

## Workshop “Strengthening national capacity in applying sustainable energy policies and practices based on the recommendations of the Environmental Performance Reviews”

30 June 2021, Online  
09:00 a.m. – 12:00 p.m. (CEST)

### Uzbekistan - 3rd EPR

Report	No.	Topic	SDG	Recommendation (quote)	Implementation
Part I	3.4	Renewable energies; Market mechanisms	7.3, 12.c	<i>The Cabinet of Ministers should continue the planned phasing out of fossil fuel subsidies and the ongoing transition to cost-reflective energy tariffs, while coordinating and synchronizing them with the introduction of effective renewable energy sources support schemes, incentives, such as feed-in tariffs, and competitive bidding auctions for promoting the increased use of renewable energy.</i>	<i>The Government has identified the introduction of renewable energy as one of its priorities under the 2017 Action Strategy on Five Priority Directions for Development for the period 2017–2021. The 2019 Law on the Use of Renewable Energy Sources, provides, inter alia, for incentives for the production of renewable energy. The increased use of renewable (solar, wind) energy can be expected to be associated with multiple benefits in terms of energy security, economic efficiency, new business opportunities and associated job creation, as well as health benefits from reduced use of fossil fuels. But a government strategy concerning support schemes needed for the promotion of renewable energy is lacking, which creates investor uncertainty. A major constraint on the promotion of RES is the abundance of traditional domestic energy sources and the prevailing fossil fuel subsidies, which impede progress with target 12.c of the 2030 Agenda for Sustainable Development related to the rationalization of fossil fuel subsidies. At the same time, the planned phasing out of fossil fuel subsidies should continue taking into account the considerations of all parts of the population, according to the “leave no one behind” principles.</i>
	7.6 (a) (b) (c)	Renewable energies; Infrastructures; Climate change	7.2	<i>The Cabinet of Ministers should:</i> <i>(a) Promote actions to decrease the energy demand for cooling purposes;</i> <i>(b) Promote the full exploitation of the solar energy potential, also in line with the targets set in the country’s nationally determined contribution (NDC);</i> <i>(c) Address the negative influences of climate change on</i>	<i>Climate change is expected to result in an increase in energy demand. In particular, a significant increase in demand is expected for energy for cooling purposes. Climate change is also expected to have an influence on hydropower productivity. At the same time, the country has a significant technical potential for solar energy development</i>

				<i>the productivity of the hydropower sector as a result of changes in water availability.</i>	
Part III	12.1 (a) (b) (c)	Legal, Policy and Institutional framework		<i>The State Committee on Statistics, in cooperation with the Ministry of Energy, should continue its efforts to: (a) Develop an integrated system of multipurpose energy statistics based on the United Nations Fundamental Principles of Official Statistics and the International Recommendations for Energy Statistics; (b) Publish energy statistics, including national energy balances; (c) Ensure data collection for monitoring progress with the achievement of Sustainable Development Goal 7 in line with the internationally accepted methodologies.</i>	<i>The energy statistics are poorly available outside the governmental bodies and even basic energy data are not publicly available. The internal procedures for statistical data disclosure outside government structures require improvement. The knowledge of national experts on best practices on collection and monitoring of national data on sustainable energy in compliance with international standards is insufficient. Data collection on the energy sector at present does not follow the International Recommendations for Energy Statistics (IRES), adopted by the United Nations Statistical Commission in 2011. Some data that are necessary for monitoring Uzbekistan's progress with the achievement of Sustainable Development Goal 7 are not collected. A political decision to open all information on energy balance was taken in September 2019 but it still needs to be implemented.</i>
	12.2	Energy efficiency; Market mechanisms		<i>The Cabinet of Ministers should introduce regulations that will allow the financial resources saved through energy-efficiency measures in public buildings to be accumulated in the budgets of organizations undertaking such measures.</i>	<i>The budget regulations do not allow public sector buildings to keep the savings resulting from energy efficiency improvements in their budgets. Expenditures are determined by the Government and do not allow local authorities to retain or reallocate any savings they make for long-term investments in energy efficiency. In these circumstances, incentives for implementation of energy efficiency improvements are lacking</i>
	12.3 (a) (b) (c) (d) (e) (f) (g)	Infrastructures; Climate change; Legal, Policy and Institutional framework	7.2, 7.3	<i>The Ministry of Energy should: (a) Gradually reduce the share of fossil fuels in the energy production and consumption, while continuing to explore ways to use them, especially coal, in a more efficient and environmentally friendly manner; (b) Facilitate the use of less polluting energy sources as a valid alternative to fossil fuels; (c) Take measures to increase the efficiency of coal utilization with gradual modernization and technology upgrades at existing coal-fired power plants; (d) While developing its national policy documents to meet Sustainable Development Goal 7, undertake a comprehensive study on the development of advanced fossil fuel technologies that will</i>	<i>National policy documents envisage that fossil fuels will continue to be a major energy source in Uzbekistan over the medium term and, potentially, the long term. At the same time, the country has underlined the importance of moving towards sustainable energy. Clean fossil fuels technologies can contribute to increasing sustainability. There are a number of modern clean fossil fuels technologies that could be implemented in Uzbekistan, which would enhance the country's transition to a low-carbon economy. Increased efficiency, flexible operation to support renewables and carbon capture and storage are key technologies that could deliver such a transition. There is no information on the land and soil polluted by oil products in Uzbekistan. Soils are severely degraded by mining activities, in particular for the extraction of energy sources, since large amounts of soil and vegetation are removed for open pit mining. This also affects local habitats and causes loss of biodiversity and arable lands.</i>

