation, WTO accession, gender equality, transition to a green economy, and the Paris Agreement, as overarching policy directions. It is aligned with EU policies and responds to the demand of counterparts for sharing the EU know-how, in