SUMMARY ASSESSMENT OF DAMAGE AND NEEDS

A. The Global COVID-19 Pandemic

1. In December 2019, a novel coronavirus disease (COVID-19) emerged and quickly spread around the world causing a surge in fatalities, especially among elderly people with co-morbidities. The World Health Organization (WHO) declared a global COVID-19 pandemic on 11 March 2020. Initial data showed that, depending on measures taken, at least half of any population will get infected at some point, most of these with or without mild symptoms. Up to 2.0% of the population will require hospitalization and 0.4% will require intensive care with high case fatality rate. By 7 July 2020, nearly 11.5 million people had been diagnosed with COVID-19, with more than 535,000 deaths, globally. These numbers are a serious underestimate, due to lack of reporting and testing.

2. In response to the pandemic, with guidance of WHO, countries have ramped up surveillance, testing, and patient care, and imposed social distancing and lockdown to reduce transmission and bide more time to strengthen health services. While these measures have reduced the pandemic health impact, they also cause major negative socio-economic impact, sometimes even negative economic growth and increase in poverty rates. As countries reopen, local outbreaks need to be contained with increased surveillance and testing capacity until a vaccine or a medication becomes available. The pandemic may scale up or down depending on viral mutation. This calls for improving resilience of populations, health systems, social safety nets and economies. On 20 April 2020, the United Nations approved a resolution calling for international cooperation and coordination in the fight against COVID-19 pandemic.

B. The COVID-19 Pandemic in Uzbekistan

3. The country’s first COVID-19 case was confirmed on 15 March 2020, a citizen returning from France. The very strict lockdown measures including quarantine of all suspected cases and contacts have helped reduce the 5-day moving average of daily new confirmed COVID-19 cases from over 100 mid-April to below 50 by end of April to mid-May 2020. Since then, and with the gradual lifting of a number of travel restrictions, it has gradually been increasing to over 300 by the first week of July 2020. Out of 10,587 confirmed COVID-19 cases on 7 July 2020, 3,858 were under treatment, and 39 had died since the start of the outbreak. WHO estimates that the weekly number of confirmed cases could plateau at over 8,000 by January 2021, if it is not properly contained and follows the usual pattern of coronaviruses with new transmission.

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1 Asian Development Bank (ADB). 2009. Damage, loss and needs assessment. Manila. This refers to a globally applied tool to appraise the damage, loss and needs of a disaster and estimate the required resources to achieve full restoration and recovery and promote the “build back better” principles. Damage, loss, and needs assessments cover effects on sectors, households, and macro-economics. The COVID-19 pandemic is an unusual disaster in that (i) the initial impact is mainly on health, with control measures causing major socio-economic impact, (ii) the global scale affects response capacity, and (iii) this being a disaster in progress, the outcome is uncertain. This requires flexibility in response, and implies that timely and substantive assistance can mitigate overall impact of the disaster.
On 29 January 2020, the Special Republican Commission (SRC) headed by the Prime Minister had been established to (i) monitor the pandemic and raise public awareness, (ii) communicate with international organizations and countries experiencing outbreaks, and (iii) expand the health care facilities and procure necessary antiviral medicines and equipment. Flights from COVID-19 affected countries were suspended in February 2020. The Government mobilized resources for pandemic preparedness and developed a pandemic response plan. Following the country’s first confirmed case, borders closed, mass events banned, social distancing and use of face masks made mandatory, businesses and schools closed, and curfews imposed in some places. The government started to ease the lockdown on 15 May 2020, and some businesses were allowed to open by 1 June 2020 with strict social distancing measures.

C. Demographic and Health Profile

As a double land-locked country at the center of the Central Asia and the transcontinental cross-roads between Asia and Europe, Uzbekistan is particularly vulnerable to outbreaks of infectious diseases. The country’s population is estimated at 34.1 million. In 2019, the population growth was 1.8%, and 28.8% of its population was aged 0–14 years, and 4.6% aged 65 years and above. Uzbekistan is ranked 105th out of 189 countries, with a Human Development Index of 0.710, slightly above Central Asia’s average (0.707). With its institutions, facilities, and markets, it welcomes 10,000 tourists and travelers each year. Several million Uzbek migrants work abroad, especially in the Russian Federation and Kazakhstan.

