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Uzbekistan: Affordable Rural Housing Program (ARHP) Loan-3535 (2017-2022)





Summary Information

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|---|--|
| Approval and closing dates | 1 June 2017 and 31 December 2022 |
| Approved Loan | \$500 million |
| Financing Modality | Results-Based lending <ul style="list-style-type: none">• Finances a part of government's State Affordable Rural Housing Program• Disbursement against achievement of 8 disbursement-linked indicators (DLIs) |
| Key Target Indicator | At least 29,000 habitable dwelling units i.e., meeting national quality standards, constructed |
| Geographical coverage | Rural areas in 9 out of 13 regions of Uzbekistan |
| Loan Disbursed as September 2022 | \$470.263 million |



Climate Change in ARHP

Disbursement-Linked Indicator 4:

- *Climate Change Risk Assessment (CCRA) is an integral part of the site selection process under ARHP*
- *CCRA assesses climate change risk scenarios*
- *Based on CCRA, a site is either selected or rejected for construction; also recommends climate adaptation measures for the identified risks*

Implementing agency: Center for Hydrometeorological Services under Cabinet of Ministers (Uzhydromet, website: <http://hydromet.uz/>)

Uzhydromet's Responsibility under ARHP:

- *Conduct CCRA of all sites proposed for construction*
- *Issue regional (CCRA) reports with assessment of potential impact of climate change; propose recommendations*

ARHP Support to Uzhydromet:

- *Procurement of equipment and computers used for conducting CCRA*
- *Capacity building for staff in head office regional branches, and adopting software*



Housing Construction Site Selection Criteria

- At least 2-years under government reservation
- Non-agricultural land
- Not in the hills and mountains
- Away from rivers and water reservoirs
- CCRA i.e., Disbursement-Linked Indicator 4



Climate-Related Capacity Building of UzHydromet

Training on utilization of advanced tools and technology for climate risk assessments

- *Delft-FEWS Forecasting and Early Warning System and Wflow application of hydrological model integrated into Delft-FEWS*
- *to enhance data management and information system of Uzhydromet*
- *possibility to develop into a real-time flow forecasting and early warning system.*

Widespread application

- *Delft-FEWS has potential for wider application and adaptation for monitoring and forecasting geomorphological hazards and risks that are relevant to the region*
- *useful for management of hazards and risks as well as disaster preparedness in river basins with various human settlements and infrastructural development (planned and existing).*



Sample climate-resilient housing in project sites across UZB





Climate Change Related Recommendations for Uzhydromet

- Installation of automated meteorological stations to obtain high-quality data for improved quality of forecasts, early warning systems, and risk assessments at local level
- Construction of flood and mudflow hydraulic structures in regions/areas at risk of mudflow hazard
- Increasing public awareness about possible risks associated with increased climate variability
- Following building codes and rules (*Engineering and Hydrometeorological Surveys for construction. Code of Rules. (SNIIP 1.02.10-12)*); incorporating meteorological data (strong winds, heavy rainfall, and extreme temperatures) during construction.



Achievements and Next Steps for ADB Consideration

- **Affordable Rural Housing Program to complete implementation on time i.e., by December 2022** *[and full loan amount \$500mn disbursed]*
- **Improved people's lives in rural areas** *[via better quality housing for low-income households, related social amenities, and job creation]*
- **Climate change risk assessment formally included through construction site selection process** *[via DLI 4, enabling dedicated climate-related intervention] i.e., the suitability of RBL modality for more focused climate-related interventions*
- **Support to Uzhydromet and State Committee for Environmental Protection (State Ecology Committee)** *[helping adopt climate resilience processes and methodology at the upstream level, capacity building, and supply of related equipment and technology]*
- **Gradual move to market-based housing sector**
 - *Mortgage Market Sector Development Program to increase availability of affordable market-based residential mortgage credit*
 - *Possibility of 'green' renovation lending - preferential terms by banks for property undertaking certain green renovations; terms and specificities to be developed with the TA during 2023]*



Thank you

