

SECTOR ASSESSMENT (SUMMARY): WATER AND OTHER URBAN INFRASTRUCTURE AND SERVICES

A. Sector Road Map

1. Sector Performance, Problems, and Opportunities

1. **National economic context.** Uzbekistan has one of the fastest growing economies in Central Asia, achieving a growth rate of 4%–8% during 2005–2018.¹ Since independence in 1991, the country's growth has been attained through a gradual transition to a market-based economy. Since 2016, the nation has intensified reforms of its economic sectors, targeting fundamental structural transformations. Continued growth is envisioned through further industrialization and economic diversification, together with the careful balancing of urban and rural development. Strategic investments in infrastructure, including solid-waste management (SWM), are therefore essential to support economic progress and achieve the nation's development objectives.

2. **Solid-waste management.** Prior to 2001, SWM was managed by the Ministry of Communal Services through specialized machinery bases of the ministry that collected, transported, and disposed of municipal solid waste (MSW).² Following the ministry's dissolution in 2001, SWM responsibility was transferred to *hokimiyats* (municipal governments), with SWM services being performed by *hokimiyat* departments responsible for landscaping and territorial improvements.³ However, these departments suffered from substantial performance, accountability, and personnel capacity deficiencies, resulting in widespread systemic collapse of the nation's entire SWM system. By 2015, only about 20% of the nation received SWM services, these being largely restricted to Tashkent, the nation's capital. Given that Uzbekistan generated more than 4 million tons/year of MSW at that time (an amount that will cumulatively exceed 100 million tons by 2035), the nation's SWM system at that time was totally unprepared to meet growing SWM demands.

2. Government's Sector Strategy

3. **Earlier reform initiatives (2014–2018).** Since 2014, and with Asian Development Bank (ADB) assistance, the government has responded directly to SWM challenges by fostering dialogue, reforming policy, enacting legislation, reorganizing and strengthening sector institutions, investing in physical infrastructure, and introducing private sector participation. During the initial reform phase (2014–2016), regulations were enacted to enhance overall SWM and environmental standards, and notably to improve MSW collection, transfer, and disposal practices.⁴ During this period, 157 *hokimiyat* sanitary cleaning units were established in rural areas to localize and improve SWM service provision. Over 1,400 vehicles and specialized machinery units were also procured, and about 14,000 MSW community collection points were developed in cities, towns,

¹ ADB. 2016. [Uzbekistan: Economy](#). Manila. (accessed 17 February 2020). The growth rate was 6.2% in 2016, 4.5% in 2017, and 5.1% in 2018, with forecasts of 5.8% in 2019 and 6.0% in 2020.

² MSW is nonhazardous solid waste from residential, commercial, and institutional establishments. It also includes green waste and street sweeping waste.

³ Tashkent city was the exception, with its SWM system developed through World Bank funding to include comprehensive MSW segregation, storage, collection, transfer, and disposal facilities. The system was further rehabilitated through the ADB-funded Solid Waste Management Improvement Project, ADB. 2013. *Solid Waste Management Improvement Project*. Manila (approved October 2013, \$69 million).

⁴ Including (i) Resolution No. 295 *On approval of the Regulations on the procedure for the implementation of state accounting and control in the field of waste management* (October 2014), (ii) By-law No. 2625 *Rules for the transport of household waste* (November 2014), and (iii) By-law No. 2810 *Instructions for the design and operation of landfills for municipal solid waste* (July 2016).

and rural areas.⁵ The government also established public–private partnerships in 41 cities and towns nationwide, which have primarily consisted of small-scale contracts to improve frontline MSW collection services.

4. Sector reforms were subsequently accelerated during a second reform phase (2017–2018), which included the following six broad initiatives:

