3 Digital Solutions to improve your business efficiency
The Aral Sea is one of the most vulnerable areas because of the severe climate condition. Although it was the fourth-largest inland lake in the world, now its size has shrunk to 10% of its original size. As a result, it has caused human, environmental, socio-economic and demographic problems in the area which used to have abundant bioresources and unique rich culture. Within its Joint Programme with UNFPA “Building the resilience of local communities against health, environmental and economic insecurities caused by environmental destruction in the Aral Sea region”, funded by the Government of Japan, UNDP addresses the most urgent and immediate health and economic insecurities in the most vulnerable areas of the Aral Sea region through bringing innovative solutions to poverty reduction. The purpose of this document is to provide entrepreneurs for a guideline, explaining how to utilize mobile applications to solve business challenges and improve their profitability. The views expressed in this publication are those of the authors and do not necessarily represent those of the United Nations, including UNDP, or the UN Member States.

United Nations Population Fund (UNFPA)

UNFPA was created in 1969 and is formally named the United Nations Population Fund. The organization is the United Nations sexual and reproductive health agency. Our mission is to deliver a world where every pregnancy is wanted, every childbirth is safe and every young person’s potential is fulfilled.

United Nations Development Programme (UNDP)

UNDP works in nearly 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion. We help countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results.
The UNDP-UNFPA Joint Programme

“Building the resilience of local communities against health, environmental and economic insecurities caused by environmental destruction in the Aral Sea region”

funded by the Government of Japan

UNDP’s assistance to Uzbekistan seeks to achieve common interrelated objectives, including supporting the Government in accelerating reforms in the field of sustainable economic development, good governance, adaptation to climate change and environmental protection.

The views and conclusions expressed in this publication are those of the authors and do not necessarily reflect the views of the United Nations and its agencies, including the UNDP, or UN member states.
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Karakalpakstan is located in the north-western part of Uzbekistan and home to 1,842,000 people. In 2017, Karakalpakstan had a total of 16.7 million hectares and 3.1% of them were used as an irrigated farmland, furthermore, the area of land allocated for agriculture has increased over the last 5 years. As the agricultural land increases, the output of plan farming, fish farming and livestock farming have increased constantly since 2015. Although roughly 30% of people are engaged in farming, agriculture, forestry and fisheries contribute to Karakalpakstan's Gross Regional Product, at 15.2% beaten by industrial sectors at 32.7%. Regarding the digital industry, a survey conduct-
Digital Solutions to improve your business efficiency

ed in Karakalpakstan, particularly Bozatau, Karauzyak and Chimbay districts, reveals that these districts have a sufficient digital environment; 89% of local entrepreneurs have access to electricity, 70% to the Internet, 74% possess their own smartphone and 83% hold their own bank account. Although the Internet speed is slow sometimes connecting 2G or 3G networks, it is possible to utilize a variety of smartphone applications.

However, the majority of people only use their smartphones for phone calls, not business applications or other useful applications, as they are not aware of them. The most popular application is Telegram with 85%, while merely 17% of the entrepreneurs have a Facebook account and 37% use Instagram. Furthermore, 78% have a mobile payment application either Payme or CLICK but they do not actively utilize it for their business. Although OLX is one of the most popular E-Commerce sites in Uzbekistan, in the target regions, 22% of them have their account and most of them use OLX not for selling but buying something.

The reason for the unpopularity in mobile applications seems to be a lack of information, according to the discussion with the respondents. Once they understood the merits of the use of the applications, they...
showed their interest attempting to create own account. Therefore, this brochure helps entrepreneurs to utilize mobile applications for their business activities. It focuses on E-Commerce, FinTech and social media applications, namely OLX, CLICK and Instagram.
Digital Solution 1: E-Commerce

E-Commerce (EC), or online shopping is a common platform in the world. Users enjoy shopping on websites to purchase such as shoes or smartphones, and entrepreneurs develop business by selling such items on the platform. Both sellers and buyers are asked to create an account registering such as your name and phone number and some sites require information on a credit card or a debit card. Most of the EC sites provide a delivery service, and therefore, customers just wait for their order at home.

