



Uzbekistan: Integrated Urban Development Project

Project Name	Integrated Urban Development Project								
Project Number	54017-001								
Country / Economy	Uzbekistan								
Project Status	Approved								
Project Type / Modality of Assistance	Grant Loan								
Source of Funding / Amount	<table border="1"> <tr> <td>Grant 0854-UZB: Integrated Urban Development Project</td> <td></td> </tr> <tr> <td>High Level Technology Fund</td> <td>US\$ 500,000.00</td> </tr> <tr> <td>Loan 4230-UZB: Integrated Urban Development Project</td> <td></td> </tr> <tr> <td>Concessional ordinary capital resources lending</td> <td>US\$ 59.00 million</td> </tr> </table>	Grant 0854-UZB: Integrated Urban Development Project		High Level Technology Fund	US\$ 500,000.00	Loan 4230-UZB: Integrated Urban Development Project		Concessional ordinary capital resources lending	US\$ 59.00 million
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Concessional ordinary capital resources lending	US\$ 59.00 million								
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration								
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships Private sector development								
Sector / Subsector	Water and other urban infrastructure and services / Other urban services - Urban policy, institutional and capacity development - Urban sanitation - Urban sewerage - Urban solid waste management - Urban water supply								
Gender Equity and Mainstreaming	Effective gender mainstreaming								
Description	The proposed project will support inclusive, resilient, and sustainable urban infrastructure and services in four secondary cities (Djizzak, Havast, Khiva, and Yangiyer) experiencing low livability and lagging growth exacerbated by the coronavirus disease (COVID-19) pandemic. It will demonstrate integrated and innovative solutions, and strengthen institutional capacity for "building back better". These measures will (i) enhance livability for residents and visitors, including persons with disabilities; (ii) support green and resilient economic recovery targeting women; (iii) accelerate digital transformation, particularly in the tourism and water sectors; and (iv) increase the quality, coverage, efficiency, and reliability of urban services. The project supports the government's national development strategy, 2022-2026, which aims to accelerate growth and reduce poverty through improved urbanization and balanced regional development.								
Project Rationale and Linkage to Country/Regional Strategy	<p>Sector context and trends. Since Uzbekistan became independent in 1991, urbanization has lagged, leading to significant regional imbalances. More than half of the urban population is concentrated in its easternmost regions--around the capital city of Tashkent and in the Fergana Valley, an industrial center. Although a considerable share of the urban population lives in the largest cities, the fastest population increases have been in medium-sized cities with untapped potential for generating jobs. The lifting of internal mobility restrictions in 2020 and a significant youth bulge will continue to put pressure on the internal labor market and drive migration. To absorb this growth and provide livability, secondary cities must confront challenges of urban sprawl, polluted environments, degraded infrastructure, water insecurity, and the lingering economic impact of COVID-19, particularly on the poor and women. The project will demonstrate how urban planning concepts--embodying smart, green, resilient, inclusive urbanism--and integrated solutions can improve livability and economic competitiveness in secondary cities.</p> <p>Government strategy. In 2019, the government issued Presidential Decree No. 5623 to support the integrated development of cities. In 2020, the government established the Department of Urbanization Policy Development under the Ministry of Economic Development and Poverty Reduction to oversee its urban agenda. Reforms in the last three years include a new urban planning code requiring citizen participation, fiscal decentralization, and new agencies for public-private partnership, water supply, solid waste management (SWM), and cadaster. However, weak institutional capacity and coordination for strategic urban development remains a significant challenge for cities. To enhance coordination, the government appointed the Ministry of Investments and Foreign Trade (MIFT) as the focal agency to work with development partners in formulating integrated urban development projects that demonstrate international practices in sustainable urbanization for further replication.</p> <p>Key issues in project cities. The three project regions of Djizzak, Sirdaryo, and Khorezm have historically ranked at the bottom nationally in terms of quality of life, economic competitiveness, and infrastructure development. Key issues facing the project cities include (i) an economic slowdown because of COVID-19 combined with a lack of economic diversity, unskilled workforce, and high unemployment, especially among women and youth; (ii) underinvestment in aging infrastructure leading to poor quality of water supply and sanitation (WSS) services with a lack of universal coverage and limited operation and maintenance (O&M); and (iii) a deficit of green, usable, and safe public spaces, especially for women and persons with disabilities. In Djizzak, high in-migration, inadequate basic services, and the poor quality of the urban environment contribute to low livability and imbalanced socioeconomic development. In Khiva, a 90% decrease in tourists because of COVID-19, a lack of visitor services, weak linkages with other "Silk Road" destinations, and disconnected tourism value chains prevent diversified, inclusive growth. In Havast, low-quality solid waste services, a lack of public spaces, and a young, unskilled workforce constrain competitiveness; and in Yangiyer, poor solid waste collection services inhibit livability.</p> <p>Water supply services delivery in the project cities is constrained by intermittent supply (4-8 hours per day), low pressure, aging pipelines built 40-50 years ago, high nonrevenue water (NRW) estimated at 40%, and defective disinfection systems. These pose health risks, with a disproportionate impact on women and the poor. Sewerage and solid waste collection coverage are low in the four project cities. Sewerage coverage ranges from 13% to 37% while solid waste collection ranges from 41% to 91%, with no formalized recycling program</p>								
Impact	Sustainable urbanization and welfare of the urban population enhanced.								
Project Outcome									
Description of Outcome	Access to inclusive, resilient, and sustainable urban services in secondary cities enhanced.								
Progress Toward Outcome									
Implementation Progress									

Description of Project Outputs

Inclusive municipal and tourist infrastructure and services provided.
Climate-resilient drinking water, sanitation, and solid waste services enhanced with smart systems.
Urban governance, institutional capacity, and livelihood support strengthened.

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location Havas, Jizzakh, Khiva, Yangiyer

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	Slangen, Ron H.
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Urban Development and Water Division, CWRD
Executing Agencies	Ministry of Investments and Foreign Trade (MIFT)

Timetable

Concept Clearance	14 Jun 2021
Fact Finding	14 Feb 2022 to 25 Feb 2022
MRM	28 Jun 2022
Approval	17 Oct 2022
Last Review Mission	-
Last PDS Update	17 Oct 2022

Grant 0854-UZB

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	0.50	Cumulative Contract Awards			
ADB	0.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.50	-	0.00	0.00	%

Loan 4230-UZB

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	67.65	Cumulative Contract Awards			
ADB	59.00	-	0.00	0.00	%
Counterpart	8.65	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page <https://www.adb.org/projects/54017-001/main>

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