- (i) **Improved sector regulation and governance.** Supplementary legislation was adopted during this period to reorganize and make sector institutions operational, mandate system improvements for 2017–2021, institutionalize SWM funding, and further regulate emissions.⁶
- (ii) **Expanded and intensified use of public–private partnerships.** The government accelerated private sector intervention in areas where economies of scale were considered to be commercially attractive. This was achieved by creating SWM service zones and introducing competitive-based public–private partnerships for urban SWM service provision in nine large cities and urban centers (known as “clusters”).⁷ The clusters were established in the capitals of the autonomous Republic of Karakalpakstan and the provinces of Andijan, Bukhara, Khorezm, Surkhandayra, Kashkadarya, Navoi, Djizzak, and Syrdarya.
- (iii) **National control of solid-waste management.** Responsibility for SWM provision was transitioned from the *hokimiyats* to the State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection (SCEEP).⁸ SCEEP is therefore both the regulator in charge of environmental oversight and control, and the nationwide proponent of SWM services over a greater part of the nation.
- (iv) **Expanded provincial operations.** To provide nationwide SWM coverage, 13 *toza hududs* (state unitary enterprises) have been established, each with district branch offices.⁹ *Toza hududs* are mandated to serve the most difficult operational areas, where waste haulage distances, remoteness, limited MSW quantities, and below-average household incomes are prevalent, most likely necessitating the need for government support and subsidies to accommodate socially responsible tariffs.
- (v) **Strengthened monitoring and accountability.** Initiatives were adopted and entities assigned to strengthen internal and external control systems within the sector’s institutional framework. These include (i) the provincial centers for organizing sanitation services, which control the national billing database for SWM services, monitor the performance of *toza hududs* and private operators, and handle customer complaints and litigation; (ii) the Republican Association of Specialized Enterprises for Sanitary Cleaning, which promotes, coordinates, and monitors *toza hudud* institutional development and capacity building; and (iii) the Collection Enforcement Agency under

⁵ Investment in this period included government subsidies (SUM343 billion) and bank loans (SUM20 billion).

⁶ Including (i) Decree No. PP-2916 *On measures for cardinal improvement and development of the waste management system for 2017–2021* (April 2017), (ii) Resolution No. 375 *On Approval of the Regulations on the Procedure for the Formation and Use of the Funds of the Ecology, Environmental Protection and Waste Management* (June 2017), and (iii) SanPiN No. 0350-17 *Sanitary norms and rules for the protection of atmospheric air in populated areas of the Republic of Uzbekistan* (2017).

⁷ With government support, these enterprises received \$39.2 million in loans from the state-owned National Bank of the Republic of Uzbekistan for Foreign Economic Activity at the Central Bank’s discount rate.

⁸ Pursuant to the Decree of the President of Uzbekistan No. UP-5024 dated 21 April 2017.

⁹ Pursuant to the Decree of the President of Uzbekistan No. PP-2916 issued in April 2017, *toza hududs* have been established in each of the nation’s 12 *oblasts* (provinces), under their respective Oblast Departments for Ecology and Environmental Protection. In addition, a *toza hudud* and the Ecological and Environmental Committee have been established in the autonomous Republic of Karakalpakstan.

the Chief Prosecutor's Office of Uzbekistan, which collects tariffs and transfers collections to municipalities.¹⁰

- (vi) **Solid-waste management investments.** During this reform phase, the government continued to invest in physical infrastructure. In 2017 alone, 284 vehicles and specialized machinery units were procured, 305 community collection points were equipped, and more than 2,600 containers were built. In addition, during this phase, the government completed an inventory of the nation's disposal sites and commenced interim improvements of these facilities.

5. **Solid-waste management development strategy (2019–2028).** Through the direct assistance of ADB, a comprehensive SWM development strategy has subsequently been formulated by the government, and it was enacted in April 2019.¹¹ The objective of the strategy is to integrate all SWM activities to (i) promote new SWM approaches; (ii) create effective, reliable, and socially acceptable SWM systems; (iii) minimize impacts on public health and the environment; and (iv) maximize the reduction, reuse, and recycling of waste. The strategy is based on the principles of (i) sustainable SWM management, with efficient systems that protect public health and the environment; (ii) the polluter pays; (iii) openness and transparency; (iv) waste material hierarchy; and (v) the integration of best-practice systems and technologies in system designs. The strategy includes a detailed action plan, which outlines 36 specific actions to be accomplished within the strategy's 2019–2028 time frame. For each action, the plan specifies the implementation mechanism, the accomplishment date, financing sources, and the responsible implementation entities.

6. The actions are grouped into the following broad categories: (i) updating the SWM legal framework; (ii) strengthening the SWM asset and technical base; (iii) improving the sector's organizational capacity; (iv) introducing waste segregation and accommodating recycled material processing and management; (v) mainstreaming SWM and environmental education, awareness, and advocacy; (vi) updating tariffs and improving cost recovery; and (vii) improving environmental monitoring compliance.

