

# **EDCF Country Program Evaluation in Uzbekistan**

**- Executive Summary -**

**March 2026**

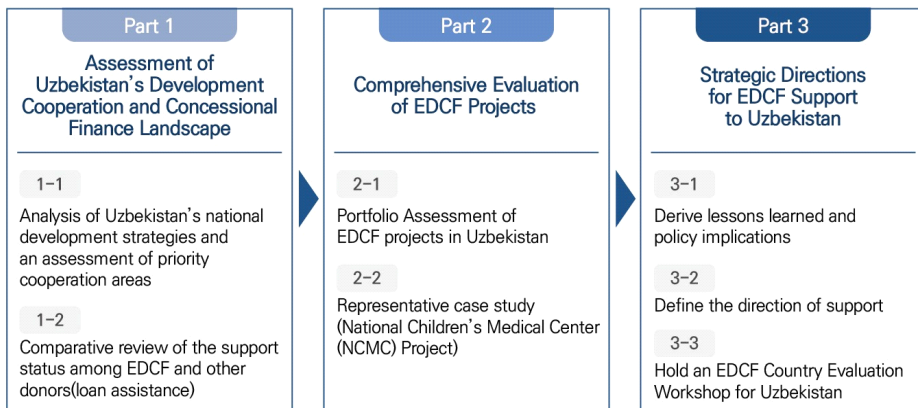


# 1. Purpose of the Country Program Evaluation

## A. Purpose of the evaluation

- This evaluation provides a proactive diagnosis of Uzbekistan’s development environment and the current state of concessional lending. By comprehensively analyzing the performance and challenges of the EDCF portfolio, this study establishes a strategic roadmap and a practical operational framework for future cooperation.

## B. Evaluation description



	Selection of Evaluation Targets	Establish Evaluation Criteria and Framework	Conduct Evaluation	Derive Evaluation Results
Comprehensive Portfolio Assessment	<ul style="list-style-type: none"> <li>Previously implemented projects (6 sectors, 20 projects)</li> </ul>	<ul style="list-style-type: none"> <li>Relevance, Coherence, and Partnerships among the OECD DAC evaluation criteria</li> <li>Consider sector-specific characteristics</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive literature review and statistical analysis</li> <li>Field missions (Round 1 and Round 2)</li> <li>Stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>Share with key stakeholders and collect opinions</li> <li>Derive lessons learned and implications</li> <li>Derivation of key evidence for formulating strategic directions for EDCF support to Uzbekistan</li> </ul>
Representative case study	<ul style="list-style-type: none"> <li>NCMC among Projects Subject to Portfolio Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Application of OECD DAC criteria (with limited assessment for selected criteria)</li> <li>Consideration of synergy generated through project linkages</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive literature review and statistical analysis</li> <li>Field missions (Round 1 and Round 2)</li> <li>Stakeholder interviews</li> <li>Project site visits</li> <li>Beneficiary surveys</li> </ul>	

□ **Part 1: Assessment of Uzbekistan’s Development Cooperation and Concessional Finance Landscape**

- This section examines the evolving international development environment in Uzbekistan and forecasts future shifts in cooperation. By benchmarking EDCF’s concessional lending against other major donors, this analysis defines EDCF’s current positioning and identifies strategic opportunities for future engagement.

□ **Part 2: Comprehensive Evaluation of EDCF Projects and Representative Case Study**

- This section evaluates completed EDCF projects and the broader Uzbekistan country portfolio using OECD DAC evaluation criteria.
  - **(Portfolio Assessment)** The findings provide an evidence-based foundation for shaping future EDCF strategies and establishing implementation frameworks aligned with the Korean government’s latest policy directives.
  - **(Case Study)** A detailed analysis of the National Children’s Medical Center (NCCM) project—a landmark, large-scale "package-type" ODA initiative—reviews operational performance and institutional challenges. This case study offers strategic insights and lessons learned to guide future health-sector interventions.

□ **Part 3: Strategic Directions for EDCF Support to Uzbekistan**

- In alignment with Korea’s Central Asia Cooperation Strategy and the expansion of package-type ODA, this part defines the medium- to long-term strategic framework for EDCF concessional lending. It establishes key portfolio tasks and positioning strategies to ensure high-impact development cooperation in Uzbekistan.

## 2. Evaluation Methods

### A. Evaluation principles and criteria

- This evaluation is grounded in the OECD DAC evaluation criteria, the International Development Cooperation Council’s “International Development Cooperation Evaluation Guidelines” (Dec 2024), and the Korea Eximbank “EDCF Evaluation Manual” (Dec 2020).

EDCF Evaluation Criteria (OECD DAC)	Definitions
Relevance	<ul style="list-style-type: none"> <li>Refers to the extent to which EDCF projects are aligned with the partner country’s policy priorities, the needs of beneficiaries, and the donor country’s policies, and assesses whether the objectives and design of the interventions are appropriate and valid.</li> </ul>
Coherence	<ul style="list-style-type: none"> <li>Assesses the extent to which EDCF projects are compatible and create positive synergies with global development goals, aid harmonization efforts, and other development partners’ activities in terms of policy coherence.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>Refers to whether EDCF projects have been implemented in an economical and timely manner within the given resources and timeframe, and assesses how much project cost was incurred, whether project objectives were achieved within the planned period, and whether the chosen implementation approach was efficient compared to alternative options.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>Assesses the extent to which the objectives and intended results of EDCF projects have been achieved.</li> </ul>
Impact	<ul style="list-style-type: none"> <li>Assesses the broader changes brought about by EDCF projects, including direct and indirect social, economic, environmental, and regional effects, encompassing both positive and negative outcomes, as well as intended and unintended results.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>Assesses whether the benefits of EDCF projects are likely to continue after the completion of donor support, considering operational, financial, and environmental aspects, including the extent to which project outcomes can be sustained and the key factors influencing sustainability.</li> </ul>