Between 1991 and 2016, Uzbek’s life expectancy increased from 66.4 years to 73.8 years, reported maternal mortality ratio reduced 3.7 times—from 65.3 to 17.4 per 100,000 live births, and infant mortality reduced 3.3 times to 10.7 cases per 1,000 live births. Vaccination coverage is high, and common infectious diseases have been brought under control. On the other hand, premature mortality due to non-communicable diseases is increasing, and is linked to such risk factors as smoking, alcohol use, high salt and sugar intake, sedentary lifestyle, obesity, high blood pressure, and diabetes. Non-communicable diseases cause 83.7% of deaths, communicable diseases 10.3%, and accidents and injuries 6.0%.

The Agency for Sanitary and Epidemiological Wellbeing (ASEW) operates the sanitary-epidemiological services to combat infectious diseases including about 671 public health laboratories. In 2016, the country had about 1,106 hospitals with 132,000 beds. The health system includes district, regional and tertiary care services. Polyclinics and rural health stations provide ambulatory services. From 1991 to 2016, the number of physicians increased by 12% to 84,100, and nurses by 41% to 341,300, but in terms of population ratios, physicians decreased from 35.5 to 26.2 per 10,000, and nurses from 114.7 to 106.3 per 10,000. While these staff ratios are high compared to international averages (footnote 15), staff quality and distribution are less satisfactory. In 2017, total health spending was 6.4% of gross domestic product (GDP), including public health spending of 2.8% of GDP (footnote 15), which is below the 4-5% recommended WHO threshold. In 2017, domestic general government health expenditure accounted for 10.2%

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9 The government established a website (www.coronavirus.uz), an official information channel (@coronavirusuz), and a dedicated call center. Regular press briefings about the pandemic response measures are also provided.
10 National Health Strategic Preparedness and Response Plan (SPRP) issued on 19 March 2020.
13 Official estimates vary, including gender ratios. Migrants to Russia are no longer required to get permission.
of general government expenditure, which is higher than neighboring Central Asian countries, and represented 2.3% of GDP. The public health sector is predominantly tax-financed. All citizens are entitled to an essential care package. Health expenditure per capita in 2017 amounted to $99 in real terms, while out of pocket spending was 53% in 2017, which suggests affordability issues for the poor (footnote 15), and above the WHO proposed 20% threshold.

8. As per Uzbekistan’s national development strategy for 2017–2021, the Government has adopted “The Concept of Development of the Healthcare System of the Republic of Uzbekistan for 2019–2025.” As part of government efforts to achieve Sustainable Development Goals, the reforms include (i) new models of organization and financing of healthcare services, (ii) improving quality and accessibility of primary healthcare and emergency services, (iii) reducing maternal and child mortalities, and (iv) introducing new medical technology. The government has endorsed the WHO International Health Regulations 2005 and the Asia Pacific Strategy for Emerging Diseases and Public Health Emergencies, and other agreements for global, regional, and bilateral health security. It has been engaged in global, regional, and cross-border cooperation for emerging diseases and other public health events. The Ministry of Health (MOH), conducting a self-assessment of international health regulations core capacities, scored itself a modest 44%, in the lower range for Central Asia.

D. Health Sector Impact

9. The COVID-19 pandemic in Uzbekistan is likely to follow a similar pattern as in other countries in the region. The worst-case scenario of WHO and MOH is that 10% of the Uzbek population will get infected within a period of 6 months. Of those, a maximum of 40% or 1.36 million people would require hospitalization, and from those, 5% or 68,000 would require intensive care (the population aged 65 and above is only 5.4%, but cardiovascular diseases are common, also among young adults). With current measures, the pandemic is likely to continue spreading slowly with a relatively low incidence. However, to resume business, education, migrant labor and tourism (but with social distancing) requires the country to increase its real-time monitoring capacity to identify and act on clusters of cases with local control measures, as has been demonstrated successfully in other countries. The ASEW requires strengthening of preparedness, surveillance and response capacity including more case reporting by primary care providers, laboratory testing, and contact tracing.