Some EC sites impose a service charge in the form of monthly fee or annual fee, or commissions that impose 10% of selling price, for example. Others, such as OLX, do not ask for such service charges so that entrepreneurs can easily join the platform and expand their businesses.

This chapter explains the benefits of the use of EC sites and describes how to create an OLX account and use the service.
If you have challenges below...

- **Cannot find customers**
- **Do not have money**
- **Do not have time**

You should follow this guideline.
3 Benefits

1. Find customers in different regions remotely
   You do not need to physically go to different regions to find new customers. Customers can see your products and services online wherever they are.

2. Save money for rents and commutes
   You do not need to own physical space to exhibit your products so you can save money on rents and commutes because you can work at home.
Use time efficiently by working at home

You do not need to go to stores or bazaars to sell products. The extra time can be used for domestic chores while selling at home.

EC brings benefits not only to providers but also customers. Both customers and providers can complete all shopping activities online staying at home if they cope with a mobile payment and a delivery service.

Case Study

There is a variety of EC sites from domestic to global platforms. Global sites tend to require high commissions or monthly payments, or both, while domestic services have fewer requirements to begin. For example, Amazon which is the most famous EC platform asks $40 (400,000 UZS) of the monthly fee and up to 45% of commission. Meanwhile, OLX does not charge a monthly fee nor commissions. Instead, sellers pay for advertisement options. Furthermore, some entrepreneurs create a group on Telegram to inform and sell products. It is free of charge but a group administrator needs to invite group members (customers) by themselves. Currently, Telegram is developing a shopping function so that users can purchase advertised products by a mobile payment application, namely Payme.

The table below describes the comparison among four EC platforms. It is recommended to start from domestic size services such as Telegram and OLX because they are free and have fewer risks for entrepreneurs. Once a business...
grows enough to pay a monthly fee and commissions, they should attempt the global scale platforms (Zoodmall or Amazon) to expand their business further.

<table>
<thead>
<tr>
<th></th>
<th>Телеграм</th>
<th>OLX</th>
<th>Zoodmall</th>
<th>Amazon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target</strong></td>
<td>Small Enterprises</td>
<td></td>
<td>Large Enterprises</td>
<td></td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>Domestic</td>
<td></td>
<td>Global</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Able to sell from 9 countries (Mainly Central Asia)</td>
<td>Able to sell from 188 countries through 17 Amazon websites</td>
<td></td>
</tr>
<tr>
<td><strong>Payment</strong></td>
<td>Arrange by yourself</td>
<td>UZ card</td>
<td></td>
<td>Credit Card</td>
</tr>
<tr>
<td><strong>Delivery</strong></td>
<td>Arrange by yourself</td>
<td></td>
<td>Own delivery service (including shipment fee)</td>
<td></td>
</tr>
<tr>
<td><strong>Commission</strong></td>
<td>0% 0% + Advertisement fee (0 ~ 50,000 UZS)</td>
<td>2 ~ 15% + Weekly payment</td>
<td>5 ~ 45% + Monthly payment ($39.99) (400,000 UZS)</td>
<td></td>
</tr>
</tbody>
</table>

The percentages and fees are different from products, services and contracts; hence, providers should check these charges beforehand by themselves.
Case Study (OLX)

OLX is one of the most popular E-commerce platforms in Uzbekistan with more than 850,000 products and services targeting domestic customers.

- Has useful functions such as searching by place, price range etc.
- Does not charge service fees nor commissions
- Need to arrange delivery and payment by yourself
- Provide 20 combinations of advertisement (see below)

[Example]

<table>
<thead>
<tr>
<th>FREE</th>
<th>BASIC</th>
<th>STANDARD</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 UZS</td>
<td>4000 UZS</td>
<td>8900 UZS</td>
<td>25100 UZS</td>
</tr>
<tr>
<td>• Top ad for 3 days</td>
<td>• Top ad for 7 days</td>
<td>• Top ad for 30 days</td>
<td>• Top ad for 30 days</td>
</tr>
<tr>
<td></td>
<td>• 3 promotions to the top of the list</td>
<td>• 9 lifts to the top of the list</td>
<td>• VIP ad for 3 days</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 UZS</td>
<td>4200 UZS</td>
<td>7600 UZS</td>
<td>21800 UZS</td>
<td>16800 UZS</td>
</tr>
<tr>
<td>• 7 lifts to the top of the list</td>
<td>• Top ad for 7 days</td>
<td>• Top ad for 30 days</td>
<td>• VIP ad</td>
<td></td>
</tr>
</tbody>
</table>

