

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. In addition to support for agriculture and water resources from the Asian Development Bank (ADB), Uzbekistan is receiving diverse ongoing assistance in these areas from other multilateral and bilateral development partners. The World Bank is financing physical investment, capacity development, and policy reforms for the water resources sector. It has also financed the Rural Enterprise Support Project in seven districts in seven regions to provide rural finance and business planning; on-farm and interfarm irrigation and drainage (I&D) rehabilitation, including capacity development for water consumers' associations (WCAs); and rural training and advisory services for farmers in seven districts in seven regions.

2. ADB has supported government efforts to improve irrigated agriculture and water resource management through two loan projects and a technical assistance project since 2004. A project to rehabilitate one of the largest pump irrigation systems in the country—the Amu Zang irrigation system—will increase the reliability, efficiency, and sustainability of irrigation water supply in Surkhandarya Province.¹ The Water Resources Management Sector Project will sustain and increase agricultural productivity in the Zarafshan River Basin and the Fergana Valley.² The project will upgrade pump irrigation systems, improve water management, and develop a capacity development plan and program to improve the efficiency of water supply and the productive use of water in the valley. ADB also is also helping develop water resource sector assessment and strategy through an ongoing regional technical assistance.³

3. The United Nations Development Programme, Swiss Agency for Development and Cooperation, and the International Water Management Institute have been helping build capacities of the government and WCAs for better integrated water resources management in such areas as the Fergana Valley and the Zarafshan River Basin. The United States Agency for International Development has been providing assistance in water and farm management and business training for farmers. The Japan International Cooperation Agency began supporting capacity building for on-farm water management in 2009.

4. Since 2010, the Islamic Development Bank has been a financing I&D rehabilitation and reconstruction projects, including two ongoing projects in Djizzak, Khorezm, and Syrdarya provinces. The projects aim to improve I&D infrastructure and the capacity of basin irrigation administration systems, WCAs, and farmers. The project in Djizzak and Syrdarya is cofinanced by the Kuwait Fund for Arab Economic Development and the OPEC Fund for International Development which also financed a pumping station rehabilitation project in Bukhara Province that was completed in 2012. The Saudi Fund for Development is financing the rehabilitation of another pumping station in that province.

5. As a result of consultations between several development partners and the government over possible cofinancing of the Amu Bukhara Irrigation System Rehabilitation Project, the Japan International Cooperation Agency was confirmed to provide parallel financing to the

¹ ADB. 2004. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to Uzbekistan for the Amu Zang Irrigation Rehabilitation Project*. Manila.

² ADB. 2008. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of Uzbekistan for the Water Resources Management Sector Project*. Manila.

³ ADB. 2011. *Technical Assistance for Developing Water Resources Sector Strategies in Central and West Asia*. Manila.

Project. The parallel financing will cover required costs to modernize and rehabilitate two major pump stations.