			<p><i>include their status, trends, economic analysis, environmental and health impacts, and institutional and legislative barriers;</i></p> <p><i>(e) Develop economically and environmentally sound policies that also address health impacts in support of Sustainable Development Goal 7, ensuring that such policies are supported by appropriate legal frameworks and economic incentives;</i></p> <p><i>(f) Collect information about land and soil polluted by oil products and analyse the environmental impacts of gas leakages in Uzbekistan;</i></p> <p><i>(g) Properly address the environmental hazards of open pit mining.</i></p>	
12.4	Support to vulnerable groups, awareness, access	7.1	<p><i>The Ministry of Energy should promote the regular maintenance and upgrade of the electricity transmission assets to provide reliable power supply to domestic consumers, especially in southern regions.</i></p>	<p><i>Electricity transmission assets have not been properly maintained and upgraded, affecting the delivery of reliable power supply to domestic customers. There is a high level of electricity losses: transmission system losses are 18 per cent and distribution losses are 14 per cent.</i></p>
12.5 (a) (b) (c)	Renewable energies	7.2	<p><i>The Cabinet of Ministers should:</i></p> <p><i>(a) While developing its national policy documents to meet Sustainable Development Goal 7, undertake a comprehensive study on the development of renewable energy technologies that will include their status, trends, economic analysis, and institutional and legislative barriers in renewable energy technology issues in the country;</i></p> <p><i>(b) Take appropriate steps to meet the targets of raising the share of renewable energy sources in total power production;</i></p> <p><i>(c) Further develop support schemes for renewable energy.</i></p>	<p><i>The changes in the energy sector are expected to be introduced by development of RES. The 2017 Resolution of the President No. 3012 on the Programme of Measures for Further Development of Renewable Energy, Increase of Energy Efficiency in Economic Sectors and the Social Sector for the period 2017–2021 anticipates that the share of RES in the national power mix will increase to 19.7 per cent by 2025. Most of the increase is to be achieved through the expansion of hydropower, but the development of solar and wind energy is also firmly on the agenda. However, at this stage, substantial expansion of electricity generation based on renewable sources faces some resource and technological limitations. The development of renewable energy requires a significant level of state support for a long period of time. At present, Uzbekistan does not apply the traditional support schemes for renewable energy such as feed-in tariffs and competitive bidding/auctions. Support schemes to date have been limited to investment tax credits and reduction in import taxes for renewable energy technologies.</i></p>
12.6 (a) (b)	Compliance with international laws, regulations, standards		<p><i>The Cabinet of Ministers should:</i></p> <p><i>(a) Consider accession to the 1986 Convention on Early</i></p>	<p><i>Uzbekistan intends to build an NPP in order to meet the growing needs of the economy for energy resources. Design, construction and commissioning of an NPP of two units with an</i></p>