*Each price is different from products, the diagram above is an example.*
To advertise products and services on OLX, you need to take product pictures, create an OLX account (see page 10), publish products including details such price, place, condition, etc, and pay the advertisement fees if you use the options (see page 12). OLX provides statistics how many people saw your advertisements, liked your products and tried to contact you.
Account Creation (OLX)

You need your smartphone and Internet access to create your OLX account. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion]

1. Open Google
2. Tap the search bar
3. Type [olx uz] and search
4. Tap the first option [OLX.uz]
5. Tap [profile]

6. Tap [login or create a profile]

7. Tap [create a profile]

8. Enter your phone number

[ex] 998931234567

Need “998” without “+” and no space between numbers. You will receive an SMS message with a password.
Login (OLX)

You need your smartphone and Internet access to log in to OLX. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion]

1. Open Google
2. Tap the search bar

9. Enter password which is sent by SMS and check the box and tap [register]

10. Tap [activate your account]
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3. Type [olx uz] and search

4. Tap the first option [OLX.uz]

5. Tap [profile]

6. Tap [login or create a profile]
7. On login page, enter your phone number and password sent by SMS and click the box

8. Answer to questions if asked
   [ex]
   Select chimneys

9. Select appropriate pictures and tap [confirm]

10. Tap [enter]
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**Functions (OLX)**

You need your smartphone, Internet access and your OLX account to publish products. The video manual is available on the Telegram group [Digitalization in the Aral Sea Region].

1. Tap [create ad] on your profile page
2. Enter your product title. It must be more than 16 and less than 70 characters
3. Select a category
4. Add pictures from your device
5. Confirm the picture(s) you selected

6. Enter your product details.
   It must be more than 80 and less than 9000 characters

7. Enter the price

8. Select [private person] and the condition either [Boo (old)] or [new]
9. Tap [publish]

10. Select payment options from Basic, Standard and Premium. If you don’t need them, skip the selection. The prices are different depending on products.

11. Select the additional advertisement options if you need

12. If you don’t need any advertisement options, tap [publish without ad]
Functions (OLX)

You need your smartphone, Internet access and your OLX account to manage your account. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion]

1. Tap [active] on your profile page
2. Tap the setting […]
3. Tap [edit]
4. You can edit your post and publish it again
5. Tap [deactivate] on step 3, and select [yes] or [no] to the question

6. Tap [message] on step 3, and check the messages you communicated

7. Tap [review] on step 3, and check how your publishment is seen by users

8. Tap [statistics] on step 3, and check the data of the view on [view] tab
9. On your profile page, tap [recent] on the message section

10. You can check recent messages

11. On your profile page, tap [wallet] on the payment section

12. Tap [payment history] on the payment section, and check your past records
Digital Solution 2: FinTech

The word “FinTech” is a coined word combining financial and technology. The concept is to bring creative solutions in economic activities such as mobile payment, bitcoin, cloud funding and others. You can make payments or transfer money on your smartphone or laptop without visiting banks. The major Uzbek banks provide own mobile application (see the below). Meanwhile, Payme and CLICK are a pioneer of mobile payment but do not have a bank. They provide a payment service collaborating with these banks.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Banking Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aloqa Bank</td>
<td>Aloqa Mobile</td>
</tr>
<tr>
<td>Ipoteka Bank</td>
<td>Ipoteka Mobile</td>
</tr>
<tr>
<td>Özbekistan Milliy Banki</td>
<td>Milliy</td>
</tr>
<tr>
<td>Qishloq Qurilish Bank</td>
<td>QQB Mobile</td>
</tr>
<tr>
<td>Sanaat Qurilis Banki</td>
<td>UzPSB Mobile</td>
</tr>
<tr>
<td>Asaka Bank</td>
<td>Asaka Mobile</td>
</tr>
<tr>
<td>Kapital Bank</td>
<td>Apelsin</td>
</tr>
<tr>
<td>Agro Bank</td>
<td>Agrobank Mobile New</td>
</tr>
<tr>
<td>Hamkor Bank</td>
<td>Hamkor Mobile</td>
</tr>
</tbody>
</table>
Both the banking applications and the payment applications provide similar services. Users send and receive money on the applications and make payments using QR codes. The stark differences between the two are the number of collaborated services and service fees. Payme and CLICK link with a wide variety of services for payments, while banking applications have fewer services. On the other hand, the banking applications offer lower service fees compared to the payment applications. The percentages of the transaction fees are different from banks, therefore, it is recommended to check the rate by yourself. Furthermore, the banking applications enable users to check their balance and request loans which are normally processed at bank offices.

