



## Asian Development Bank & Uzbekistan

### FACT SHEET

**Table 1. Uzbekistan: Development Indicators**

<b>Non-MDG</b>	
Population in millions	27.77 (2009)
Annual population growth rate (%)	1.7 (2007–2009)
Adult literacy rate (%)	96.9 (2000)
Percent of population in urban areas	36.8 (2008)
<b>MDG</b>	
Percent of population living on less than \$1.25 a day	...
Percent of population living below the national poverty line	25.8 (2005)
Under-5 mortality rate per 1,000 live births	38 (2008)
Percent of population using an improved drinking water source	88 (2006)

... = data not available, MDG = Millennium Development Goal.

Sources: ADB, 2010. *Basic Statistics 2010*. Manila.  
UNESCO, 2010. Institute for Statistics Data Centre  
World Bank, 2010. World Development Indicators Online.

The Welfare Improvement Strategy (WIS) of the Government of Uzbekistan for 2006–2010 is focused on securing sustainable economic growth, increasing rural incomes and access to social services, development of the private and finance sectors, regional transport and customs transit, and enhancing the country's human capital. Based on these strategic directions, and supported by prudent economic and investment policies, the economy has performed strongly throughout 2009, progressing further toward achieving the Millennium Development Goals. The government also responded early to the global economic downturn by introducing a comprehensive anti-crisis program that included support for exports and demand for domestically produced goods, encouraging energy efficiency, and for developing small and medium-sized enterprises. The country's 2010 growth rate is projected to be among the highest in the region.

### Relationship with ADB

Since joining the Asian Development Bank (ADB) in 1995, Uzbekistan has received \$1.29 billion in 30 loans and \$40.83 million in grant technical assistance (TA). Of these resources, 27% were allocated to agriculture and natural resources, 23% for education, 21% for transport, and 15% for water and municipal services. Small and microfinance is another important sector receiving ADB's assistance. The overall country portfolio performance is rated satisfactory on impact, outcome, and implementation. Ratios for disbursement and contract awards have improved steadily since 2002, and there are no projects at risk. Contract awards and disbursements more than doubled from the 2008 levels, reaching \$137.4 million and \$125.9 million, respectively, in 2009. Uzbekistan is ADB's largest client in the region by the number of loans, the 16<sup>th</sup> largest shareholder among ADB's regional members, and the 14<sup>th</sup> largest borrower.

The current ADB Country Strategy and Program (CSP) for Uzbekistan covers the period 2006–2010 and is aligned with the government's WIS, the preparation of which ADB supported through a TA project. In line with the WIS, the CSP for 2006–2010 focuses on four strategic priorities: (i) environmentally sustainable rural development, (ii) private sector development, (iii) regional transport and customs transit, and (iv) human capital. Governance is emphasized as a crosscutting theme.

### Impact of Assistance

The ADB-financed Living Standards Strategy served as a basis for the government to develop the WIS for 2006–2010.

ADB's assistance has had an impact on education, agriculture, transport, water and municipal services, and support to small and medium-sized enterprises.

The Basic Education Textbook Development Project helped introduce private sector participation in textbook production and improved the availability of textbooks for students through an innovative textbook rental scheme. The Education Sector Development Program contributed to improved quality of education for vulnerable students and also introduced an education model aligned to international education systems.

ADB-assisted investment projects in water management and agriculture are helping to modernize irrigation systems while mitigating land degradation and bringing greater incomes and employment to rural areas.

Two Railway Modernization Projects helped upgrade a total of 660 kilometers of railroad track on a key regional transport corridor. These projects featured modern track-laying techniques, and provided maintenance equipment, optical fiber telecommunications, and computerized financial accounting systems. In parallel, these projects also contributed to human resource development, especially skills development.

The Public Finance Reform Management Project supported the establishment of the Treasury and helped improve expenditure controls and streamline budget execution mechanisms. The project also helped develop and implement a new budget classification system based on international standards.

In 2009, ADB provided a \$300 million Multitranchise Financing Facility (MFF) Investment Program for Water Supply and Sanitation Services. It was the first MFF in Uzbekistan. The program will provide safe, reliable, and sustainable water supply and sanitation services to 3 million residents in the Navoi and Bukhara provinces, contributing to improved living standards, as well as environmental and health conditions in these provinces.

