

## RURAL HOUSING SCHEME: MAIN PARTNER AGENCIES

1. The Rural Housing Scheme (RHS) is a key component of the government's Housing for Integrated Rural Development Strategy and Roadmap (Strategy). RHS involves a number of specifically mandated agencies, as well as various infrastructure and social sector ministries and agencies. An overview of the key roles of each of the main partner agencies is provided below.
2. **Ministry of Economy (MOE).** The MOE leads and coordinates the government's Strategy and Roadmap, including the RHS. The MOE guides and closely coordinates the efforts of provincial and district local governments (*hokimiyats*) in the planning and implementation of integrated rural community plans for the delivery of new rural housing, and rural access to basic utilities and social services. The MOE is also mandated to plan, budget, and identify sources of financing for the Strategy, and for the Rural Development Program (RDP) infrastructure investments,<sup>1</sup> to be coordinated with the RHS.
3. Under MOE leadership, oversight and intergovernmental coordination will be strengthened to achieve greater integration of programs and strategies that impact rural development which are implemented by the Ministry of Labor (MOL), infrastructure and social sector ministries, and specifically-mandated agencies. The MOE will guide and closely coordinate efforts of the provincial and district *hokimiyats* in implementing these programs and strategies. The MOE will strengthen and intensify programs to improve *hokimiyats* capacity to implement regional investment promotion strategies, integrated community planning, and rural development.
4. With the expansion of the RHS, coordination of key stakeholders will be strengthened under the Strategy's capacity development. Overseen by the MOE, *hokimiyats* will work closely with specifically-mandated agencies (Qishloq Qurilish Bank [QQB] and Qishloq Qurilish Invest [QQI]), and subsequently with other approved participating commercial banks (PCBs) and developers to broadly publicize the RHS (selection criteria, the application and selection process, price setting process, the construction quality assurance process, details of the one-year new homebuyer's construction warranty, and the homebuyer recourse process), and implement the RHS. To support continued improvement of the RHS, the MOE will be responsible for developing a results based monitoring and evaluation framework, undertaking a number of studies,<sup>2</sup> commissioning an annual technical financial performance audit, and issuing an annual results-based performance report. See Linked Document 3 for further information on capacity development.
5. **Ministry of Finance (MOF).** The MOF is mandated to propose to the Cabinet of Ministers legislative amendments related to the implementation of RHS, and the preferential tax and customs treatment of RHS implementing agencies. The MOF is also mandated to determine the amount required and the sources of financing for RHS housing, allocate funds for the RHS, and undertake an audit of all allocated funds.<sup>3</sup>

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<sup>1</sup> Cabinet of Ministers Resolution No. 44 "On Main Parameters of Individual Housing Construction in Rural Areas in 2010", 12 March 2010; Presidential Resolution PP-1354 "On Additional Measures to Enhance Construction of Individual Housing in Rural Areas Based on Model Designs", 17 June 2010.

<sup>2</sup> Three studies have been initially identified: (i) on policy options for government support of housing; (ii) on identifying improvements for residential housing construction standards and construction quality assurance processes; and (iii) on options for improving energy efficiency of RHS house designs.

<sup>3</sup> Presidential Resolution PP-1083 "On Establishing Qishloq Qurilish Bank Joint Stock Commercial Bank", 30 March 2009; Presidential Resolution PP-1167 "On Additional Measures to Expand the Scope of Housing Construction

6. **Provincial *Hokimiyats*.** Provincial *hokimiyats* are mandated<sup>4</sup> to lead the RHS contractor procurement process in accordance with government guidelines. Procurement of services of local contractors for construction of RHS houses to be built in 2012 will be undertaken on an open competitive basis using preapproved standardized forms and documentation (including invitations for bids, bidding documents, evaluation and qualification criteria, home purchase and construction contracts, and final inspection forms). A methodology for determining the size and number of construction packages for each province will be adopted. The invitation for bids will be nationally advertised and will include details on bid packages, evaluation and qualification criteria, and the process for bid evaluation and contract awards. Bids will be evaluated in accordance with predetermined evaluation and qualification criteria by a bidding committee (the composition of which will be predefined), and award of turnkey contracts will be publicly announced.