Banks issue an UZ card which is essential for the payment applications. Users need to link the applications and your UZ card. Regarding money transfer, your counterparts need to have an UZ card and you need to know their phone numbers when sending and receiving.

<table>
<thead>
<tr>
<th>Example</th>
<th>Banking App</th>
<th>Payment App</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Transfer</td>
<td>Milliy</td>
<td>CLICK</td>
</tr>
<tr>
<td>QR Code Payment</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Number of Linked Services</td>
<td>320</td>
<td>907</td>
</tr>
<tr>
<td>Service Charge</td>
<td>0.5%</td>
<td>0.75%</td>
</tr>
</tbody>
</table>
| Feature                  | • Apply for loans  
• Check balance  
• Find ATMs | • The leaders in the FinTech industry  
• The most accepted tool in shops  
• Provide cashbacks |
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3 Benefits

1. **Do not need to carry much cash**
   Mobile payment applications play the role of wallet and you do not need to bring a wad of bills during shopping.

2. **Do not need to go to a bank for transactions**
   Cash transfer can be completed on mobile payment applications both sending and receiving money. You do not need to go to a bank waiting for hours.
3. **Do not need to keep sales record by yourself**

Applications provide information on expense and revenue, and you can track past transaction data. It helps you to keep sales records.

Paypal is one of the most popular mobile payment applications in the world, which is used in many countries. If you consider receiving or sending money from and to other countries, it is better to use such global mobile payment applications.

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**Case Study (CLICK)**

CLICK is one of the most popular mobile payment applications in Uzbekistan. You can pay for more than 900 services on CLICK. It is easy to send money on CLICK; you just need a receiver’s phone number. When asking for money or receiving money, you can request a payment to a person by using his/her phone number (See page 31).
Within the application, you can make payments by scanning QR codes at restaurants, shops and service facilities (See page 38). In that case, service providers have to accept the CLICK payment. You can scan their QR codes or show your own QR code so that service providers scan your code by a scanner.

CLICK requires a 1% commission when sending money, which means users must pay 1,000 UZS when sending 100,000 UZS. However, users can get 0.25% cashback bonus. It means it virtually requires 0.75% as a commission when transferring money. The commission and cashback rates are different from contract plans and amounts of money. It is recommended to read terms and conditions carefully before making transactions.
Account Creation (CLICK)

You need your smartphone and Internet access to create your CLICK account. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion]

1. Open Apple Store (for iOS users) or Play Store (for Android users)
2. Tap [search]
3. Type [CLICK uz] and tap [search]
4. Tap [GET]
5. CLICK has been installed, and tap CLICK

6. Select the language

7. Tap [enter registration]

8. Type your phone number
9. Type the security code which is sent by SMS

10. Register the PIN number which must be 5-digit numbers

11. Your account has been created, and tap the icon on the top left to change color

12. Tap [setting]
13. Tap [theme setting]

14. Select [light theme] and tap [apply]

15. The theme color has been changed blighter

16. Tap CLICK when you login
You need your smartphone and Internet access to transfer money on CLICK. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion].
3. When you want to send money to someone, tap [-] on the home page

4. Select [transfer]

5. Tap the search bar

6. Enter the receiver’s phone number and select
7. The message screen is shown

8. Type the amount you want to send and tap [transfer]

9. The money has been sent to the person

10. You will receive the confirmation message on SMS from 880
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11. You will also receive the confirmation message on SMS from CARDIFO