- **(Comprehensive Portfolio Assessment)** To align with the EDCF’s strategic objectives in Uzbekistan, this assessment prioritizes the criteria of Relevance, Coherence, and Partnerships.
- **(Representative Case Study)** Since the selected project is currently in the pre-completion stage, the evaluation scope covers relevance, coherence, effectiveness, impact, sustainability, and cross-cutting issues. In accordance with EDCF post-evaluation guidelines, efficiency is excluded from this assessment. While analyzed qualitatively, coherence, impact, and cross-cutting issues are not subject to formal performance ratings.

	Evaluation Criterion and Items	Rating Scale	Score Range
Relevance	Alignment with partner-country development needs		
	Alignment with Korea’s ODA strategy and EDCF strategy	<ul style="list-style-type: none"> <li>• Highly relevant</li> <li>• Relevant</li> </ul>	4 3
	Adequacy of project design and composition	<ul style="list-style-type: none"> <li>• Partially relevant</li> <li>• Irrelevant</li> </ul>	2 1
	Adequacy of response to environmental change and risk management		
Effectiveness	Output achievement	<ul style="list-style-type: none"> <li>• Highly effective</li> <li>• Effective</li> </ul>	4 3
	Outcome achievement	<ul style="list-style-type: none"> <li>• Partially effective</li> <li>• Ineffective</li> </ul>	2 1
Sustainability	Financial sustainability	<ul style="list-style-type: none"> <li>• Highly sustainable</li> </ul>	4
	Institutional sustainability	<ul style="list-style-type: none"> <li>• Sustainable</li> <li>• partially sustainable</li> </ul>	3 2
	Human-resource sustainability	<ul style="list-style-type: none"> <li>• Unsustainable</li> </ul>	1

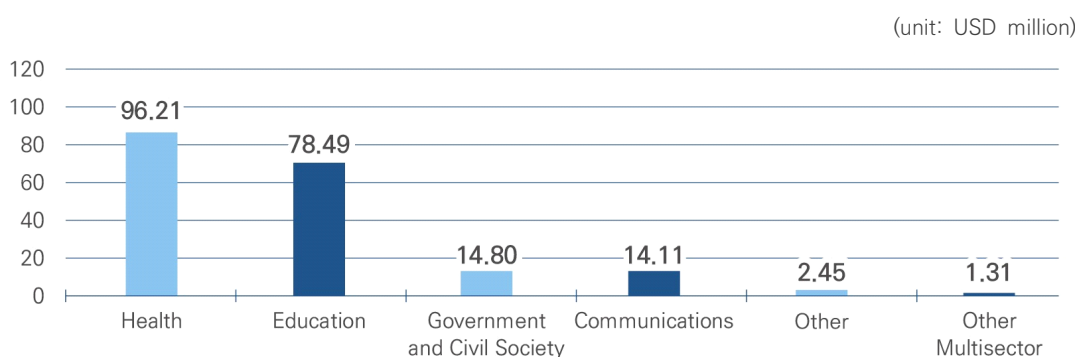
## B. Data collection and analytical methods

- The EDCF Uzbekistan country program evaluation employed a mixed-methods approach, integrating quantitative data with qualitative insights. To ensure analytical rigor and validity, all findings were triangulated across the following research streams:
  - **(Statistical Analysis)** Leveraged international databases and official partner-country publications to analyze development trends and the current state of international cooperation in Uzbekistan.
  - **(Comprehensive Literature Review)** Conducted a systematic review of key reference materials throughout the evaluation cycle to assess the development context, evaluate project performance, and inform future strategic directions.
  - **(Stakeholder Interviews)** Conducted primary in-depth interview sessions with key domestic and international stakeholders to complement findings from the literature review.
    - Used semi-structured formats to cross-validate specific data points identified during the desk review and initial field missions.
  - **(Beneficiary Surveys for NCMC Case Study)** Administered surveys to hospital users and medical staff at the National Children’s Medical Center (NCMC). This provided quantitative evidence and user perspectives that were not accessible through desk reviews alone.
  - **(Project Site Visits)** Performed on-site inspections of the NCMC to evaluate hospital functionality, equipment utilization, and the long-term sustainability of project inputs.

