

MANAGEMENT AND IMPLEMENTATION	
13. Type of financing¹	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1 and 4.3.2

1.2 Summary of the Action

The Action will consist of two areas of interventions and will aim to a single objective – the post-COVID economic recovery and the transition to a sustainable, socially just, resilient and climate neutral economy in Uzbekistan. Hence, it will support the country to decouple economic growth from environmental and climate degradation. To that end, the Action will finance the capacities, tools and coordination mechanisms necessary to lay the groundwork for a green growth strategy centred on the mutual reinforcing aspects of economic and environmental policy as well as addressing some of the key elements towards improved chemical wastes management in Uzbekistan.

The first area of intervention, the Green Economy Technical Assistance Program (GETAP), will support the formulation and implementation of Uzbekistan's green economy strategy. Backed by a budget support loan committed by AFD, the GETAP will specifically assist the government of Uzbekistan in (i) enhancing coherence between economic policies and environmental objectives within the inclusive green economy framework and (ii) reallocate consumption and investment of government and firms towards green goods and projects through fiscal policies and public financial management reforms.

The second area of intervention, Sound Management of Hazardous Chemicals Technical Assistance Programme, will help to understand the size of the problem in terms of both legacy wastes (volumes of obsolete pesticides and other materials like contaminated soils) and annual arising to be managed in Uzbekistan. Particularly, focus will be given on enhancing effectiveness of mechanisms and tools for the management of hazardous chemicals, wastes and reduction of use of dangerous pesticides in agriculture, including agriculture practises and awareness for reducing the use of pesticides. Results of activities in different levels should lead to Uzbekistan becoming a State Party to all four waste conventions (Basel, Rotterdam, Stockholm, Minamata), an improved institutional capacity for sound chemicals management, better data on hazardous wastes allowing development of a national waste management strategy and permitted hazardous waste treatment facilities. The Action will also aim to scale up sustainable practices in the agricultural sector leading to reduced risks to farmers and consumers from the use of pesticides and to food production relying on less toxic pesticides, and increased institutional and public awareness of the risks from the uninformed use of hazardous chemicals.

Joint efforts of these areas of interventions will strengthen Uzbekistan's policy, implementation and management capacities to deliver on the Paris climate commitments, implement national policy priorities and, with a focus on resource efficiency, support sustainable socio-economic development through coordinated and coherent action.

2 RATIONALE

2.1 Context

Uzbekistan is a lower-middle income economy and the most populous country in Central Asia. In 2017, the Government of Uzbekistan (GoU) embarked on a wave of reforms to enact a transition from a closed, state-directed economy to an open, market-based economy. Key reforms have notably included (i) the liberalisation of prices, trade tariffs and the exchange rate, (ii) the opening of the economy to private initiative and privatisation of state-owned enterprises, (iii) the extension of social safety nets to cushion vulnerable households against short-term impacts of reforms and (iv) the overhaul of public financial management (PFM) – notably the reduction of off-budget expenditure and adoption of a PFM reform strategy. The GoU has also undertaken efforts to address sectoral challenges and bottlenecks, taken steps to eliminate negative impact to environment, improved basic health services for the population and removed onerous regulations that previously sustained State Owned Enterprises (SOEs) at the cost of private sector growth.

At the same time, Uzbekistan is facing significant environmental challenges and is one of the most vulnerable countries to climate change in the world. With 80% of its territory occupied by grasslands and

¹ Art. 27 NDICI