7. Collectively, these reforms are gaining traction: since 2014, nationwide MSW collection efficiency has reportedly improved from less than 20% to around 50% (15.7 million inhabitants), and about 5,000 jobs have been created.

B. Major Development Partners: Strategic Foci and Key Activities

8. As shown in the following table, active development partners in SWM include the European Bank for Reconstruction and Development, the Agence Française de Développement, and the Finnish Ministry for Foreign Affairs. Projects include the closing of noncompliant dump sites and replacing them with sanitary landfills, improving waste sorting and recycling technologies and methods, reducing and reusing wastes to the extent possible, and other improved SWM practices.

¹⁰ The municipalities subsequently transfer 90% of collected funds to the bank accounts of provincial *toza hududs*, 5% to the provincial centers for organizing sanitation services, and up to 5% to the Republican Association of Specialized Enterprises for Sanitary Cleaning.

¹¹ Resolution No. PP-4291 *About approval of Strategy according to the treatment of municipal solid waste in the Republic of Uzbekistan for 2019–2028* (April 2019).

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
ADB	Uzbekistan: Solid Waste Management Improvement Project	2014–2021	92.25
EBRD	Uzbekistan: Karakalpakstan and Horezm Solid Waste Management Project	2020–2024	180.00
Agence Française de Développement	Integrated Solid Waste Management Project	2017–2021	42.67
Finnish Ministry for Foreign Affairs	Modernized Waste Management	2022–2022	30.00

ADB = Asian Development Bank, EBRD = European Bank for Reconstruction and Development.
Source: ADB.

C. Institutional Arrangements and Processes for Development Coordination

9. Effective coordination with development partners has been organized through the Ministry of Investment and Foreign Trade, which is mandated to coordinate all investment activities in Uzbekistan. Furthermore, the SWM projects are closely coordinated by SCEEP, including regular consultations with international development partners.

10. The SWM subsector reforms and projects are detailed in the sector development strategy and action plan 2019–2028 adopted by a resolution of the president of Uzbekistan (footnote 11). The resolution specifically contours the proposed project, as well as key parameters of all major SWM projects with development partners under implementation or in preparation. In line with the program-based approach, the government (i) assumes effective leadership over the sector reforms; (ii) adopts a single comprehensive program and budget framework within the sector development action plan; (iii) establishes formal processes for development coordination and harmonization under the auspices of the Ministry of Investment and Foreign Trade; and (iv) increases the use of local systems for program design and implementation, financial management, and monitoring and evaluation within the reformed institutional framework of the sector.

D. ADB Sector Experience and Assistance Program

11. ADB assistance to Uzbekistan’s water and other urban infrastructure and services sector has been effective in rehabilitating and expanding water supply, sanitation, and SWM service provision, with current investments of more than \$850 million and covering 32 projects.¹² In the SWM subsector, ADB’s assistance has included the Solid Waste Management Improvement Project, which is currently being implemented and under which the entire SWM system of Tashkent city will be rehabilitated and expanded (footnote 3). It includes (i) waste minimization and recycling initiatives enhanced; (ii) MSW collection, transfer, and disposal systems rehabilitated; (iii) operational capacity strengthened; and (iv) media and public awareness mainstreamed. Of relevance to the government’s ongoing SWM reform process, the project, through one of its components, also provided assistance to the government during the formulation of the SWM development strategy, which was approved in April 2019.

12. The proposed project will provide a further ongoing opportunity for ADB to assist the government to progress its SWM subsector reform agenda by actively supporting the implementation of the SWM strategy in a number of areas. The proposed project is explicitly identified in the action plan of the strategy and will assist the government to (i) update the SWM legal framework by developing specific regulatory directives; (ii) substantially strengthen the subsector’s asset base