### 3. Analysis of the EDCF Portfolio in Uzbekistan

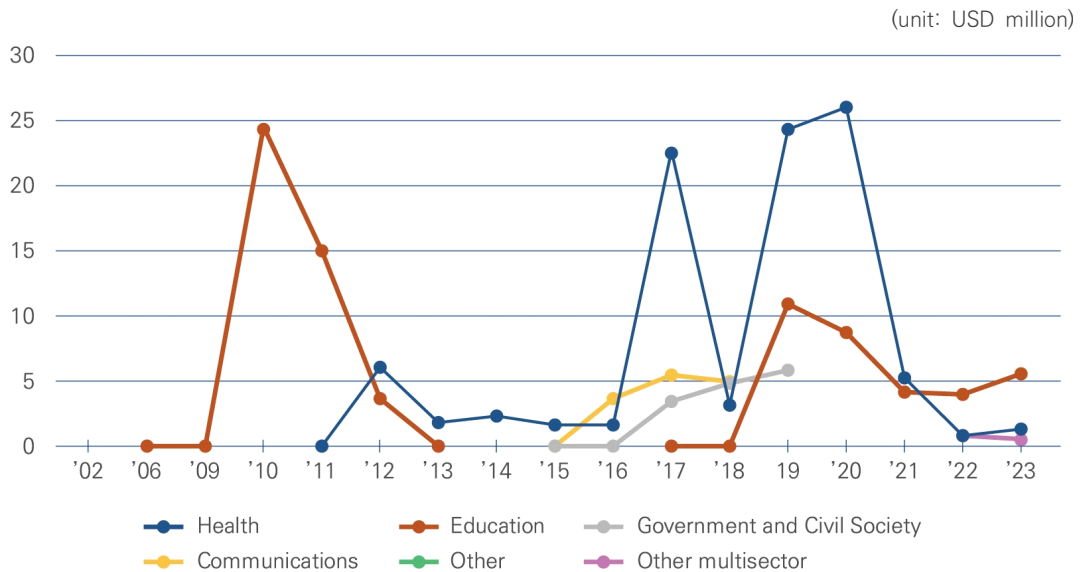
#### A. Status of EDCF Support

- **(Scale of Support)** Since the inception of EDCF lending to Uzbekistan in 1996, the portfolio has grown to 20 projects totaling approximately US\$1.32 billion (as of 2024). Uzbekistan is the cornerstone of Korea's development cooperation in Central Asia, accounting for 86% of total regional EDCF approvals and maintaining its position as the region's largest partner country.
- **(Sectoral Distribution)** To address Uzbekistan's critical development needs, EDCF has engaged across the health, transport, energy, and education sectors. From 2002 to 2023, support was heavily concentrated in health (US\$96.21 million) and education (US\$78.49 million) in terms of total disbursements (constant prices). Together, these two sectors represent over 80% of total disbursements, serving as the primary pillars of the bilateral partnership.
- **(Support Modalities)** Historically, the portfolio has been characterized by a project-centered structure, with project-type assistance being the near-exclusive modality. While other formats appeared briefly in 2002, they have since been absent. However, moving forward, EDCF delivery approaches are expected to diversify in line with Korea's global shift toward package-type ODA, integrated proposal-based programs, and enhanced field-oriented operations.



**EDCF concessional loan support by sector to Uzbekistan (2002~2023)**

- Note: Total disbursements; in constant prices
- Source: OECD Data Explorer, <https://data-explorer.oecd.org/> (accessed: 29 Sep 2025)



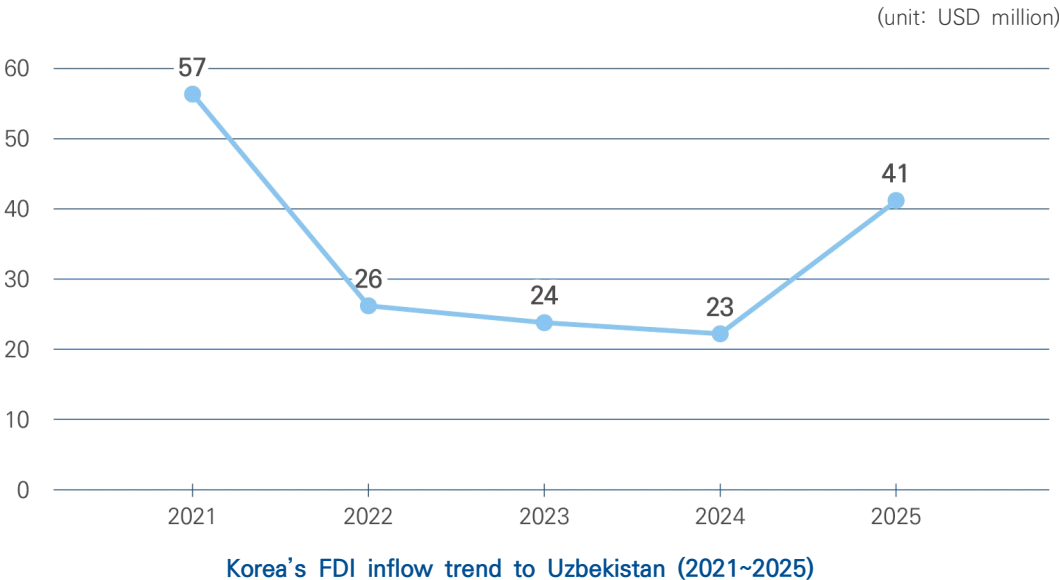
### Trends in EDCF Concessional Loan Assistance to Uzbekistan by Sector (2002~2023)

– Note: Total disbursements; in constant prices

– Source: OECD Data Explorer, <https://data-explorer.oecd.org/> (accessed: 29 Sep 2025)

## B. Korean Private Sector Engagement in Uzbekistan

- **(Market Entry and Historical Context)** Uzbekistan stands out among Central Asian partners for the early market entry of Korea's private sector, which developed in tandem with official development assistance (ODA). Following the market liberalization of the early 1990s, Korean firms—pioneered by the Daewoo Group—established a foundational presence that continues to influence bilateral commercial ties today.
- **(Global FDI Trends and Industrial Shift)** Central Asia is undergoing a structural shift toward a manufacturing-centered economy, leveraging Foreign Direct Investment (FDI) as a primary catalyst for growth. Consistent with this trend, Uzbekistan's central bank projects a gradual reduction in the state's economic footprint, with future expansion increasingly driven by private investment and export-oriented industries.
- **(Korea's Investment Positioning)** Within the competitive FDI landscape, Korea remains a top-tier investor alongside China, Russia, Türkiye, and Germany. However, while Korea is a major strategic partner, its absolute share of total FDI inflows remains modest.