7. **District *Hokimiyats*.** District *hokimiyats* are mandated (footnote 4) to:

- a. Identify, select, and facilitate transfer of state-owned land (in accordance with rural community master plans) for RHS houses, and land required for associated access to basic utilities and community facilities; in agreement with relevant regulatory agencies (State Committee for Land Resources, Geodesy, Cartography and State Cadastre, and State Committee of Architecture and Construction), to assure compliance with national land use and safeguard regulations (i.e., not agricultural lands and forests, among other criteria).
- b. Coordinate, with support of QQI, and in agreement with relevant utility agencies, oversight of planning, resource identification and allocation, and construction and operational handover of access to basic utilities (electricity, water supply and sanitation, and gas, and including access roads) for RHS new housing construction sites.
- c. Coordinate, with support of QQI, and in agreement with relevant ministries, oversight of planning, resource identification and allocation, and construction and operational handover of community social facilities (schools and rural health care units) at the RHS housing construction sites.
- d. Identify and develop an inventory of non-agricultural state land that is available and suitable for residential development. Sites will be approved in accordance with safeguard procedures to be adopted by all PCBs and in close coordination with relevant state committees and agencies.
- e. Closely coordinate with mahallas and local branches of the women's committee for beneficiary selection. They will receive applications, and prioritize and recommend potential homebuyers based on predefined selection criteria.<sup>5</sup> They

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in Rural Areas", 3 August 2009; Presidential Resolution PP-1403 "On Additional Measures to Improve Design and Housing Construction in Rural Areas", 8 September 2010.

<sup>4</sup> Presidential Resolution PP-1167 "On Additional Measures to Expand the Scope of Housing Construction in Rural Areas", 3 August 2009; Presidential Resolution PP-1354 "On Additional Measures to Enhance Construction of Individual Housing in Rural Areas Based on Model Designs", 17 June 2010; Cabinet of Ministers Resolution N 44 "On Main Parameters of Individual Housing Construction in Rural Areas in 2010," 12 March, 2010.

<sup>5</sup> RHS Minimum Criteria: registered residency in rural areas, new homeowner (i.e., no other home or property), owner occupied primary residency, and household income within the second and third income quartiles. RHS Prioritization Criteria (based on predefined point score system): for young families, single-headed households, skilled social sector professionals (teachers and healthcare workers), and farmers and entrepreneurs sustaining or creating rural livelihood opportunities.

will recommend homebuyers that meet predefined selection criteria to participating commercial banks for evaluation for creditworthiness.

8. **Qishloq Qurilish Bank (QQB).** QQB (formerly Gallabank) is mandated<sup>6</sup> to introduce long-term concessional lending for new rural housing under the RHS. QQB has a network of 41 branches, 62 minibanks, 146 savings banks, 73 exchange offices, and 45 international remittance contact point. QQB's main roles under the HIRD are:

- a. To provide banking and lending services to individuals and businesses for new rural housing and development of rural community facilities (social and commercial);
- b. To provide lending and leasing services to contractors engaged in construction of new rural houses and new construction or rehabilitation of rural community facilities;
- c. To provide banking and lending services to construction material and construction service companies enterprises participating in rural housing and construction of rural community facilities;
- d. To invest in and finance the development and implementation of projects aimed at improving rural community infrastructure and social services (electricity, water supply, roads, and communication; schools, health units and public sport facilities); and
- e. To provide other comprehensive commercial banking services to individuals and enterprises.

