

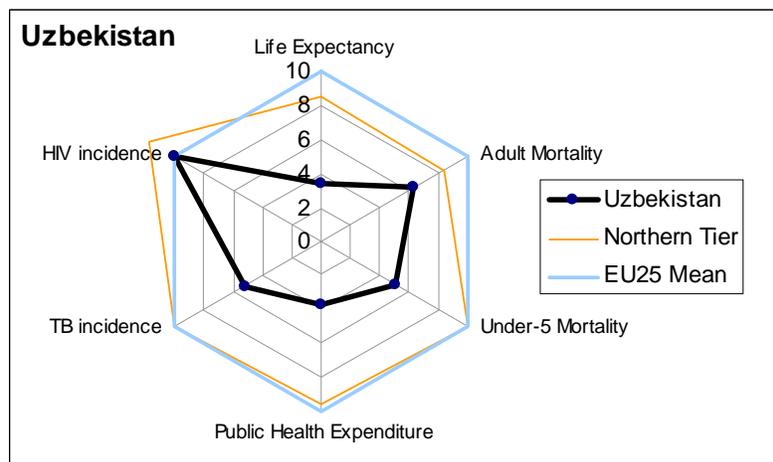
## Annex E 1: Uzbekistan: Expectations of Movement Along the Development Continuum over the Next Two Years

With a gross national income per capita of \$610 (\$2,000 based on purchasing power parity), Uzbekistan is considered a low-income country within the developing country category. Uzbekistan has a GDP growth rate of 7.3%, which is slightly under neighboring oil-rich Uzbekistan's of 10.6%. With a population growth rate almost 5 times that of Uzbekistan, Uzbekistan is maintaining a much larger labor force than other countries in the region. It currently has an unemployment rate of only 3% but the poverty rate is at 33%. With increasing numbers of young people about to enter the economy (32.4% of the population is under 15), there are concerns of a stagnating economy. Uzbekistan is trying to lessen its dependency on agriculture and instead grow its mineral petroleum industry.

Uzbekistan ranks 23 of 28 countries (higher number rankings are worse cases) in the 2007 Europe and Eurasia Health Vulnerability Analysis. See the report at:

[http://www.usaid.gov/locations/europe\\_eurasia/dem\\_gov/docs/2007\\_ee\\_health\\_vulnerability\\_analysis\\_report\\_final.pdf](http://www.usaid.gov/locations/europe_eurasia/dem_gov/docs/2007_ee_health_vulnerability_analysis_report_final.pdf)

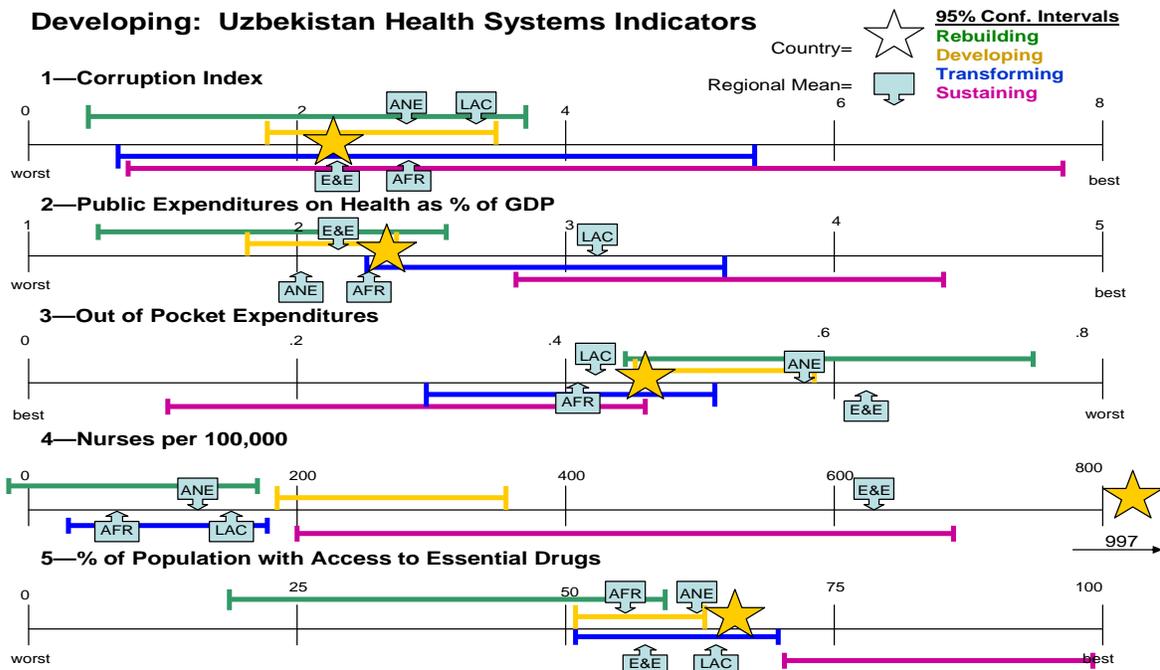
The analysis identifies those countries in the region where health status is the poorest and where the transition to democracy and free-market economies may be most vulnerable because of health factors. The graph below draws on this data to compare Uzbekistan's health status to European Union and E&E regional averages. For each indicator, a score of 10 corresponds with the **EU average**, suggesting ideal performance. A score of 1 indicates the poorest performance in that indicator in the **E&E** region. The country's performance is then plotted against this scale. A score of 10 is ideal performance for all indicators and all countries.