- Source: Foreign Direct Investment Statistics, <https://stats.koreaexim.go.kr/sub/interstateStatistics.do> (accessed: 3 Feb 2025)

- **(Status of Korean private-sector entry)** As of July 2024, Uzbekistan hosted 14,053 foreign-invested firms. While Russia, China, and Türkiye lead in total volume, Korea accounts for 736 entities (5.2% of the total).
  - However, registration data differs from operational reality; KOTRA estimates that the number of Korean firms maintaining an active, on-the-ground presence ranges from 100 to 160.
    - New Korean corporate entries have stabilized at 20-30 per year. Notably, there is a surge in education services (Korean language academies and schools), fueled by the popularity of Korean culture and a rising demand for foreign language proficiency.
    - This shift into services complements Uzbekistan's traditional manufacturing base and supports broader industrial diversification and growth potential.
  - The strengths of Korean firms include: (i) trust-based non-price competitiveness, (ii) deep-rooted market experience in key strategic industrial sectors, (iii) project execution experience including operations and maintenance (O&M), and (iv) robust institutional foundations established through government-to-government cooperation channels.

## C. Financial Support Instruments of the Republic of Korea for Uzbekistan

- As the bilateral relationship evolves from traditional aid toward a broader development partnership, there is an increasing need to mobilize private capital. Development finance is now viewed as a catalytic tool to bridge the funding gap through private-sector engagement.
  
- Given Uzbekistan's macroeconomic trajectory and credit profile, the following financing structures are prioritized: Public-Private Partnerships (PPP) and Project Finance (PF) structures, Economic Development Promotion Facility (EDPF), Export Finance (including buyer's credit and direct lending), Co-financing modalities with multilateral partners.

## 4. Evaluation findings

### A. Comprehensive Portfolio Assessment Results

- **(Overall assessment)** EDCF support to Uzbekistan has successfully generated synergies through integrated project linkages and multi-institutional collaboration. Grounded in a strong alignment between Uzbekistan’s development priorities and Korea’s cooperation strategy, EDCF has fostered a robust bilateral trust relationship and significantly expanded the scope of the partnership.
- **(Relevance)** The portfolio exhibits exceptional relevance, characterized by a high degree of consistency with Uzbekistan’s national development strategies, Korea’s Country Partnership Strategy (CPS), and local demand.
- **(Coherence)** The program achieved strong internal coherence through a concentrated focus on the health sector. Simultaneously, external coherence and complementarity were enhanced through effective role-sharing with Korean grant agencies and major international donors.
- **(Partnership)** EDCF is recognized for its expanding partnership network, built upon a foundation of trust with the partner government and coordination with both domestic and international development institutions.

Evaluation Criteria	Indicators	Details
Relevance	Alignment with local development needs and Korea’s strategy	<ul style="list-style-type: none"> <li>• (Alignment with development strategies and policies) All supported projects were implemented based on Uzbekistan’s medium- to long-term national development plans and sectoral needs, as well as Korea’s country partnership strategy for Uzbekistan, thereby securing strategic alignment.</li> <li>• (Adequacy of resource allocation) Cross-validation of Uzbekistan’s development policies and international ODA support patterns indicates that EDCF’s concentration in health and education is appropriate.</li> </ul>
	Adequacy of project design and composition	<ul style="list-style-type: none"> <li>• Overall, projects demonstrate high technical and economic feasibility, and the combination of development project loans and equipment loans is considered appropriate for achieving project objectives based on local needs and for the partner country’s fiscal management.</li> </ul>
	Response to environmental change and risk management	<ul style="list-style-type: none"> <li>• While sector-specific risk factors are reasonably identified, there is a need to strengthen the specificity of response systems.</li> <li>• Complex partner-country approval procedures have contributed to delays of varying magnitude across most projects, reducing implementation efficiency.</li> </ul>

Evaluation Criteria	Indicators	Details
	Adequacy of implementation organization and staffing	<ul style="list-style-type: none"> <li>• (Implementing agencies) Although agencies possess sectoral expertise, organizational capacity, and ownership, further capacity strengthening is needed to enhance implementation efficiency, including coping with administrative procedures.</li> <li>• (Korean contractors) In some cases, contractor bankruptcy led to long-term delays; greater attention to corporate financial conditions is needed.</li> <li>• (Export-Import Bank of Korea Tashkent Office) The office demonstrates strong support capacity based on close networks with local institutions; however, strategic staffing reinforcement and role recalibration are required to respond to expanding delegated authority and the increasing project pipeline.</li> </ul>
Coherence	Internal coherence	<ul style="list-style-type: none"> <li>• Without duplicative support across EDCF projects, planning and implementation have emphasized spatial and functional clustering in core areas—particularly in health (e.g., the Tashkent Medical Cluster, TMC)—to strengthen linkage effects.</li> <li>• With KOICA and KOFIH, strong linkage effects have been created particularly in health through functional integration (infrastructure-capacity building-operations).</li> </ul>
	External coherence	<ul style="list-style-type: none"> <li>• With other donors such as the World Bank and ADB, priority support sectors are clearly differentiated, resulting in low overlap and the formation of complementary relationships.</li> </ul>
Partnership	Partnership with the partner country	<ul style="list-style-type: none"> <li>• A regular consultation mechanism led by the Export-Import Bank of Korea Tashkent Office functions effectively to share pipeline candidate projects and coordinate priorities.</li> </ul>
	Partnership with other donors	<ul style="list-style-type: none"> <li>• (Korean donor institutions) Cooperation mechanisms aimed at avoiding duplication and enhancing effectiveness are operating, with smooth communication at both institutional and working levels.</li> <li>• (Other donor countries/institutions) While there is no official track record of joint projects, efforts are underway to expand engagement by exploring strategic coordination with MDBs and participating in in-country donor coordination platforms (Country Platforms).</li> </ul>