9. **Qishloq Qurilish Invest (QQI).** QQI is mandated<sup>7</sup> to support provincial *hokimiyats* and supervise construction of RHS housing. QQI is a specialized engineering company (and a solely owned subsidiary of QQB) with branches in all 13 provinces. QQI's main mandated roles are:

- a. To undertake a study of the rural housing market, and prepare a strategy for site selection and site development that is based on national design standards for rural community development, rural housing, and rural community facilities (social and commercial), and development of other related rural infrastructure services;
- b. To support provincial *hokimiyats* in packaging and initiating competitive procurement of turnkey contracts for new rural housing and new/rehabilitated rural community facilities;
- c. To oversee and supervise (as an agent of the provincial *hokimiyats* and/or the homebuyers) the construction of new rural housing, new/rehabilitated rural community facilities, and access to related infrastructure; and
- d. To facilitate appropriate handover of completed new rural houses to homebuyers, and new/rehabilitated rural community facilities to operating organizations.

10. **Qishloq Qurilish Loyiha (QQL).** QQL, a design institute (established under the State Committee of Architecture and Construction [SCAC]), is mandated<sup>8</sup> to lead the development

<sup>6</sup> Presidential Resolution PP-1083 "On Establishing Qishloq Qurilish Bank Joint Stock Commercial Bank", 30 August 2009.

<sup>7</sup> Presidential Resolution PP-1167 "On Additional Measures to Expand the Scope of Housing Construction in Rural Areas", 3 August 2009.

<sup>8</sup> Cabinet of Ministers Resolution No. 44 "On Main Parameters of Individual Housing Construction in Rural Areas in 2010", 12 March 2010.

and implementation of a strategic approach to “planned” rural community development. QQL has regional branches in Andijan, Ferghana, Karshi, Nukus, and Samarkand. QQL’s main mandated role is:

- a. To develop a policy framework and guidelines for integrated rural community planning and development, and a structured design approach for new rural housing and rural community facilities under the HIRD;
- b. To develop rural community master plans (in accordance with topogeodesic and geological surveys) that includes appropriate access to rural community infrastructure services (electricity, water and sanitation, heating and gas supply, and telecommunications);
- c. To develop a complementary range of architectural design standards for rural housing and rural community facilities that incorporate modern construction technology and materials, and address the full range of regional terrain and climatic conditions and socio-demographic characteristics across the country;
- d. To prepare design feasibility studies for selected rural sites, and provide design oversight of site development;
- e. To provide architectural design, oversight, and quality assurance of construction of rural housing and rural community facilities in accordance with design standards
- f. To improve rural community planning guidelines, regulatory standards, and oversight documentation, for each stage of design and construction of rural residential housing, and rural community facilities;
- g. To critically evaluate standard designs developed for RHS constructed houses and community facilities, and make appropriate upgrades (that include additional space for garages and outbuildings);
- h. To develop and maintain a database of standard designs for rural residential housing and community facilities (social and commercial); and
- i. To participate in RHS public communication events.

QQL regional branches are mandated to:

- a. Draft architectural designs for community facilities for rural communities with population of less than 5,000 inhabitants;
- b. Draft plans for new rural residential sites; and
- c. Provide architectural design and supervision of the development of new rural residential sites.

11. **State Committee of Architecture and Construction (SCAC).** The SCAC is mandated<sup>9</sup> to support RHS:

- a. To propose to the Cabinet of Ministers, in conjunction with concerned institutions, amendments to relevant legislation that are required to facilitate implementation of the RHS;
- b. To critically examine all RHS rural community master plans, design standards for RHS housing and RHS community facilities, and RHS site and construction

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<sup>9</sup> Presidential Resolution PP-1167 “On Additional Measures to Expand the Scope of Housing Construction in Rural Areas”, 3 August 2009.