¹² Uzbekistan and ADB. <https://www.adb.org/countries/uzbekistan/main#funding>

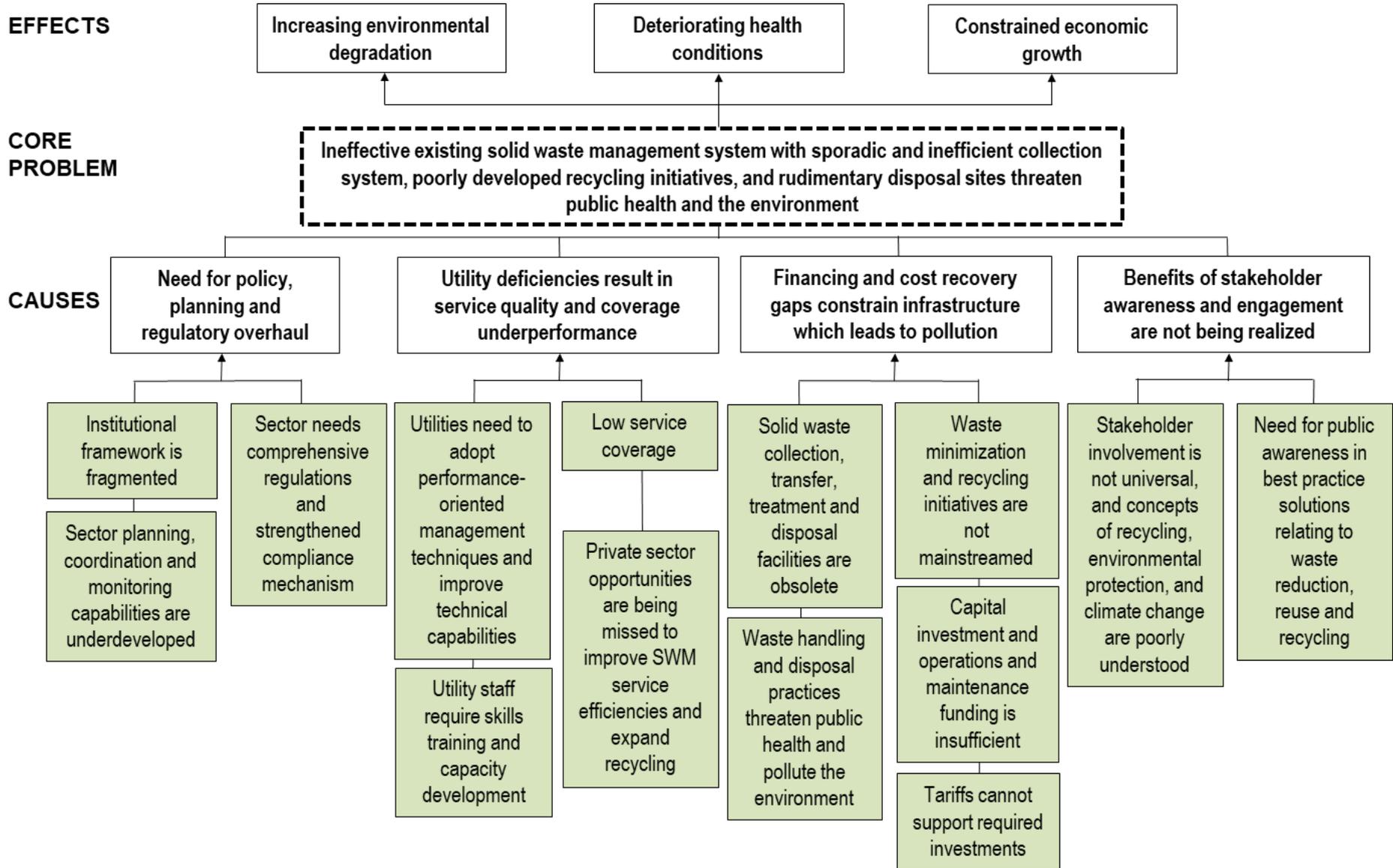
through the provision of vehicles, specialized equipment, and physical infrastructure; (iii) improve the organizational capabilities within the subsector and build specific institutional capacity in the Republican Association of Specialized Enterprises for Sanitary Cleaning and *toza hududs*; (iv) promote public–private partnerships; and (v) develop and mainstream environmental education, awareness, and advocacy.

13. The project is consistent with the ADB country partnership strategy, 2019–2023 for Uzbekistan, which prioritizes three strategic areas: supporting private sector development, reducing economic and social disparities, and promoting regional cooperation and integration.¹³ It is also consistent with ADB's Strategy 2030 operational priorities of strengthening governance and institutional capacity, addressing remaining poverty, accelerating progress in gender equality, enhancing environmental sustainability, and creating livable cities.¹⁴

¹³ ADB. 2019. *Country Partnership Strategy: Uzbekistan, 2019–2023—Supporting Economic Transformation*. Manila.

¹⁴ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

PROBLEM TREE



= Causes and subcauses that the project will address

SWM = solid-waste management