## B. Representative Case Study Findings

- **(Rationale for selection)** While portfolio-wide assessments provide a macro view, they often lack the granularity required to identify project-specific implementation hurdles. The NCMC Construction Project was selected for in-depth analysis due to its strategic significance.
  - As a flagship initiative, it embodies EDCF's commitment to expanding health-sector ODA and pioneering integrated "grant-loan" linkages.
  
- **(Overall assessment and rating)** The project demonstrates exceptional synergy with Korea's ODA strategy and Uzbekistan's national health priorities. The project is strongly grounded on grant-loan linkages and coherence with international strategies. It has achieved planned results and generated longer-term impacts, while securing institutional sustainability through strong government support. Nonetheless, there are remaining tasks including strengthening results management systems and addressing skilled staff attrition risks.
  - With an overall score of **3.58/4.0**, the overall rating is assessed as **"Successful."**
    - As the country's first high-level specialist pediatric hospital, the NCMC has significantly improved access to advanced medical care. Its symbolic value is high, representing the successful export and localization of "Korean-style" advanced healthcare systems. Strong institutional support from the Uzbek government ensures long-term viability. Efforts to disseminate Korean medical expertise further solidify its sustainability.

	Category	Weight	Score	Rating
Focused	Relevance	40%	3.5/4.0	Relevant
	Effectiveness	30%	3.75/4.0	Highly effective
Limited	Sustainability	30%	3.5/4.0	Sustainable
Overall			3.58/4.0	Successful

- **(Relevance)** Relevance is assessed as Very High (3.5/4.0), reflecting the project's exceptional alignment with Korea's ODA strategy, Uzbekistan's national healthcare priorities, and the local socio-political context.

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- While the score is strong, it accounts for minor deficiencies in the results management system, specifically regarding the performance indicators and the rigor of risk-monitoring arrangements.
  - **(Coherence)** The project serves as an exemplary model of integrated support. Internal coherence was secured through a package-type approach, creating organic linkages between EDCF, KOICA, and KOFIH. Externally, the project remains highly consistent with international development targets, including the UN SDGs, and complements the healthcare initiatives of other major international donors.
  - **(Effectiveness)** Three years post-opening, the project’s outputs have fully materialized and is visible.
    - The hospital’s construction and the comprehensive training of medical personnel were achieved as planned, successfully positioning the NCMC as a leader in treating severe pediatric diseases. The score of 3.75 reflects high overall performance, tempered slightly by some underutilized outputs resulting from localized O&M constraints and regulatory hurdles.
  - **(Impact)** By establishing Uzbekistan’s first “fourth-level” (highly specialized) medical institution, the project adds a specialized tier to the national health system, improving the infrastructure for pediatric referrals. It is expected to be a primary driver in achieving the country’s long-term goal of significantly reducing child mortality rates and modernizing pediatric care standards.
  - **(Sustainability)** The project exhibits strong institutional sustainability, supported by high-level government commitment and operational autonomy guaranteed by a cabinet resolution.
    - While internal efforts are actively strengthening financial viability, the score (3.5/4.0) reflects persistent human resource risks. Relatively low compensation compared to the private sector and frequent personnel rotations contribute to the attrition of highly skilled medical staff, posing a challenge for long-term specialized service delivery.
  - **(Cross-cutting issues)** The project demonstrated a commitment to sustainable development by minimizing environmental impact through on-site wastewater treatment.

## 5. Strategic directions for EDCF support

### A. Approach to Strategy Development for EDCF Support to Uzbekistan and Stage-wise Diagnostics

- The development of the EDCF support strategy for Uzbekistan adopts an integrated methodology that synthesizes Korea’s Country Partnership Strategy (CPS) with the World Bank’s Systematic Country Diagnostic (SCD) and Country Partnership Framework (CPF).
  - To enhance the precision and persuasiveness of the strategy, this work further adapts the 3C–STP–4P framework. Beyond its origins in business, this framework provides three critical advantages for development cooperation: (i) Multi-stakeholder Analysis: A structured method to balance the needs of the partner country, the activities of other donors, and the strengths of the donor country; (ii) Portfolio Optimization: A logical architecture for redesigning the country portfolio to maximize impact; (iii) Policy–Project Synthesis: An integrated framework for designing a coherent mix of policy-level interventions and project-level activities.
    - **(Step 1)** 3C Analysis: Diagnosing the Cooperation Environment