12. When you want to receive money from someone, tap [+ ] on the home page

13. Select [request for funds]

14. Tap the search bar
15. Enter the sender’s phone number and select

16. The message screen is shown

17. Enter the amount you want to receive and tap [request]

18. The request has been sent to the person.
Functions (CLICK)

You need your smartphone and Internet access to receive money on CLICK. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion]

1. Open CLICK

2. Scan your fingerprint or type the 5-digit numbers you registered

3. When you want to receive money from someone, tap [-] on the home page

4. Select [transfer]
5. Select the person who sent you money

6. Enter the confirmation code and tap [accept].
   You need to ask the code to the sender

7. You have received the money

8. The confirmation message will be sent on SMS
Functions (CLICK)

You need your smartphone and Internet access to use the QR code function on CLICK. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion].

1. Open CLICK
2. Scan your finger print or type the 5-digit numbers you registered
3. When you want to scan a QR code, tap [-] on the home page
4. Tap [QR scanner]
5. Scan a QR code with the application camera

6. When you want to show your code, tap [CLICK pass] on the step 4

7. You can also show your QR code by tap [+1 on the home page

8. Tap [My QR code]
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9. Your QR code is shown and a counterpart scans your code for payments

10. When you want to make payments for other services, tap [··] on the home page

11. Tap [payment]

12. Select a service
13. When you want to make payments for services on spot, tap [payment on spot]

14. Select the service

15. Select the company or organization
Digital Solution 3: Social Media

Social Media is a common application in the present world. Facebook and Instagram are the two major social media with roughly 3 billion and 1 billion users, respectively. Although Telegram has the largest users in Uzbekistan, nearly 5 million Uzbek people use Facebook and 4 million use Instagram. It means these social media applications can have much potential for Uzbek entrepreneurs to develop their business finding customers abroad.

Facebook and Instagram hold similar traits in sharing information with followers on the global platform. Both are free of charge and have the functions such as hashtag, share, comment and like. Facebook has a descriptive feature sharing articles, while Instagram users attract followers with pictures. Therefore, in Instagram, the quality of visual contents is the most important element. Moreover, Facebook recommends users make accounts with their real name whereas Instagram accepts a nick name. Therefore, if you worry about privacy, it is better to use Instagram instead of Facebook.
If you want to ...

Find customers in the other countries

Save money on advertisement

Analyze advertisement effects

You should follow this guideline.
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3 Benefits

1. **Global platform**
   Your posts are shared among followers around the world. It is more efficient to approach to new customers outside of your country.

2. **Free advertisement**
   It is for free to use social media applications, and therefore, you can introduce your products and services for free and save money on advertisement.

3. **Efficient and effective advertisement**
   You can see statistics such as; how many people like your posts. It is more effective when analysing the impacts of advertisement.
Users can introduce their homepage or blog in the profile. Hence, social media is a useful channel to make your website known abroad. Furthermore, you can communicate with followers about products so it can be an EC platform. Indeed, in some countries, Instagram provides a shopping function directing followers to a certain website.

**Case Study (Instagram)**

Instagram is a quite popular social media, especially among young people. It focuses on pictures and minimizes language barriers when advertising products and services.

Users react to your posts by clicking LIKE, making comments or sharing your posts with their followers (See page 26). It also allows you to monitor how many people reacted and the statistics are useful to evaluate the impact of your advertisement.

Hashtag (#) enables users to search specific posts from billions of pictures. For example, searching with “#table”, Instagram suggests pictures which are tagged “#table”. In other words, a hashtag is a kind of label. You should add as many hashtags as possible to increase the possibility to be found your posts when users search with a hashtag. Moreover, it is better to put a hashtag in English which is a common language in social media, as well as local languages.

