



Project Summary Information

Date of Document Preparation/Updated: 06/05/26	
Project Name	Second Uzbekistan Green and Resilient Market Economy Climate Policy-Based Financing
Project Number	P001146
AIIB member	Uzbekistan
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	To support Uzbekistan's green transition by advancing energy market, pricing, and institutional reforms to improve efficiency and enable climate-resilient and low-carbon infrastructure investment and private capital participation.
Project Description	<p>The Second Uzbekistan Green and Resilient Market Economy Climate Policy-Based Financing Program continues to support the government's climate-focused policy, institutional, and regulatory reforms by advancing measures in the energy and state-owned enterprise (SOE) sectors to improve energy efficiency, increase renewable energy investments and scale up emission reductions through a combination of carbon pricing and targeted financial incentives.</p> <p>The Program aligns with Uzbekistan's 2030 national development strategy, adopted in 2023, which prioritizes transitioning to a green economy through the increased use of renewable energy and improved energy efficiency. The transition to low-carbon, resource-efficient, resilient and socially and environmentally sustainable economic growth is central to Uzbekistan's development agenda, as outlined in its "Strategy for Transition to a Green Economy for the Period 2019–2030" (hereinafter referred to as the "Green Economy Strategy") and supports the government's ambitious climate targets in its updated Nationally Determined Contributions (NDC 3.0).</p> <p>The Ministry of Economy and Finance (MOEF) will continue to serve as the main implementing agency and will coordinate with other government agencies to execute the Program. These include the Ministry of Energy, State Assets Management Agency, National Energy Efficiency Agency, and Ministry of Ecology, Environmental Protection and Climate Change.</p>

Expected Results	The Program is expected to: raise district heating cost recovery from 18 percent in 2025 to 35 percent by 2028, reducing subsidy needs and associated GHG emissions; open electricity distribution to private participation and enable IPPs to sell to a central buyer or eligible consumers, with privately operated distribution networks serving 15 percent of customers by 2028 and supporting progress toward 25 GW of renewables by 2030; advance SOE reforms via the National Investment Fund's IPO of stakes in at least 15 SOEs and establish a public state-aid registry; operationalize a carbon crediting and MRV framework targeting 35 million tons of CO2e reductions by 2028; institutionalize energy efficiency through the NEEA, catalyzing at least USD10 million in private ESCO and energy-service-agreement investments by 2028; triple annual distributed renewable capacity in homes and buildings to reach 3,000 MW by 2028; and mainstream green public procurement to lift the share of "green" tenders from 5 percent in 2024 to 20 percent in 2028, collectively mobilizing private capital and improving the fiscal and regulatory foundations for green infrastructure investment.
Environmental and Social Category	Not applicable
Environmental and Social Information	<p>Applicable Policy and Environment and Social Instrument. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and provisions related to CPBF set forth in Section 16 of the ESP, are applicable to this Program. Therefore, the provisions on Environmental and Social (ES) categorization in the ESP do not apply to this Program. The Program focuses on policy and institutional reforms that do not entail involuntary resettlement or impact the lives of Indigenous Peoples. However, some downstream investment activities resulting from specific policy actions under the Program may lead to indirect, short-term, and temporary adverse impacts. The assessment of ES impacts of the Program is largely informed by the analytical work of the World Bank (WB), the lead co-financier of the Program. This outlines the potential direct and indirect impacts of each prior action, along with corresponding mitigation measures. ES matrix will be disclosed on AIIB's website in a timely manner to inform the Member's consultation.</p> <p>Environmental and Social Impacts. The Prior Actions under the Program aim to enhance the energy system by addressing inefficiencies and promoting low-carbon development. However, environmental risks such as localized land-use changes and potential neglect of environmental upgrades by privatized enterprises are acknowledged. Uzbekistan's environmental governance framework aims to mitigate these risks, with an overall low to moderate risk assessment. On the social front, Prior Actions are projected to improve energy efficiency and public health while creating economic opportunities in green sectors. Overall, social risk is assessed as moderate, with potential for positive inclusive development outcomes if targeted support is strengthened. Further assessments will occur during the preparation stage. The proposed reforms in Uzbekistan, while not primarily focused on gender, present significant co-benefits aligned with the country's gender equality initiatives, particularly in enhancing energy efficiency and reducing air pollution. This is expected to improve health outcomes and economic opportunities for women, especially in green sectors.</p>

	<p>Program Grievance Redress Mechanism (GRM) and Monitoring Arrangement. Individuals and communities who believe that they are adversely affected by the Program may submit complaints to the responsible government authorities and the appropriate local/national grievance mechanisms. The information of the GRM to be used and AIIB's Project-affected People's Mechanism (PPM) will be timely disclosed in the appropriate manner. The MOEF is the main implementing agency and is thus responsible for implementing the program supported by the proposed operation. The MOEF will coordinate with other government agencies to implement the operation. AIIB and WB will jointly conduct regular policy dialogue and monitor implementation. More details on the monitoring and reporting will be determined during the program appraisal.</p>			
Cost and Financing Plan	<p>World Bank: USD 800 million AIIB: USD 250 million</p>			
Borrower/Investee Company/Counter party/Guaranteed entity	<p>Republic of Uzbekistan</p>			
Implementing Entity/Sponsor	<p>Ministry of Economy and Finance of the Republic of Uzbekistan</p>			
Estimated date of loan closing (SBF)/Estimated date of last disbursement (NSBF)/ Estimated Date of first disbursement (Fund)	<p>December 31, 2028</p>			
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Date of Concept Decision	June 5, 2026			
Estimated Date of Appraisal Decision	August 2026			
Estimated Date of Financing Approval	October 2026			

Independent Accountability Mechanism	<p>The Project-affected People's Mechanism (PPM) has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through the processes of AIIB's Management. For information on AIIB's PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.</p>
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