6. Major External Assistance to the Agriculture and Water Sectors in Uzbekistan

Project	Funding Source	Amount (\$ million)	Year	Location
Cotton Subsector Improvement	World Bank	66.0	1995–2005	National
Rural Enterprise Support Project	World Bank	36.0	2001–2006	Seven Provinces
Drainage, Irrigation, and Wetlands Improvement—Phase 1	World Bank	74.6	2003–2013	Four districts in South Karakalpakstan
Rural Enterprise Support Project—Phase 2	World Bank	74.8	2008–2016	National
Fergana Valley Water Resources Management Project—Phase 1	World Bank	81.9	2009–2016	Fergana Valley
Ak Altin Agricultural Development	ADB	36.0	2000–2010	Ak Altin
The Grain Productivity Improvement	ADB	26.0	2004–2009	Tashkent, Samarkand, Djizzakh
Amu Zhang Irrigation Rehabilitation	ADB	73.0	2004–2013	Sukhandarya
Land Improvement Project	ADB	76.2	2006–2015	Bukhara, Kashkadarya, and Navoi
Water Resources Management Sector Project	ADB	100.0	2008–2014	Zarafshan River Basin, Fergana Valley
Integrated Water Resources Management and Water Efficiency Plan for Zarafshan River Basin	UNDP	1.2	2010–2013	Zarafshan River Basin
Supply of O&M Equipment to the MAWR	PRC	5.1	2005–2006	Navoi, Bukhara, Kashkadarya, and other provinces
Integrated Water Management	SDC/IWMI	4.8	2001–2008	Kyrgyz Republic, Tajikistan, and Uzbekistan
Reconstruction of I&D Networks in Djizzakh and Syrdarya Regions Project	IsDB, OFID, KFAED	80.0	2010–2014	Djizzakh and Syrdarya
Reconstruction of Main Irrigation Canals of Tashsaka Irrigation System in Khorezm Region	IsDB	90.4	2013–2017	Khorezm
Rehabilitation of Kuyu-Mazar Pumping Station in Bukhara Region	OFID	12.0	2007–2012	Bukhara
Construction and Rehabilitation of Alat Pumping Station in Bukhara Region	SFD	12.0	2010–2013	Bukhara
Regional Special Initiative Water Program	USAID	10.0	2002–2005	Kyrgyz Republic, Tajikistan, and Uzbekistan
Natural Resources Management	USAID	25.0	2000–2005	
Water User's Associations Support	USAID	25.0	2004–2009	Kyrgyz Republic, Tajikistan, and Uzbekistan
The Project for Water Management Improvement	JICA	3.0	2009–2012	Tashkent, Syrdarya, Djizzakh Provinces
Total		913.0		

ADB = Asian Development Bank, IsDB = Islamic Development Bank, OFID = OPEC Fund for International Development, KFAED = Kuwait Fund for Arab Economic Development, SFD = Saudi Fund for Development, IWMI = International Water Management Institute, JICA = Japan International Cooperation Agency, MAWR = Ministry of Agriculture and Water Resources, O&M = operation and maintenance, PRC = People's Republic of China, SDC = Swiss Agency for Development and Cooperation, USAID = United States Agency for International Development, UNDP = United Nations Development Programme.

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

7. Development partners have been consulting on a regular, informal basis in Tashkent to better coordinate their development efforts. Partners interested in financing particular potential projects also discuss these matters with one another on an ad hoc basis. ADB will cooperate in financing the proposed project with other cofinanciers identified by the government. ADB will also explore a cooperation mechanism with the United Nations Development Programme to replicate the climate change adaptation measures to be implemented in pilot areas under the project in other areas in the Amu Bukhara irrigation service areas.

C. Achievements and Issues

8. ADB and the World Bank are both engaged in major I&D rehabilitation works, so they have coordinated their activities to prevent duplication or conflict and achieve synergy. The Ministry of Agriculture and Water Resources (MAWR) maintains a list of priority rehabilitation projects from which development partners are invited to select activities they are able to support. Formal water sector meetings were held in the recent past but ended when the initial aims of the meetings had been accomplished. No particular coordination issues have been identified in the sector, partly due to the fact that the need for investment exceeds the available funds.

D. Summary and Recommendations

9. Enough development partners are at work in the country to warrant strong formal coordination in the sector, rather than the largely informal approach that has been taken up to now. Although effective in some ways, the current approach limits the sharing of knowledge, experience, and information. Given its close relationship with the government and its position as the largest financier in the sector, ADB should do more through policy dialogue or advisory technical assistance to help the MAWR improve its own coordination efforts. ADB will consult with key development partners to see whether they would be interested in reconvening the sector group. Helping the MAWR to develop water resources sector strategy and to organize roundtables or workshops will be particularly effective in supporting the development of effective programs in coordination with development partners.

10. Although most of the projects funded by development partners include components to build the capacity of WCAs, their financial and technical capabilities and their sustainability remain weak. Management is often poor. Fee collection is insufficient to finance adequate water management and maintenance at the WCA or farm level. The government and development partners will need to work intensively with the WCAs if they are to become sustainable and contribute effectively to on-farm water management.