Category		Strategic Context
Customer	Partner country (Uzbekistan)	<ul style="list-style-type: none"> <li>• Development Goals: Target poverty reduction by 50% (2026) and GNI per capita of US\$4,000 (2030).</li> <li>• Policy Shifts: Transition from a state-led model to a private-sector-led economy via privatization, digitalization, and innovation.</li> <li>• Key Needs: Human capital development, green transition, and FDI attraction.</li> <li>• Policy features include state-led reforms, a high share of SOEs, and an open posture toward cooperation with international organizations.</li> </ul>
Competitor / Complementor	Multilateral and bilateral agencies	<ul style="list-style-type: none"> <li>• World Bank/ADB: Strong in systematic diagnostics (SCD) and results-based management (ToC). Focus on structural reforms, agricultural productivity, and energy efficiency.</li> <li>• ADB, GIZ, and the EU: Strong focus on areas such as agriculture, health, local development, and green transition.</li> <li>* The 2022 SCD identified key constraints including SOE inefficiency, low agricultural productivity, weak job creation, and energy waste, and derived priority reforms such as private sector promotion, digital transition, and improved public services; the 2022–2026 CPF sets market-centered reforms and strengthened human capital investment as core pillars.</li> <li>• Strategic Gap: While MDBs focus on policy and large-scale reform, Korea holds a comparative advantage in technical implementation, digital administration, and health infrastructure.</li> </ul>

Category		Strategic Context
Company	Donor country (Korea)	<ul style="list-style-type: none"> <li>• High adaptability, deep expertise in infrastructure, digital government, and healthcare.</li> <li>• Proven track record of grant–loan linkages in education, health, industrial capacity–building, etc.</li> <li>• Comparative advantages in infrastructure, digital government, public administration, health, and agricultural technology.</li> </ul>

- (Step 2) STP strategy: Defining Strategic Orientation for Efficient Resource Allocation and Maximized Impact

Category	Strategic Action
Segmentation (Segment development needs by domain)	<ul style="list-style-type: none"> <li>• (Human capital) education, health, social protection</li> <li>• (Productivity/competitiveness) agriculture, infrastructure, private sector development</li> <li>• (Green transition) energy transition, water–land resource management</li> <li>• (Administration/statistics) digital government, policy evaluation, statistical systems improvement</li> </ul>
Targeting (Identify priority cooperation areas)	<ul style="list-style-type: none"> <li>• Select areas at the intersection of Korea’s strengths and Uzbekistan’s strategic objectives. <ul style="list-style-type: none"> <li>– digital public administration</li> <li>– human capital strengthening based on education and health</li> <li>– high value–added agriculture</li> <li>– green energy and climate adaptation</li> </ul> </li> </ul>
Positioning (Define strategic positioning)	<ul style="list-style-type: none"> <li>• Position Korea as “a responsible partner contributing to Uzbekistan’s national development goals by leveraging Korea’s strengths.”.</li> <li>• Utilize practice–oriented coordination capacity.</li> <li>• Apply Korea’s development experience (industrialization).</li> <li>• Pursue expanded PPP and public–private cooperation leveraging Korea’s industrial competitiveness.</li> </ul>

## – (Step 3) 4P mix: Designing the Implementation Strategy

Category	Details
Product (Strategy Design)	<p>Results-Oriented Strategy</p> <ul style="list-style-type: none"> <li>• Introduce a Theory of Change (ToC) structure to strengthen the logical link between activities and outcomes.</li> <li>• Develop “Light SCD” tools and sectoral results matrices to align with the UN SDGs.</li> </ul>
Price (Efficiency & Allocation)	<p>Impact Maximization</p> <ul style="list-style-type: none"> <li>• Apply a ‘Focus and Selectivity’ principle to concentrate resources on high-impact sectors.</li> <li>• Link budget allocations directly to sectoral performance indicators to ensure cost-effectiveness.</li> </ul>
Place (Partnership)	<p>Diversified Delivery Channels</p> <ul style="list-style-type: none"> <li>• Move beyond central government ministries to engage SOEs and the private sector.</li> <li>• Facilitate co-financing with MDBs and develop PPP structures.</li> <li>• Establish an in-country “One Team Korea” platform (Embassy, EDCF, KOTRA, etc.).</li> </ul>
Promotion (Results sharing and visibility)	<p>Strategic Communication</p> <ul style="list-style-type: none"> <li>• Enhance “Korea ODA” branding through site-level visibility (commemorative markers, media exposures).</li> <li>• Disclose information on strategy processes and outcome through internet and published summary reports.</li> </ul>

## B. Identification of Promising cooperation Sectors for EDCF Support in Uzbekistan

- The identification of promising sectors establishes the strategic rationale for maintaining and expanding EDCF’s footprint in Uzbekistan. This selection is grounded in evaluation findings and the synthesis of two critical factors: the evolving participation of the Korean private sector and the shifting priorities of Korea’s external economic and industrial strategies.
- To support Uzbekistan’s national objectives of people-centered development, industrial innovation, and green growth, we suggest three strategic pillars as follows: **(i) Social Infrastructure**: Enhancing living standards through specialized healthcare and advanced education; **(ii) Economic & Manufacturing Capacity**: Securing future growth drivers by upgrading infrastructure and industrial modernization; **(iii) Sustainable Green Infrastructure**: Mitigating climate risks through resilient energy and environmental investments.

## C. Selection of Priority Cooperation Sectors for EDCF in Uzbekistan

- The strategic orientation for selecting priority cooperation sectors is based on evaluation results, under which promising sectors are segmented in accordance with the STP approach. Priority sectors are selected based on the intersection of Uzbekistan’s reform demand and Korea’s industrial competitiveness.
- Cooperation will be phased across four core areas: **health** (operations and digital health), **digital** (e-government, fintech, smart city), **economic infrastructure** (rail, airport, power grid), and **industry** (manufacturing and EV ecosystem), using a sophisticated mix of EDCF stand-alone loans, MDB co-financing, and PPP/blended finance models.