## Future Directions

ADB operations in Uzbekistan will be guided by the evolving development needs and priorities of the country, as well as ADB's Long-Term Strategic Framework. For 2010–2011, support for the development of infrastructure with a regional orientation, water and municipal services, and expansion of the private sector's access to financial resources will remain the focus of ADB's operations. The new Country Partnership Strategy, scheduled for 2011, will reflect the

Table 2. Uzbekistan: Economic Indicators, 2005–2009

Economic Indicator	2005	2006	2007	2008	2009
Per capita GNI, Atlas method (\$)	530	610	730	910	...
GDP growth (% change per year)	7.0	7.2	9.5	9.0	8.1
CPI (% change per year)	10.0	14.2	12.3	12.7	12.5
Unemployment rate (%)	0.3	...	...	...	...
Fiscal balance (% of GDP)	1.2	5.2	5.1	10.5	4.4
Export growth (% change per year)	11.6	18.0	42.9	44.2	1.7
Import growth (% change per year)	8.1	16.0	49.2	31.0	25.8
Current account balance (% of GDP)	14.3	17.2	19.1	16.7	12.0
External debt (% of GNI)	28.9	22.6	17.5	13.4	...

... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2010. *Asian Development Outlook 2010*. Manila. ADB staff estimates. World Bank. 2010. World Development Indicators Online.

Table 3. Uzbekistan: 2009 Loan, TA, and Grant Approvals (\$ million)

Loans		TA	Grants	Total
Sovereign	Nonsovereign			
60.0	–	3.8	–	63.8

– = nil.

Cumulative Lending (as of 31 Dec 2009) : \$1,290.9 million  
Cumulative Disbursements (as of 31 Dec 2009) : \$659.9 million

development priorities arising from the continued strong economic performance of Uzbekistan, especially the further acceleration of economic diversification through private sector mobilization. Support for infrastructure development to attract the private sector and help optimize their investment will be a priority. This will be complemented by continued direct private sector support through enhanced access to small and microfinance, coupled with the continued support to suitable sectoral modernization and institutional strengthening. Support for Uzbekistan's efforts on regional cooperation, especially relating to Afghanistan, will also remain a priority, making infrastructure development of regional significance to be of continuing importance. Greater development needs and absorptive capacity of Uzbekistan are expected to be reflected in ADB operations for 2010–2011 and beyond.

## Operational Challenges

Project implementation and portfolio performance in Uzbekistan improved significantly in 2009. At the same time, project pipeline is expected to grow also significantly in 2010 and beyond. To support and sustain the expected up-scaled operations and ensure timely delivery of results from them, greater efforts are needed on timely project implementation and sustained strong portfolio performance. To meet this challenge, ADB will prepare a hands-on capacity development support in 2010 through focused technical assistance. The planned technical assistance will address institutional strengthening through skills development, as well as work process optimization related to project implementation and monitoring. ADB will continue and intensify close monitoring of the portfolio performance through the quarterly

Table 4. Uzbekistan: Cumulative ADB Lending as of 31 December 2009

Sector	Loans (no.)	Amount (\$ million)	% <sup>a</sup>
Agriculture and Natural Resources	8	345.40	26.76
Education	8	290.50	22.50
Energy	1	70.00	5.42
Finance	1	20.00	1.55
Health and Social Protection	1	40.00	3.10
Industry and Trade	1	50.00	3.87
Public Sector Management	1	20.70	1.60
Transport and ICT	4	265.30	20.55
Water Supply and Other Municipal Infrastructure and Services	5	189.00	14.64
Multisector			–
<b>Total</b>	<b>30</b>	<b>1,290.90</b>	<b>100.00</b>

– = nil, ICT = information and communication technology.

<sup>a</sup> Total may not add up because of rounding.

Table 5. Uzbekistan: Project Success Rates

By Sector	Percentage <sup>a</sup>	No. of Rated Projects
Agriculture and Natural Resources	0.0	1
Education	66.7	3
Industry and Trade	0.0	1
Transport and ICT	66.7	3
<b>Total</b>	<b>50.0</b>	<b>8</b>
By Year of Approval		
1990s	50.0	4
2000s	50.0	4

ICT = information and communication technology.

