

 Early Warning System

ADB-59397-001

Public Buildings Energy Efficiency Renovation (PEER)



## Quick Facts

<b>Countries</b>	Uzbekistan
<b>Specific Location</b>	Tashkent Region
<b>Financial Institutions</b>	Asian Development Bank (ADB)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	B
<b>Borrower</b>	Government of Uzbekistan
<b>Sectors</b>	Energy, Law and Government
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 300.00 million
<b>Loan Amount (USD)</b>	\$ 300.00 million



## Project Description

As stated by the ADB, the proposed \$300 million results-based lending (RBL) program will contribute to the government efforts in increasing the efficient use of energy resources by public buildings in Uzbekistan. The program will help renovate public buildings using energy-efficient lighting, rooftop solar photovoltaic (PV), efficient heating and cooling systems (e.g., heat pumps), and improved thermal insulation of building envelopes. The program will cover all regions, with special focus on the Tashkent Region, which is expected to become a showcase for others.

## PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Uzbekistan's primary energy intensity, the key index for measuring energy efficiency, has historically been high. It was halved from 2010 to 2023, reaching 6 megajoule per unit of GDP, albeit it is still 50% higher than the global average. The energy sector relies heavily on natural gas, which fuels key sectors including power and heating generation, residential, transport, and services sectors. Natural gas accounts for 79% of the total energy supply in 2023. Domestic gas production peaked in 2008 and has declined by 23% in 2024. This development has turned Uzbekistan into a marginal net gas importer for the first time in 2023. Net imports represented 3.8% of the natural gas supply, negatively affecting the trade balance and energy prices. In response, the government has pursued a transition toward a more diversified and sustainable energy system, to increase its energy security by reducing dependency on foreign gas resources.

Buildings' energy consumption accounts for 50% of total final energy use and 60% of natural gas consumption in Uzbekistan. Among 8.5 million buildings in Uzbekistan, there are 46,836 public buildings, mainly schools and hospitals. Heating represents 70%-95% of the energy use in public buildings and 67% in residential buildings. A large share of the building stock dates from the 1970s and 1980s, lacking proper insulation, resulting in energy intensities more than twice those in temperature-equivalent developed heating markets. The sector relies mainly on old and inefficient coal or gas boilers, with an estimated 70% of systems outdated and not meeting modern efficiency standards. Schools and hospitals alone offer potential annual energy savings of about 7 terawatt-hour of thermal and electrical energy, equivalent to about 13% of the country's total energy consumption. Technical solutions have been identified and include insulation and envelope upgrades; modern heating, ventilation, and air-conditioning (HVAC) systems; solar thermal collectors and photovoltaic (PV) installations, electrification of heating with heat pumps replacing fossil-fuel boilers with renewable alternatives, and having modern, highly efficient gas boilers when there are no low-carbon heating options reasonably available.

Deployment of low-carbon heating technologies depends on a robust legal and financial framework enabling measures such as an energy service company (ESCO) market development, targeted incentives to trigger greater investment, development of mandatory standards and norms, energy audits, and systems for measuring and verifying savings. Uzbekistan's programmatic energy efficiency approach began a new transformative phase with three key acts enacted during 2025 forming a unified national energy efficiency framework for buildings:

- (i) Resolution No. PP-100 launched deep reforms of the district heating sector, establishing Joint-Stock Company (JSC) Heating Supply as a consolidated entity to coordinate district heating systems modernization and promote centralized heating projects, meant to reduce losses from 38% to 20% and expanding centralized heating coverage;
- (ii) Decree No. DP-63 created the National Energy Efficiency Agency (NEEA) under the Cabinet of Ministers to implement state energy efficiency policies; manage financial incentives for audits, distributed solar energy, and heat pumps; and develop a Digital Energy Efficiency Platform for market participants and a consolidated Energy Efficiency Fund; and
- (iii) Cabinet Resolution No. 300 operationalizes these measures through a national road map and targeted programs for insulation, boiler replacement, and energy audits. Together, these initiatives establish a comprehensive, planned framework including budgetary allocations and funds from international financing institutions (IFIs) to modernize heating, expand the energy efficiency market, and achieve a 15% reduction in public buildings energy use by 2030.



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## **Early Warning System Project Analysis**

The ADB categorized the project E&S risks as follows:

Environment - B

Involuntary Resettlement - C

Indigenous Peoples - C



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## Investment Description

- Asian Development Bank (ADB)



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## Contact Information

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### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

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