<p>(c) (d)</p>			<p><i>Notification of a Nuclear Accident, 1994 Convention on Nuclear Safety and the 1986 Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency;</i>  <i>(b) Carry out an EIA for the proposed NPP in line with international standards and ensure transboundary consultations as part of the EIA procedure;</i>  <i>(c) Ensure application of recommendations of the International Atomic Energy Agency<sup>27</sup> to provide necessary safeguards to reduce environmental and health risks associated with construction and operation of an NPP;</i>  <i>(d) Ensure compliance with the country's international obligations under the Ramsar Convention by refraining from the construction of an NPP in the territory of a Ramsar site.</i></p>	<p><i>installed capacity of 1.2 GW each are planned for the period 2019–2029. The Government plans to organize a national EIA and conduct a dialogue with neighbouring countries during the first stage of project development (2019–2020). The organization of a transboundary EIA is not planned. The Concept for the Development of Nuclear Energy for the period 2019–2029 envisages that a safe and cost-effective nuclear fuel cycle would be organized at the NPP but it gives no detail in this respect.</i>  <i>Uzbekistan is not a party to several key conventions on nuclear safety. The construction and operation of an NPP can potentially have environmental impacts associated with this type of development. The application of internationally adopted standards, taking into consideration recommendations of the IAEA in respect of design, siting, operational safety, radiation safety and safe management of radioactive waste, could provide necessary safeguards to reduce environmental and health risks. An EIA procedure, conducted in line with international standards, is an important mechanism to ensure that environmental, including health, considerations, as well as public opinion, are thoroughly taken into account. Conducting transboundary consultations as part of an EIA is a tool for enhancing the quality of decisionmaking.</i>  <i>In May 2019, Uzbekistan announced that a priority site location for the future NPP has been identified. The site is close to Lake Tuzkan in the Aydar-Arnasay Lake System, which was declared as a Ramsar site in 2008. Construction of an NPP in the Ramsar site would require sound justification, may result in the need to delete or restrict the boundaries of wetlands already included in the Ramsar List, with these decisions potentially damaging the image of the country on the international arena. The 2019 Law on the Use of Nuclear Energy for Peaceful Purposes names protection of life and health of citizens and environmental protection among its principles but does not include detailed rules for NPP site selection</i></p>
<p>14.1 (a) (b) (c)</p>	<p>Climate change</p>	<p>12.c</p>	<p><i>The Cabinet of Ministers should:</i>  <i>(a) Consider the best ways to modulate or reduce fossil fuel subsidies to ensure that higher quality fuels are used in vehicles that have a lower impact on the environment;</i>  <i>(b) Encourage the move away from the use of lower quality fuels and the take-up of</i></p>	<p><i>Road vehicles remain the main source of transport related CO2 emissions. Transport vehicles, in particular private cars and freight vehicles, are currently using low quality fuels on a daily basis. Low octane fuels pollute more and are less efficient when burned in internal combustion engines, leading to negative effects on the environment as well as on the efficiency of vehicles and their durability. This is facilitated by fossil fuel subsidies through regulated prices that incentivize the use of these lower quality</i></p>