Instagram posts are shown in the time order; the newer, the upper. As time passes, your posts go down in the timeline. Hence, you should post pictures when followers actively use it, otherwise, your posts just go down without being seen. It is commonly said people check social media during com-
3 Digital Solutions to improve your business efficiency

muting in the morning, lunchtime and after dinner. It is more effec-
tive to share your posts during these times in a day.
Account Creation (Instagram)

You need your smartphone and Internet access to create your Instagram account. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion]

1. Open Apple Store (for iOS users) or Play Store (for Android users)
2. Tap [search]
3. Type [Instagram] and tap [search]
4. Tap [GET] and open it after installing
5. Tap [sign up]

6. Tap [sign up with phone or email]

7. Enter your email or phone number

8. Type account name that can be real name or nick name
9. Create a password

10. Register your birthday

11. Tap [sign up]

12. If you want to find friends from Facebook, tap [connect to Facebook], if not, tap [skip]
13. If you want to find users from your mobile phone, tap [search your contacts], if not, tap [skip]

14. If you want to add your profile picture, tap [add a photo], if not, tap [skip]

15. Tap [next] when it suggests users to follow. You can find later

16. Tap [allow access] so that your friends can find you on Instagram
17. Tap [x] when it suggests to hide like counts.

18. Your account has been created

**Functions (Instagram)**

You need your smartphone and Internet access to post pictures on Instagram. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion]

1. Open Instagram

2. Tap [+]

Sociallıq tarmaqtığı xabar quralları
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3. Select a photo you want to post and tap [next]

4. Select a color effect and tap [next]

5. Write a caption

6. You can add hashtags
7. Type a hashtag (#) and select an appropriate tag

8. You can add more hashtags

9. Select appropriate hashtags

10. You can post the picture on other applications if you have accounts
11. Tap [share] and your picture has been posted on Instagram

**Functions (Instagram)**

You need your smartphone and Internet access to check statistics on Instagram. The video manual is available on the Telegram group [@DigitalizationInTheAralSeaRegion]
3. You can find users who like your post.

4. Tap [view all comments] on the step 2 and see the comments.

5. When you want to find users, tap the search icon.

6. Type the name on the search bar.
7. When you want to check messages, tap the message icon

8. You can find users who sent you messages

9. When you want to see LIKES, tap the like icon

10. You can find users’ reactions
Toreeva Risgul participated the digitalization workshops and adopted some digital solutions in her business. Her attempt can be a success model and inspire other entrepreneurs.

She started her business since 2019 as a craftswoman creating Karakalpak design poaches and pillows. Currently, she works with 3 colleagues and teaches sewing to 15 local youth. Her business goal is to expand her business by exporting her products to other countries. The workshops gave her new digital solutions with global success cases and motivated her to attempt new measures, particularly E-Commerce and Social Media. She planned to utilize OLX to advertise her products and share her business activities on Facebook in order to find financial donors.

1 E-Commerce

Firstly, she created a small photo studio using a cardboard and white paper, and then took a photo of her handmade pouch. After preparing a picture, she modified it on Microsoft PowerPoint by removing the background. Secondly, she created her OLX account and advertised it according to the manual (see page 16-18). 12 people had checked her poach on OLX in just one day when she posted. It should be noted that all these processes are free of charge, and what she needed was a laptop with Microsoft PowerPoint and her smartphone.
2 Facebook

She also created her Facebook account to advertise her business globally and share her achievements with pictures of certificates she granted. Her next digital adventure is to raise funds for the business expansion through cloud funding on Facebook and other platforms.
It is true that digital solutions bring benefits to users but, it is also true that they contain some risks. The risks below are just the tip of the iceberg and users have to be cautious when using EC, FinTech and Social Media.

<table>
<thead>
<tr>
<th>Common</th>
<th>FinTech</th>
<th>Risks</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>The leak of personal information causes hacking user accounts, such as ID and password, card information, phone number, etc.</td>
<td>The risk of fraud. A seller does not send ordered products after receiving money, or ordered products are different from pictures you saw on a website.</td>
<td>Do not tell personal information to strangers or a person whom you cannot trust. You should research whether a person or a company is reliable when they ask your personal information.</td>
<td>It is recommended to check customers’ reviews if applications or websites have the function. Buyers can mitigate the risk by negotiating that they make payments in two phases: paying 50% before receiving and 50% after receiving, given the quality of the product.</td>
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### Risks