	Uzbekistan’s Development challenge	Korea’s Comparative Advantage & Demand	Recommended Instruments & Modalities
Health	Transition to advanced, specialized health service delivery	Hospital O&M; Digital healthcare; Integrated training-equipment packages	Outsourced operations and performance-based O&M contracts; grant-loan linkages for medical HR, digital systems, equipments
Digital	Digital transformation (administration/health/fintech)	E-government, cybersecurity, cloud infrastructure; digital health/EMR; Fintech regulatory sandbox design	EDCF stand-alone loans for policy development & platforms; SaaS-participatory PPPs for private-sector tech integration
SOC	Power grid modernization and loss reduction; achieving 8GW renewable capacity	Smart grid/metering; EMS/SCADA; renewables + ESS, transmission/distribution EPC	ADB/WB co-financing + EDCF (grid modernization); IPP/PPP (renewables); introduce performance-based O&M
	Regional connectivity through rail realignment and airport hub expansion	High-speed rail design, signaling, rolling stock; smart airport terminals and operations	Large-scale co-financing (mega-projects) + PPP packages combining KIND/export finance; phased package approach
Industry	Manufacturing value-chain upgrading and establishing an EV ecosystem	Batteries and charging infrastructure; automotive electronic parts; quality/process innovation	PPP with VGF (charging networks); EDCF + export finance packages (components/equipment); standards and certification support

## D. Proposed Mid- to Long-term Cooperation Direction for Uzbekistan

- Drawing from the evaluation findings and the strategic environment analysis, the following draft outlines the trajectory for EDCF-Uzbekistan cooperation in a mid-to-long-term.



<b>Roadmap</b>	Establish a multi-layered cooperation framework leveraging Korea’s comparative advantages and promote the packaging, standardization, and localization of the four core pillars—transport, power, digital, and health.
<b>Principle</b>	Design an optimal mix based on the principle of “sector-instrument symmetry”.

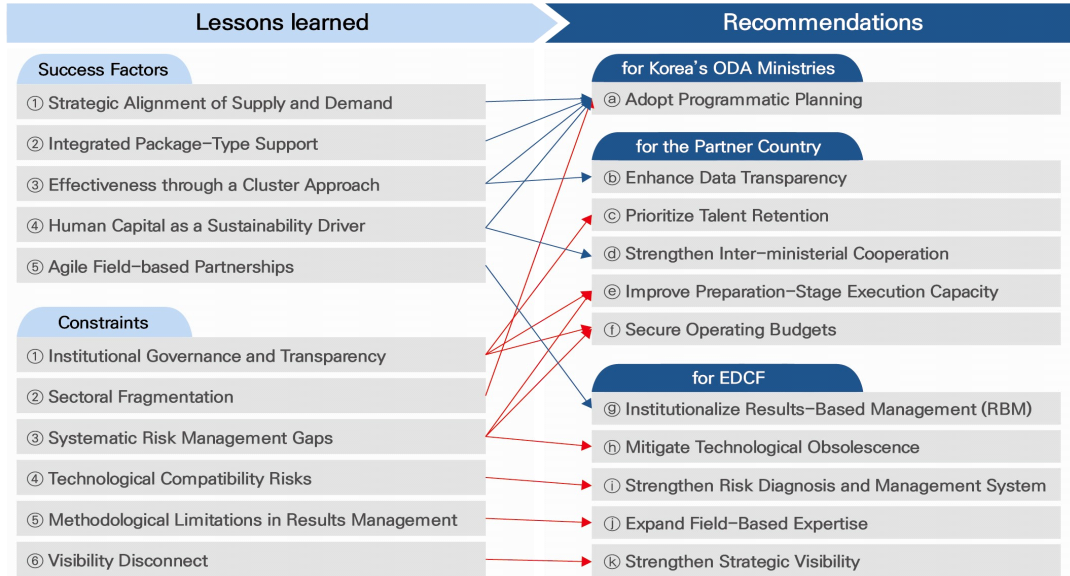
### Support Allocation Strategy

- 1 EDCF-only Support (focus on public-good / non-revenue areas)**
  - Prioritize EDCF-only support for challenges with strong public-good characteristics and limited cash-flow generation.
  - A unified PMO-standardization-phased scaling structure centered on policy- and platform-based investments.
  - Grants/TA: Preceding institutional setup, standardization, and training linked to the main loan, followed by project implementation.
- 2 Co-financing (Mega projects / sector bundling)**
  - For large and complex projects, attempt co-financing with MDBs.
  - (MDB) Alignment of MDB feasibility studies (F/S) and environmental and social (ES) standards with EDCF core processes and infrastructure packages.
  - Mobilization of private leverage through Korean export credit and guarantee instruments.
  - Application of common specifications, parallel procurement, and shared performance indicators, as well as unified settlement and procurement rules.
- 3 PPP and Private Investment (Revenue-generating structures)**
  - Revenue-generating projects are to be implemented through PPPs and designed based on standardized principles, including the application of VGF, government guarantees, and foreign exchange risk-sharing mechanisms, with tariffs under long-term PPAs set at a minimum level.
  - Maximize private Capex through the limited upfront deployment of public capital, while ensuring bankability through the institutionalization of standard contracts and change management provisions.