				<p><i>alternative, low-carbon-fuelled vehicles;</i></p> <p><i>(c) Encourage the simultaneous deployment of electromobility along with renewable electricity production to help meet the objective of reducing the total amount of vehicle emissions.</i></p>	<p><i>fuels. The ForFITS analysis shows that reducing these subsidies can have a significant impact on the environmental performance of the sector henceforth, which can be done not only through the use of cleaner fuels but also through the use of more efficient engines and an increase in electromobility</i></p>
	<p>16.1 <i>(b)</i> <i>(c)</i> <i>(d)</i> <i>(e)</i></p>	<p>Energy efficiency; Climate change; Market mechanisms</p>	7.3	<p><i>The Cabinet of Ministers should consider:</i></p> <p><i>(b) Introducing specific zoning requirements to mitigate GHG emissions and energy efficiency in urban areas and rural settlements;</i></p> <p><i>(c) Fully exploiting the potential for GHG emissions reduction from the housing sector;</i></p> <p><i>(d) Implementing the use of local materials for the housing sector, to reduce its energy intensity and their carbon footprint;</i></p> <p><i>(e) Introducing incentives for investments in low carbon buildings.</i></p>	<p><i>The rapid growth of rural settlements, which occupy previously undeveloped lands all over the country, and the rapid urban expansion of existing cities increase the number of people exposed to the effects of “urban” climate change on the one hand, and upsurges in the production of GHG emissions from human settlements on the other. The country has not yet developed specific policies for adaptation to climate change, and limited information is available on the expected measures to reduce GHG emissions from the housing sector. Such measures are indispensable for the country to deliver on global target 11.b of the 2030 Agenda for Sustainable Development.</i></p>
	<p>16.6 <i>(a)</i> <i>(b)</i> <i>(c)</i></p>	<p>Energy efficiency; Legal, Policy and Institutional framework; Market mechanisms</p>	7.3	<p><i>The Cabinet of Ministers should:</i></p> <p><i>(a) Develop and introduce energy efficiency standards and requirements for existing buildings;</i></p> <p><i>(b) Enforce the 2018 construction standards;</i></p> <p><i>(c) Promote in the housing sector the use of :</i></p> <p><i>(i) Market-based solutions for energy efficiency; (ii) Geothermal systems; (iii) Solar thermal collectors for heating water and air and generating electricity.</i></p>	<p><i>The existing housing stock is highly energy inefficient. Construction standards changed in 2018, introducing new energy efficiency requirements. Those standards apply only to new construction projects; therefore, existing buildings are not subject to a requirement for improving energy efficiency. The UNDP-GEF Project “Market Transformation for Sustainable Rural Housing in Uzbekistan” has demonstrated the benefits of introducing energy efficient and low carbon solutions for the construction of rural housing. As of November 2019, the use of solar thermal collectors for hot water and photovoltaics is not widespread in new and existing buildings. No certification systems aligned with international standards, such as Leadership in Energy and Environmental Design (LEED) or Building Research Establishment Environmental Assessment Method (BREEAM) are implemented in the country.</i></p>
Annex I	8.1	<p>Legal, Policy and Institutional framework</p>	7.2, 7.3	<p><i>Uzbekenergo, in cooperation with the Agency Uzkommunkhizmat and the State Committee for Nature Protection, should consider the possibility and feasibility of establishing a state agency on energy efficiency and renewable energy based on international experience in these areas</i></p>	<p><i>The recommendation was partially implemented. A JSC National Energy Saving Company was created in 2017 but dismantled in 2019 following the establishment of the Ministry of Energy, which assumed the responsibilities in the field of energy efficiency. No separate state agency on energy efficiency and renewable energy is in place.</i></p>
	8.2	<p>Energy efficiency</p>	7.2	<p><i>Uzbekenergo, in cooperation</i></p>	<p><i>The recommendation was not implemented.</i></p>

				<p><i>with the Agency Uzkommunkhizmat and the State Committee for Nature Protection and local authorities, should draft medium-term local action plans to meet energy demands at the local level, to promote energy efficiency and to optimize the share of energy sources in the national energy balance.</i></p>	
8.3 (a) (b)	Renewable energies; Market mechanisms	7.2	<p><i>The Government should:</i>  <i>(a) Develop and adopt a package of measures consisting of three core components, namely guarantees for the long-term purchase of energy produced from renewable sources, subsidies for their purchase tariffs and tax credits;</i>  <i>(b) Seek international assistance to develop renewable energies.</i></p>	<p><i>The recommendation was partially implemented. (a) Traditional RES support schemes such as feed-in tariffs and competitive bidding/auctions have not been applied to date. There are, however, provisions for support in the form of investment tax credits and reduction in import taxes for RES technologies. (b) There are examples of agreements signed with international investors on renewable energy development. However, much more can be done in this area.</i></p>	
9.4 (a) (b)	Climate change	13.2	<p><i>The Government should:</i>  <i>(a) Give adequate attention to projects with a high mitigation potential, especially in terms of CO2 and CH4 emissions;</i>  <i>(b) Ensure CO2 and N2O emissions do not increase as a result of increased brown coal combustion and extraction, which is part of the country's new energy policy.</i></p>	<p><i>The recommendation has been partially implemented. Uzbekistan has been very active in registering CDM projects, which mostly focus on CH4, a sensible choice given the scale of the problem with fugitive emissions in the energy sector. Given the lack of availability of recent data on GHG emissions, there is no basis for indicating whether energy policy changes considered in 2010 have had an effect on GHG emissions.</i></p>	