- documents, and develop and submit proposals for RHS construction plans for 2011 to 2015 to the Cabinet of Ministers;
- c. To establish, jointly with *hokimiyats*, QQL branches for Andijan, Fergana, Karshi, Nukus, and Samarkand;
  - d. To undertake a detailed review of rural community master plans (in accordance with topogeodesic and geological surveys) that includes a review of appropriate access to rural community infrastructure services (electricity, water and sanitation, heating and gas supply, and telecommunications);
  - e. To support identification of potential RHS sites in close coordination with district *hokimiyats*, and the State Committee for Land Resources, Geodesy, Cartography and State Cadastre;
  - f. To undertake a comprehensive examination of proposed RHS sites, including site access to roads and other public transport, site access to infrastructure services, and adequacy of site for confirmed demand for proposed new houses (including sanitation requirements) and proposed community facilities;
  - g. To critically evaluate all design standards for RHS housing and community facilities to ensure they incorporate modern construction technology and materials, and address the full range of regional terrain and climatic conditions and socio-demographic characteristics across the country; and
  - h. To undertake regulatory supervision of RHS house construction to ensure full compliance with national building and construction codes and regulations.

12. **State Committee for Land Resources, Geodesy, Cartography and State Cadastre (SCLRGC&SC).** The SCLRGC&SC is mandated<sup>10</sup> to support the *hokimiyats* and SCAC in the identification and approval of an inventory of non-agricultural land for RHS new housing sites (including land required to enable access to utilities and land for community facilities).

13. **State Committee for Protection of Nature (SCPN).** The SCPN is mandated<sup>11</sup> to undertake state environmental impact assessments for all RHS sites, and monitor compliance in accordance with requirements as defined in the environmental impact assessment report.

14. **Uzbekenergo and Uztransgaz.** Uzbekenergo and Uztransgaz are state utility agencies mandated<sup>12</sup> to provide access to RHS housing sites across the country to the national electricity network and the national gas distribution network, respectively, with the utility agencies responsible for the related investment cost.

15. **National Television and Radio Company of Uzbekistan (NTRC), National Agency for Press and Information (NAPI), and Uzbekistan National News Agency (UNNA).** NTRC, NAPI, and UNNA are mandated<sup>13</sup> to support broad dissemination of RHS public awareness and information campaigns and state efforts to improve rural livelihoods and living standards.

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<sup>10</sup> Presidential Resolution PP-1167 “On Additional Measures to Expand the Scope of Housing Construction in Rural Areas”, 3 August 2009.

<sup>11</sup> Cabinet of Ministers Resolution No. 491 “On Approval of Regulation on State Ecological Expertise in Uzbekistan”, 31 December 2001.

<sup>12</sup> Cabinet of Ministers Resolution No. 44 “On Main Parameters of Individual Housing Construction in Rural Areas in 2010”, 12 March 2010.

<sup>13</sup> Presidential Resolution PP-1403 “On Additional Measures to Improve Design and Housing Construction in Rural Areas”, 8 September 2010.

16. **Central Bank of Uzbekistan (CBU).** CBU is mandated<sup>14</sup> to propose to the Cabinet of Ministers legislative amendments related to the implementation of RHS.

17. **State Tax Committee (STC) and State Customs Committee (SCC).** In conjunction with the MOF, the STC and the SCC are mandated<sup>15</sup> to apply preferential tax and customs treatment for RHS mandated agencies (QQB, QQI, QQL), and RHS participating commercial banks, contractors, and construction material organizations.

18. **Prosecutor General's Office (PGO).** The PGO is mandated,<sup>16</sup> together with the SCAC, to ensure compliance with all legislation related to regulating RHS construction in accordance with state building and construction standards.

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<sup>14</sup> Presidential Resolution PP-1354 "On Additional Measures to Enhance Construction of Individual Housing in Rural Areas Based on Model Designs", 17 June 2010.

<sup>15</sup> State Tax Committee Resolution No. 2010-28; State Customs Committee Resolution No. 01-02/8-1354 "On Approving the Regulations On Application of Exemptions by Qishloq Qurilish Invest Specialized Engineering Company and Its Contractors for Their Work Undertaken Under Individual Housing Construction on Turnkey Basis," 5 November 2010; Ministry of Justice Registration No. 2133, 16 August 2010.

<sup>16</sup> Cabinet of Ministers Resolution No. 44 "On Main Parameters of Individual Housing Construction in Rural Areas in 2010", 12 March 2010.