<sup>a</sup> Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2009.

portfolio review meetings, and ensure effective implementation of the time-bound, result-oriented action plans through the close team work between the headquarters and the field office under the joint-venture work arrangements.

## Partnership

ADB has been closely coordinating its activities with multilateral and bilateral development partners, including the United Nations Development Programme (UNDP), the World Bank, and the Governments of Germany, Japan, and Switzerland, among others. ADB, together with UNDP and the World Bank, assisted the government in preparing and implementing the current Welfare Improvement Strategy (2006–2010). In 2008–2009, ADB, the World Bank, the European Bank for Reconstruction and Development, and the International Monetary Fund cooperated with the government to improve the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) regime in the country. In 2009, ADB and the Islamic Development Bank Group supported the first Government Investment Promotion Forum, which attracted several hundred potential investors to the Navoi free industrial economic zone. In 2010, ADB will work with the German Technical Cooperation (GTZ) and the Government of Singapore to provide knowledge-sharing opportunities for government officials in the fields of public financial management and economic planning.

**Table 6. Uzbekistan: Portfolio Performance Quality Indicators for Sovereign Lending, 2008–2009**

	2008 (\$ million)	2009 (\$ million)
Number of Ongoing Loans (as of 31 Dec 2009)		20
Contract Awards/Commitments	58.7	137.8
Disbursements	49.0	125.9
Loans at Risk (%)	–	–

– = nil.

**Table 7. Cumulative Nonsovereign Operations Portfolio Distribution by Top Countries, 1983–2009<sup>a,b</sup>**

Country	No. of Projects	Total ADB Approvals (\$ million)
China, People's Republic of	24	2,188
India	35	2,129
Indonesia	15	919
Philippines	26	768
Pakistan	24	721
Thailand	10	395
Kazakhstan	4	375
Sri Lanka	12	280
Viet Nam	7	280
Bangladesh	8	242
Afghanistan	6	198
Lao People's Democratic Republic	1	100
Azerbaijan	4	66
Nepal	4	59
Georgia	1	25
Papua New Guinea	1	25
Other DMCs	12	62
Regional	38	1,895

DMCs = developing member countries.

<sup>a</sup> Includes nonsovereign projects processed by the Private Sector Operations Department and various regional operations departments of ADB. Regional operations departments started nonsovereign operations in 2007.

<sup>b</sup> Net of facilities cancelled in full before signing.

Source: Private Sector Operations Department.

## Cofinancing and Procurement

As of year-end 2009, cumulative direct value-added cofinancing for Uzbekistan amounted to \$66.5 million for four investment projects and \$3.3 million for six TA projects. Further cofinancing opportunities for various infrastructure investment projects are being discussed with the World Bank and the Japan International Cooperation Agency, among others.

A summary of projects with cofinancing from 1 January 2005 to 31 December 2009 is available at [www.adb.org/Documents/Fact\\_Sheets/Uzbekistan/cofinancing.asp](http://www.adb.org/Documents/Fact_Sheets/Uzbekistan/cofinancing.asp).

From 1 January 1968 to 31 December 2009, contractors and suppliers were involved in 186,281 contracts for ADB loan projects worth \$96.29 billion. During the same period, contractors and suppliers

**Table 8. Uzbekistan: Contractors/Suppliers Involved in ADB Loan Projects, 1 January 2005–31 December 2009**

Contractor/Supplier	Sector	Contract Amount (\$ million)
Consortium Obi Hayot	Water Supply and Other Municipal Infrastructure and Services	6.94
Elxolding Spa	Education	6.86
Fayz Holding	Education	5.44
Eser	Agriculture and Natural Resources	5.25
Hisorakgidrokurilish	Water Supply and Other Municipal Infrastructure and Services	4.59
Tupalangsvugskurilish	Agriculture and Natural Resources	3.58
Drager Medical AG&CO. KG	Health and Social Protection	3.00
Aralsekhovodogazoprovodstroy	Water Supply and Other Municipal Infrastructure and Services	2.57
Yuggazstroy	Water Supply and Other Municipal Infrastructure and Services	2.19
Navoikishlokkurilish	Water Supply and Other Municipal Infrastructure and Services	2.13

**Table 9. Uzbekistan: Top Consultants (Individual Consultants and Consulting Firms) Involved in ADB Loan Projects, 1 January 2005–31 December 2009**