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<th>Risks</th>
<th>Measures</th>
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<td><strong>FinTex</strong>&lt;br&gt;A typing error is one of the most common risks of FinTech when entering a phone number or an amount of money. In addition, some frauds provide fake QR codes to misguide users to fake websites.</td>
<td>Users should do double-check in registration and confirm the data before finalising the process. They should be sceptic to uncertain QR codes and websites. When you are not sure about websites, you should research about it.</td>
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<td><strong>Social Media</strong>&lt;br&gt;It has a risk of leaking private information through posting pictures, for example, a picture of own passport or flight tickets which includes QR codes. Users should be aware of their comments, especially on politics and religions that can cause problems.</td>
<td>Users need to understand that a picture can tell where you are and what you do. Before posting pictures or making comments, they should stop to think that what information your pictures include and what will happen when you post them.</td>
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The most important thing is that you should be aware of risks and not telling your personal information to strangers. You should know that you can disclose your private information to people unconsciously through posting pictures.
Challenges

The business environment has developed significantly in Karakalpakstan. However, there is plenty of room for improvement, particularly payment tools and logistics. These challenges require the support of both the government and the private sector.

1 Payment Tool

In Uzbekistan, it is more common to make payments by cash or a debit card rather than a credit card. Sometimes, Uzbek services do not accept globally used credit cards such as VISA cards, and it is also true of EC and FinTech. When it comes to selling products abroad, EC sites or providers should accept international credit cards otherwise global customers cannot purchase Uzbek products online. Another solution is to accept international mobile payment applications such as Paypal. Users register credit cards on Paypal and make payments using the app. Customers indirectly use credit cards when purchasing products and services. Service providers need to consider the financial risk and benefits: the risk caused by the commission fees by credit card companies and the benefits or profits brought by selling abroad.

2 Logistics

The logistics problem has two aspects: domestic and international transportation. In the remote area, it is not easy to find post offices and local entrepreneurs need to arrange a taxi or a driver by themselves to deliver products to other regions. Besides, customers need to communicate with a driver to receive their order. This can cause a risk of missing items or any other kinds of troubles. Hence, the domestic logistics system should be improved by the national post services or by private courier service providers. As for the international transportation, it is more difficult than domestic delivery. The global famous courier services such as DHL, FedEx and EMS do not have offices in Karakalpakstan, which means sellers cannot transport products overseas. Some local couriers, such as Aktiv express, deliver
products to other countries but they require a receiver’s passport copy. Submitting a customer’s passport copy is not common in other countries and it can make customers anxious. Delivery companies are expected to provide global standard services.
Conclusion

UNDP assistance to Uzbekistan is aimed at achieving common interrelated goals by supporting the government in accelerating reforms in sustainable economic development, effective public administration, adaptation to climate change and environmental protection. The joint programme implements practical innovative projects in the spheres of healthcare and income generation in accordance with the government’s policy and priority. On one hand, the programme contributes to improving the quality of health care services through strengthening the technical and institutional capacity of local healthcare system for maternal, child and reproductive health service. On the other hand, it advocates inclusive business initiatives to create income generation opportunities in promotion of investments for job creation and provision of basic services. In the scheme of the income generation, the programme focuses on building the capacity of young farmers and entrepreneurs to develop agriculture, manufacturing and service delivery, which is expected to improve the economic well-being of vulnerable communities. It also strengthens the digital infrastructure in the provision of electric transformer equipment in Karakalpakstan. As a result, 2,500 rural residents are set to benefit from these deliveries. Although local people have enough digital environment, they cannot make the most of their conditions. It is expected that local entrepreneurs actively utilize their digital environment and platforms to improve their business productivity and profitability.

When holding the capacity building workshops on digitalization, they were interested in new approaches and some participants were willing to install and use them for their businesses. They just do not know the information on digitalization and they claim that they need more opportunities to learn the use of digital solutions. Therefore, it is recommended that the local government and international organizations support local entrepreneurs by providing chances to appreciate the merits of business applications and encourage them to participate in the digital platforms through further skill-up workshops. On the other hand, some people worry about the risks of digital tools such as fraud. These risks can be mitigated...
by paying appropriate attention and behaving properly. Hence, lectures on risk management should be considered when promoting digitalization. Entrepreneurs need to judge by themselves if they take the risk or not, given positive and negative outcomes.