### Implementation Infrastructure

- 1 Procurement and Standardization**
  - Avoid price-ONLY competitive bidding (Package segmentation, and the establishment of standard specifications and performance requirements).
  - Life-cycle procurement (O&M, spares, embedded training).
  - Link disbursement schedules with performance indicators.
- 2 Localization and Human Resource Development**
  - Promote the localization of operational assets (Increase the share of local content).
  - Mandate linkages among industry-academia-vocational training-certification.
- 3 ESG and Climate**
  - Apply ESG principles during project planning.
  - Standardization of checklists for climate risk, gender considerations, and accessibility for vulnerable groups.
  - Review access to climate finance (e.g., GCF) for power grid efficiency improvements and renewable energy integration.

## 6. Lessons learned and recommendations



※ The order of recommendations has been reorganized to align with the summary table.

### A. Lessons learned

#### Success factors

- **(Strategic Alignment of Supply and Demand)** The success of NCMC project was rooted in a precise intersection between Uzbekistan's national health priorities and Korea's competitive advantages in medical technology and infrastructure. By establishing this alignment during the identification and planning stages, the project facilitated coordinated implementation and a sustained, long-term impact.
- **(Integrated Package-Type Support)** By embedding grant-loan linkages into the structural design from the inception phase, the project ensured that physical infrastructure (EDCF) was matched with necessary human capital and operational systems (KOICA/KOFIH), creating a seamless transition from construction to service delivery.

- **(Effectiveness through a Cluster Approach)** The Tashkent Medical Cluster (TMC) approach leveraged spatial and functional synergy by co-locating the NCMC, Tashkent General Hospital, and a medical university. This geographic concentration fostered a “knowledge hub” effect, scaling up the impact from a single project to a sector-wide transformation.
  - **(Human Capital as a Sustainability Driver)** Implementing long-term training incentives and inter-ministerial linkage projects ensured that specialized medical staff remained engaged, directly bolstering the project’s long-term operational viability. This approach is particularly valuable for social infrastructure projects where human capacity is pivotal.
  - **(Agile Field-based Partnerships)** Utilizing local expertise and maintaining active coordination with other international partners (donors and institutions) allowed for the proactive resolution of institutional bottlenecks, such as regulatory delays.
- Constraints**
- **(Institutional Governance and Transparency)** Persistent gaps in the administrative capacity and transparency of local implementing agencies, coupled with limited EDCF localization in the field, created friction in project execution.
  - **(Sectoral Fragmentation)** While the health sector demonstrated successful integration, other priority areas often suffered from “single-project” isolation, lacking the strategic concentration required for broader development impact.
  - **(Systematic Risk Management Gaps)** The absence of institutionalized, evidence-based risk identification and ex-post management frameworks frequently compromised the long-term technical and financial resilience of projects.
  - **(Technological Compatibility Risks)** Rigid procurement frameworks sometimes struggled to keep pace with rapid technology cycles, leading to occasional system misalignments or the introduction of software that lacked long-term local support.
  - **(Methodological Limitations in Results Management)** Reliance on qualitative indicators and the absence of robust baseline data and complex logic models (e.g., Theory of Change) hindered the ability to perform rigorous, evidence-based impact evaluations.
  - **(Visibility Disconnect)** Despite the scale of investment, public and beneficiary awareness remained disproportionately low due to the lack of a standardized communications strategy and visible project branding.

## B. Recommendations

### Recommendations for EDCF

- **(Institutionalize Results-Based Management (RBM))** Transition toward Outcome-Centered Frameworks by mandating baseline data collection and utilizing advanced Theory of Change models and risk-management checklists.
- **(Mitigate Technological Obsolescence)** Enhance procurement flexibility to ensure that medical and digital technologies remain current and compatible with local systems throughout the project lifecycle.
- **(Strengthen Risk Diagnosis and Management System)** Identify risks based on empirical evidence, systematically develop response scenarios, and secure resilience to potential risks.
- **(Expand Field-Based Expertise)** Deploy specialized personnel to the field to navigate Uzbekistan's evolving legal, tax, and accounting landscapes, ensuring smoother operational management.
- **(Strengthen Strategic Visibility)** Implement a Visibility Strategy, including the installation of commemorative markers at flagship sites and the use of high-profile inauguration ceremonies to reinforce Korea's ODA branding. For the Korean general public, information disclosure of non-diplomatically sensitive content should be gradually expanded to broaden public support.

### Recommendations for the partner country

- **(Enhance Data Transparency)** Establish data management systems for cooperation projects with donors. Develop robust internal monitoring systems to generate transparent project data, fostering mutual trust and streamlining donor coordination.
- **(Prioritize Talent Retention)** Establish standardized handover protocols and career-progression incentives to prevent the attrition of specialized project personnel and to promote knowledge sharing and dissemination.
- **(Strengthen Inter-ministerial Cooperation)** Enhance coordination among ministries to support programmatic and integrated "Medical Cluster" management in the health sector.

- **(Improve Preparation–Stage Execution Capacity)** Pre-verify administrative and legal risks and consider operationalizing and empowering PMU authority.
  - **(Secure Operating Budgets)** Ensure financial sustainability by securing budget plans for initial operating costs and facility maintenance.
- Recommendations for Korea’s ODA ministries**
- **(Adopt Programmatic Planning)** Shift from ex-post project linkages to parallel integrated planning. Grant and loan agencies should co-design initiatives from the initial planning stage to ensure that hardware and software components are synchronized, maximizing the development "multiplier effect."