10. Uzbekistan has designated 14 regional hospitals for infectious diseases and two hospitals at the republican (national) level of the Scientific Research Institute of Virology and the Scientific Research Institute of Epidemiology, Microbiology and Infectious Diseases as COVID-19 treatment centers and specifically to provide intensive care for COVID-19 cases. Hospitals outside of Tashkent are less prepared in terms of staff preparation, infection prevention and control, and availability of personal protective equipment, medical equipment and supplies. Before the COVID-19 pandemic hit Uzbekistan, there were about 1,000 medical ventilators. Health workers, of whom over 80.0% are women, are disproportionately affected at 11.0% of the total number of

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17 In 2017: Kazakhstan (7.9%), Turkmenistan (8.7%), the Kyrgyz Republic (6.2%) and Tajikistan (5.9%) (footnote 15).
19 Presidential Decree No. UP-4947.
20 Presidential Decree No. PP-5590.
23 WHO’s Electronic State Parties Self-Assessment Annual Reporting Tool (e-SPAR)
24 Gazeta. 2020. President instructed to purchase another 2,300 ventilators.
COVID-19 cases while representing only 1.3% of the population. On 26 May 2020, out of 353 confirmed COVID-19 infected health workers, over 80.0% were females.

11. Essential health services have been disrupted. The preoccupation with COVID-19 and diversion of resources such as staff time, facilities, equipment, and supply, have reportedly affected quantity and quality of health services. These have also affected demand for health services due to lockdown, anxiety, and reduced household spending. Delays in vaccination may give rise to other epidemics. Disruption of treatment of chronic conditions like HIV, AIDS, and tuberculosis, reported in quarantine zones, may exacerbate drug resistance. Women’s access to safe delivery may be at risk. While this impact is being assessed, it is likely to worsen with prolonged lockdown or further case surges. This could result in major setbacks in achieving better health outcomes including Sustainable Development Goal 3. Maintaining COVID-19 response and essential health services in parallel is a major task to be tackled.

E. Socioeconomic impact

12. Uzbekistan is a regional hub of industries, commerce, education, and tourism, with a large service sector and a large migrant population working abroad, especially in the Russian Federation and Kazakhstan. Lower remittances coupled with lower exports due to the worldwide economic slowdown are expected to increase the current account deficit to almost 10% of GDP. The country’s economic growth is expected to slow down to 1.5% of GDP compared to the pre-COVID-19 projected 6.0% GDP growth in 2020, and the budget deficit is expected to increase from –0.4% to 4.1% of GDP in 2020 due to lower than expected revenues and additional crisis-related expenditures.

13. The pandemic has resulted in widespread job losses. Some 475,000 or 85% of small business may have been temporarily closed. Estimates indicate that the share of persons living in poverty based on the poverty line for lower middle-income countries ($3.2 per person per day in purchasing power parity terms), would increase from a projection of 7.4% pre-crisis to 8.7% following the outbreak, equivalent of an additional 448,000 people falling into poverty. According to a World Bank study, in the absence of remittances, the Uzbek poverty rate would increase from 9.6% to 16.8%. Businesses experience problems with liquidity and their capacity to pay taxes. During the first quarter of 2020, Uzbekistan collected 11% less in taxes. Meanwhile, large numbers of returning migrants will further strain the underfunded social and health systems. Since the start of pandemic, over 63,000 Uzbeks have returned to Uzbekistan.

14. Ensuring social protection coverage for those in need following the outbreak remains challenging due to a combination of factors such as a high fragmentation of social protection systems, a small formal sector at approximately 23% of the workforce (footnote 30), a lack of

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31 Ministry of Foreign Affairs. About the activities of the Ministry of Foreign Affairs and Foreign Agencies during the COVID-19 pandemic.
understanding of different population group’s urgent needs and weak targeting to extend existing programs to new disadvantaged groups. Household income, employment, and food security are all expected to decline further unless the pandemic is contained, and the lockdown measures can be further eased.

F. Government Response

15. The government of the Republic of Uzbekistan has demonstrated strong and timely leadership in the COVID-19 pandemic. While events were unfolding in the People’s Republic of China in January 2020, the Special Republican Commission (SRC) was activated on 29 January 2020. Presidential Decree number 4691 dated 22 April 2020 “On measures to attract external assistance funds to support the population, budget, basic infrastructure and business entities during the coronavirus pandemic” was promulgated.32 A National Health Strategic Preparedness and Response Plan (SPRP) in support of COVID-19 in Uzbekistan was approved on 13 May 2020. The Ministry of Investment and Foreign Trade (MIFT) and MOH were tasked with seeking financial support. Various legislations were passed regarding lockdown, taxation adjustments, social safety net, and other measures.