Northern Tier refers to the Czech Republic, Hungary, Poland, Slovakia, and Slovenia.

Uzbekistan is far from approaching the levels of health sector development achieved by countries in northern Europe and the EU25. Poor nutrition is a major health issue for women and children. Uzbekistan scores in the lowest quintile for under-five mortality in the E&E region. Uzbekistan is 10th on the list of 25 priority countries for multi drug resistant TB. The number of injecting drug users has risen dramatically over the last few years, exacerbating the spread of HIV/AIDS through the sharing of syringes and unsafe sexual practices. It appears that Uzbekistan scores better than the EU average on HIV incidence. Since the number of confirmed HIV cases is highly dependant on the surveillance program in the country, HIV scores may be deceptively optimistic.

The graphic below shows Uzbekistan’s performance on several key health systems development indicators relative to: (1) averages for Europe and Eurasia and other geographic regions, and (2) averages for country categories of the USG Foreign Assistance Framework. Indicators reflecting the extent of corruption, public expenditures for health, out of pocket expenditures, and access to essential drugs put Uzbekistan into the Developing Country category. Nurses per 100,000 are high, putting Uzbekistan in the Sustaining Country category. However, this is misleading as nurses receive low salaries and most require training to upgrade their skills.



Source: U.S. Agency for International Development, Bureau for Global Health; most data is 2006.

Although Uzbekistan scores higher than most of its developing country peers on public expenditures in health and above its peers in terms of access to essential drugs and the presence of nurses, its challenges with corruption and high out-of-pocket expenditures limit its progress to becoming a Transforming Country in terms of health systems.

Broader governance issues related to those described in the discussion of performance findings in Annex E are also reflected on its Millennium Challenge Corporation (MCC) scorecard, shown on the next page. Problems with political rights, civil liberties, control of corruption, government effectiveness, rule of law, and voice/accountability overshadow its achievements in the health sector. Uzbekistan scores higher than its peers for 3 of the 5 health indicators, but scores at or below zero in 5 of the 6 indicators related to the political dimensions. The one score above zero is only at 3%.

In the Investing in People category, Uzbekistan exceeds the median for its MCC peer group on both its immunization rate (95% coverage compared with a median of 84%) and public spending on health (2.48% of GNI compared with a median of 2.07%).

In order to qualify as a transforming country, Uzbekistan's efforts need to focus on reducing corruption in health care and increasing public expenditures for health. It also needs to place emphasis on reducing out-of-pocket expenditures, but is already on par with transforming countries for this dimension. Between 1996 and 2005, total expenditure on health as a percentage of GDP was consistently around 5.5%, with slight fluctuations. However, contributions from public funds have declined from 68% to 48%. Government spending on health as a share of total government spending has remained more or less consistent at about 7%.