Consultant	Number of Times Contracted	Contract Amount (\$ million)
PC Loyihat Maslahat	1	0.80
Rhythm Plus Consulting Company	1	0.20
Global Business Services Ltd.	1	0.18
Holis Guruh	8	0.17
Uzkommunukuvtashkilotchi	1	0.17
Tsiar-Finans	7	0.14
Expert-Fikkri, LLC	1	0.10
PricewaterhouseCoopers Audit Subsidiary	4	0.09
Mak Alyans Audit LLC	1	0.07
Republican Center of State Sanitary	1	0.06
Individual Consultants	6	2.04

**Table 10. Uzbekistan: Top Consultants (Individual Consultants and Consulting Firms) Involved in ADB Technical Assistance Projects, 1 January 2005–31 December 2009**

Consultant	Number of Times Contracted	Contract Amount (\$ million)
IKS Group of Companies Ltd., Uzbekistan	1	0.45
Islohotkonsaltservis, Ltd.	3	0.43
Unicon (Uzbekistan), Ltd.	1	0.29
Uzgiip (Uzgiipromeliiovodkhoz) Institute	1	0.08
Uzbek Scientific Research Institute of Forestry	1	0.01
Individual Consultants	62	0.63

from Uzbekistan were involved in 576 contracts for ADB loan projects worth \$243.74 million.

From 1 January 1968 to 31 December 2009, consultants were involved in 10,945 contracts for ADB loan projects worth \$4.38 billion. During the same period, consultants from Uzbekistan were involved in 67 contracts for ADB loan projects worth \$8.11 million.

From 1 January 1968 to 31 December 2009, consultants were involved in 20,087 contracts for ADB TA projects worth \$2.52 billion.

During the same period, consultants from Uzbekistan were involved in 103 contracts for ADB TA projects worth \$2.15 million.

A summary of procurement contracts awarded to companies and consultants from Uzbekistan for goods and works, and consulting services can be found at [www.adb.org/Documents/Fact\\_Sheets/Uzbekistan/procurement.asp](http://www.adb.org/Documents/Fact_Sheets/Uzbekistan/procurement.asp).

## About Uzbekistan and ADB

### ADB Membership

Joined 1995

### Shareholding and Voting Power

Uzbekistan is the 15<sup>th</sup> largest shareholder among regional members and the 22<sup>nd</sup> largest overall.

Figures are as of 31 December 2008, before the fifth general capital increase process began. The process is ongoing, and the final figures are expected to be available by 31 December 2010. Current subscription levels are available from the Office of the Secretary.

Shares held	23,834 (0.67%)
Votes	37,066 (0.84%)

**Jaejung Song** is the Executive Director and **Wilson Leonard F. Kamit** is the Alternate Executive Director representing Uzbekistan on the ADB Board of Directors.

**Kazuhiko Higuchi** is the Country Director for Uzbekistan. The Uzbekistan Resident Mission (URM) was opened in 1998 and provides the primary operational link between ADB and the government, private-sector, and civil-society stakeholders in its activities. URM engages in policy dialogue and acts as a knowledge base on development issues in Uzbekistan.

The Uzbekistan government agency handling ADB affairs is the Ministry of Finance.

## About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2009, lending volume was \$13.23 billion (93 projects), with TA at \$267.2 million (313 projects) and grant-financed projects at \$1.11 billion (64 projects). In addition, \$3.16 billion in direct value-added loan cofinancing was generated. Over the last 5 years (2005–2009), ADB's annual lending volume averaged \$9.18 billion, with TA averaging \$245.7 million and grant-financed projects \$855.4 million. As of 31 December 2009, the cumulative totals were \$155.94 billion in loans for 2,206 projects in 41 countries, \$5.19 billion for 315 grant projects, and \$3.81 billion for 6,863 TA projects.

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### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Country website  
[www.adb.org/uzbekistan](http://www.adb.org/uzbekistan)

Asian Development Outlook  
[www.adb.org/Documents/Books/ADO/2010/UZB.pdf](http://www.adb.org/Documents/Books/ADO/2010/UZB.pdf)

Annual Report  
[www.adb.org/Documents/reports/annual\\_report/2009/](http://www.adb.org/Documents/reports/annual_report/2009/)