



Uzbekistan: Affordable Rural Housing Program

Project Name	Affordable Rural Housing Program								
Project Number	50022-002								
Country	Uzbekistan								
Project Status	Approved								
Project Type / Modality of Assistance	Loan Technical Assistance								
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan: Affordable Rural Housing Program</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 500.00 million</td> </tr> <tr> <td colspan="2">TA: Affordable Rural Housing Program</td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 750,000.00</td> </tr> </table>	Loan: Affordable Rural Housing Program		Ordinary capital resources	US\$ 500.00 million	TA: Affordable Rural Housing Program		Technical Assistance Special Fund	US\$ 750,000.00
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth								
Drivers of Change	Governance and capacity development Private sector development								
Sector / Subsector	Finance - Housing finance								
Gender Equity and Mainstreaming	Effective gender mainstreaming								
Description	The proposed ARHP will support a slice of the Government of Uzbekistan's Phase II of the State Rural Housing Program (SRHP II), which aims to improve the quality of life in rural areas of Uzbekistan through the construction of rural housing, employment generation, and private sector development. ARHP will focus on rural housing financing and on leveraging institutional improvements in the associated sectors. Under ARHP, three state-owned banks will provide loans to construct at least 40,000 single-family houses in nine regions of the country. The houses will be built by private contractors. The construction will be supervised by a state-owned engineering company, Qishloq Qurilish Invest (QQI), by branches of the state design institute (Qishloq Qurilish Loyiha), and by the State Committee for Architecture and Construction (SCAC).								
Project Rationale and Linkage to Country/Regional Strategy	The government's strategy of expanding rural employment opportunities through infrastructure fits well with ADB's strategic priorities for 2014- 2020, notably inclusive economic growth through infrastructure, financial inclusion, private sector development through public private partnerships, and enhanced gender equity. Empirical evidence provides the rationale for ADB's continued support to the sector: (i) Inclusive growth and rural job creation centered on agglomeration economies. The earlier rural housing clusters, built with ADB support, have grown into thriving communities with local industries and small and medium enterprises, with incentives provided by the government. The expansion of mortgage lending and other financial products into rural areas has benefitted financial sector growth as well as small rural entrepreneurs, including women. Calculations indicate that employment generation has been significant. The SRHP has also benefitted the construction industry and the civil works sector. (ii) Affordability is addressed in three ways: (a) applying the ARHP beneficiary selection criteria; (b) allowing co-borrowers, based on the Uzbek tradition of financial burden sharing by the extended family; and (c) benefit transfers from the government, which provides land for free, bears the cost of associated infrastructure, and exempts from income tax income used to pay the loans. Such measures bring the houses within reach of socially vulnerable and moderate income families, women-headed households, and social sector workers. The program is classified as effective gender mainstreaming. (iii) Improved rural well-being. Rural dwellers face inferior living conditions compared to urban residents. There is inadequate supply of piped water, indoor toilets, and plumbing with septic tanks. Cooking and heating facilities are outdated and put rural households at higher health risk. The SRHP brings about improved access to improved water and sanitation, together with other social benefits, and helps in retaining social sector professionals in rural areas.								
Impact	Quality of life in rural areas of Uzbekistan is improved by providing affordable housing								

Project Outcome

Description of Outcome	Increased number of rural families meeting the social equity criteria benefit from affordable housing constructed in accordance with national quality standards.
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Beneficiary selection, site selection, and housing construction are in accordance with social equity criteria and national quality standards. Improved policies and systems for the rural housing sector. Strengthened program management and performance monitoring
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	The proposed ARHP is the first results based loan in Uzbekistan. It has been discussed extensively with the government agencies, with the participating banks, and with potential beneficiaries.
During Project Implementation	

Business Opportunities

Consulting Services	A total of 16 experts, 5 international and 11 national, were hired under the PPTA. Majority of the consultants assignment are closed and only 3 remain active to help in finalizing the revised expanded scope of the TA.
Procurement	Not applicable

Responsible Staff

Responsible ADB Officer	Sumbal, Asadullah Khan
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Uzbekistan Resident Mission
Executing Agencies	<i>Ministry of Economy Uzbekistan Avenue, 45A Tashkent, 100060, Republic of Uzbekistan</i>

Timetable

Concept Clearance	29 Apr 2016
Fact Finding	01 Aug 2016 to 12 Aug 2016
MRM	16 Sep 2016
Approval	01 Jun 2017
Last Review Mission	-
Last PDS Update	01 Jun 2017

Project Page	https://www.adb.org/projects/50022-002/main
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