16. The SPRP aims to (i) address COVID-19 emergency by identifying, isolating and providing care for patients with COVID-19 to minimize disease spread, morbidity, and mortality; (ii) strengthen short- and long-run capacity of the health system to provide intensive care; (iii) implement effective communication campaigns for mass awareness and education of the population on how to tackle the COVID-19 emergency; (iv) expand unemployment benefits to formal sector workers; (v) provide wage subsidies for companies to furlough workers; and (vi) expand cash transfers to vulnerable households and individuals. During March and April 2020, a wide range of fiscal measures were implemented.33 The COVID-19 contingency plan was initially costed at about $5 billion. The Government’s state budget provided $1.05 billion with $104.60 million for the health sector, $868.50 million to stabilize businesses and employment, and $73.20 million for social protection of low-income households. The government is implementing structural reforms on macroeconomic and public financial management to improve effectiveness of the countercyclical response.

G. Emergency Coordination

17. With guidance of the SRC, a multilateral COVID-19 management team (CMT) was established on 12 March 2020 to plan and coordinate multilateral support for COVID-19 socio-economic response and recovery. The CMT is chaired by the United Nations resident coordinator with participation of 6 international finance institutions and 16 United Nations Agencies supporting 5 task forces for health capacity building, health procurement, socio-economic mitigation, protection and key populations, and risk communication and community engagement. includes. ADB, with the United Nations Development Programme (UNDP) and MIFT, is co-chairing the task force for procurement. The proposed response totals $289 million, including an ADB and AIIB contribution of $200 million. In addition, the World Bank has approved a $95 million health and social sector loan.34 Partners have also mobilized funds from existing projects such as $19.5 million from ADB’s primary healthcare improvement project. Other support is commonly in the

32 Presidential Decree No. PP-4691.
form of in-kind support including technical assistance, training, equipment, and supplies. ADB also provided grants of $0.2 million and $1.4 million under regional technical assistance.

18. International finance institutions including the International Monetary Fund, the World Bank, ADB and the European Investment Bank are also providing budget and program support to mitigate the health and socio-economic impact of the pandemic. The IMF’s Executive Board has approved budget support of $375 million under the Rapid Financing Instrument and Rapid Credit Facility to help the Government of Uzbekistan meet its urgent balance-of-payment needs stemming from the COVID-19 outbreak. The World Bank has approved a $200 million development policy operation, while another $500 million (with $300 million in cofinancing by JICA) is under discussion. ADB has approved the $500 million COVID-19 Active Response and Expenditure Support Program (CARES) in June 2020.

H. ADB’s Assessment and Response

19. The government’s SPRP aims to mobilize resources well beyond the capacity of the government (footnote 10). The pandemic has been contained but continues at a slow pace with a risk of flaring up in various locations after easing the lockdown. Timely actions can reduce the pandemic impact. ADB staff held consultations with MIFT, MOH, ASEW, WHO, UNDP, UNICEF, the World Bank, and other agencies, and have experts in the field. The ASEW and WHO provided detailed information on the current situation and challenges. It was concluded that, in addition to financial support of the World Bank and other agencies, additional resources are to be mobilized to ensure that, as the lockdown is lifted gradually, suspected cases and contacts are identified and tested quickly, and confirmed cases are treated properly. Containment of the pandemic will thus help reduce socio-economic losses.

20. The President of Uzbekistan has directed attracting an ADB loan up to $100 million for modernization of the sanitary and epidemiological services, and an AIIB loan up to $100 million to support the health system strengthening (footnote 32). MIFT sent an official request to ADB on 26 April 2020. The ASEW sent the project concept on “Modernization of the sanitary-epidemiological service” on 30 April 2020 to ADB, via MOH and MIFT with a combined ADB and AIIB budget of $200 million. ADB already supports the Primary Healthcare Improvement Project (2017–2021) of $45 million, of which $19.5 million was repurposed to procure 800 ventilators. The project implementation unit of this project was made available to support ADB’s COVID-19 assistance. MOH and ADB are currently preparing the Integrated Perinatal Care Project (2017–2021) of $100 million. On 26 March 2020, ADB approved a $200,000 grant from ADB’s regional technical assistance to procure emergency supplies. On 30 April, ADB announced a $1,355,900 grant for COVID-19 response. CARES will focus on the socio-economic and operational budget support of COVID-19. The project is complementary to the CARES.

35 Including assistance from the European Union, France, Germany, Japan, the People’s Republic of China, the Republic of Korea, the Russian Federation, Turkey, the United States, the International Committee of the Red Cross and Red Crescent, the Islamic Development Bank, UNICEF, WHO, and local companies and funds.
36 ADB. Regional: Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases.
38 ADB. 2017. Primary Healthcare Improvement Project.