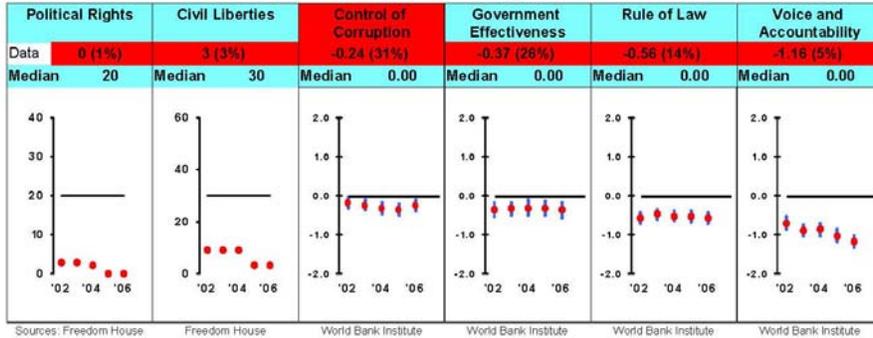
Although technically working to improve public health care provision, ZdravPlus II's work does also contribute to strengthening the scores for indicators within governance. Through its work on finance and management reforms, the project is promoting transparency and accountability of the government's health system, which includes budgetary consistency, quality policy formulation, and implementing programs according to agreed upon plans. To the extent possible, ZdravPlus II is also expanding the role of civil society through project activities.

Over the next two years, ZdravPlus II can help to move Uzbekistan toward the transforming country category in health by focusing on a core set of interventions to strengthen health reforms and protect them from the threats of instability. These interventions are discussed in the next section. However, the changes expected in the health sector over the next two years will not have an impact on the country's movement along the continuum from developing to the transforming category.

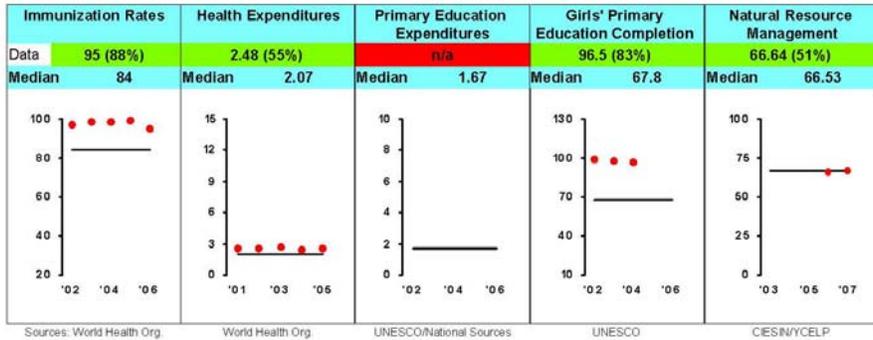
# Uzbekistan FY08

Population: 26,167,370  
GNI/Cap: \$610 LIC

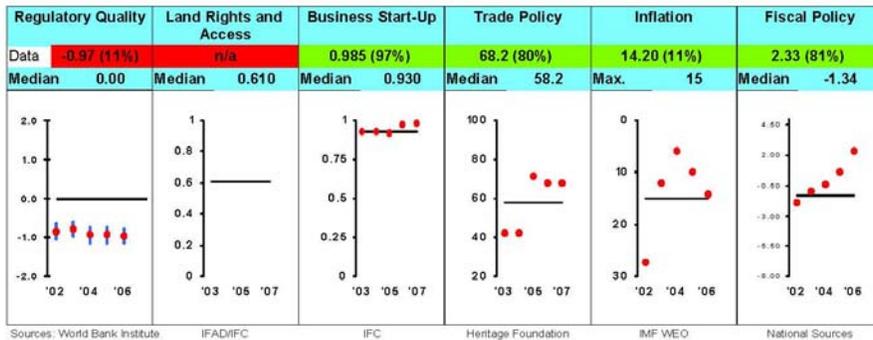
## Ruling Justly



## Investing In People



## Economic Freedom



How to Read this Scorecard: Each MCC Candidate Country receives an annual scorecard assessing its performance in 3 policy categories: Ruling Justly, Investing in People, and Economic Freedom. Under the name of each indicator is the country's score and percentile ranking in its income peer group (0% is worst; 50% is the median; 100% is best). Under each country's percentile ranking is the peer group median. Country performance is evaluated relative to the peer group median and passing scores, or scores above the median, are represented with green. Failing scores, or scores at or below the median, are represented with red. The black line that runs along the horizontal axis represents the peer group median. Each World Bank Institute indicator is accompanied by a margin of error, which is represented by the vertical blue bar.

For more information regarding the Millennium Challenge Account Selection Process and these indicators, please consult MCC's website: [www.mcc.gov](http://www.mcc.gov)

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