

**DOCUMENT OF THE EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT**

**STRATEGY FOR UZBEKISTAN**

**REPORT ON THE INVITATION  
TO THE PUBLIC TO COMMENT**

January 2024

## 1. INTRODUCTION

The objective of this report is to summarise the key comments received from stakeholders during the consultation period on the Bank's Strategy for Uzbekistan and provide the Bank's management response.

In accordance with the EBRD Access to Information Policy (AIP), the draft strategy for Uzbekistan was posted on the EBRD website in for 45 calendar days, starting from 16 November 2023. The public was invited to comment on the draft strategy no later than 31 December 2023. The Uzbek language version of the draft strategy was also made available and has been published in November 2023. The previous strategy was made available alongside on the EBRD website at <https://www.ebrd.com/uzbekistan.html>

Information about the public consultation process was posted on the EBRD's dedicated "Have your say" webpage, which highlights the latest opportunities for the public to comment on the Bank's policies and strategies under review. Targeted notifications of the consultation process were sent to local and international Civil Society Organisations (CSOs) that have expressed interest in the Bank's work in the country.

During the consultation period, six written comments were received by the EBRD.

In line with the Bank's increased efforts to involve civil society at an early stage of country strategy development, the EBRD organised a consultative meeting with civil society organisations on 11 September 2023.

The objective of the meeting was to gather civil society's feedback during the preparatory phase for developing the draft strategy. Fourteen (14) CSO representatives from thirteen (13) different civil society organisations participated in the consultation.

The EBRD was represented by the Managing Director for Central Asia, Director for Uzbekistan, the Country Economics, Strategy and Policy and the Civil Society Engagement teams.

The summary of the key messages and the list of CSO participants in the consultation process are provided in the Annex 1 to this report.

A special meeting was organised with the LGBTQ community on 6<sup>th</sup> of December 2023, given the recent criminalisation of consensual sex relationships between men in Uzbekistan. LGBTQ community highlighted that they continue to experience discrimination, violence, sexual abuse and other ill treatment including extortion.

## 2. SUMMARY OF PUBLIC COMMENTS AND STAFF RESPONSES

COMMENT	EBRD RESPONSE
<p>Civil society organisations (CSOs) welcomed the EBRD's comprehensive Political Assessment of Uzbekistan as part of its new Country Strategy document.</p> <p>According to CSOs, it indicates specific areas for improvement and should guide the Bank's operational activities in the country, including policy dialogue, the good governance of investment projects, and the joint efforts of international lenders.</p> <p>Specific recommendations were to add a point detailing the restrictive environment faced by civil society to the implementation challenges listed in Section 1.2 of the Draft Uzbekistan Country Strategy. Further, the assessment should elaborate on this reality in the 'key lessons &amp; way forward' section. Additionally, this finding of the country evaluation seems relevant to Section 7 of the Country Strategy describing the implementation risks and environmental and social implications for a new strategic period.</p> <p>Restrictive space for civil society groups and fear of retaliation are preventing rights holders from meaningfully engaging with the EBRD and its clients. Meaningful stakeholder engagement, including with CSOs, helps to improve risk identification and impact management, hold clients accountable, and prevent potential violations and damage.</p> <p>Finally, CSOs have recommended that the EBRD intensifies its cooperation with international financial institutions to advise the government on strengthening citizen participation in overseeing public service delivery, and to reflect this in its new country strategy.</p>	<p>EBRD welcomes the positive assessment of the concerns and judgements in the Political Assessment about Uzbekistan's commitment to and application of Article 1 principles.</p> <p>The Political Assessment is a public, official statement by the Bank of its views which is scrutinised and approved by directors and communicated to the authorities of Uzbekistan.</p> <p>Likewise, the commentaries and recommendations to the section updates of the Draft Uzbekistan Country Strategy are acknowledged.</p>

<p>CSO welcomed EBRD's overall appraisal and commitments to the principles of Article 1, however, concerns outlined in the political assessment include: 1) freedoms of speech and association 2) independence of the judiciary 3) restrictions on NGO registration and funding. According to CSO, the report rightly points out that these concerns present challenges for human rights due diligence and genuine stakeholder engagement.</p> <p>The CSO urges the EBRD to develop and include in its country strategy enhanced due diligence measures that specifically address many concerns that are repeatedly reported by CSOs and recognized by EBRD leadership.</p> <p>In addition, the CSO urges the EBRD to meaningfully address the specific issue of insecure land tenure of farmers in Uzbekistan who are vulnerable to exploitation by private actors and coercion by government officials and develop effective mitigation strategies, including independent monitoring to oversee the transfer of land that ensures transparency and due process.</p>	<p>EBRD's Senior (as well as at working level) Management raise Article 1 issues with Government of Uzbekistan, including the need to protect and expand the space for independent media and civil society.</p> <p>EBRD addresses the issue of land tenure security (and, protection of property rights, more generally) at two levels. Specific concerns regarding the country's business environment, including protection of property rights, are communicated to Uzbek policymakers at the highest level through the Foreign Investor Council (FIC) and its working groups. The first meeting was co-chaired by President Mirziyoyev and EBRD's President Odile Renault-Basso (the FIC convenes twice per year to hear business concerns and discuss recommendations for improvement of the country's investment climate). At the project level, EBRD conducts rigorous consultations with local stakeholders and CSOs to ensure local community rights, including property rights, are duly protected and citizens and businesses are compensated in line with best international practices.</p>
<p>One of the CSOs commented on restrictive nature of access to Internet and international news portals. Significant blocking and filtering limit access to online content related to political and social topics, particularly to sites and platforms that discuss human rights abuses in Uzbekistan.</p> <p>The same CSO has highlighted the need of government to make civil engineering and construction a licensed activity with certain qualification requirements for companies to strengthen overall compliance with norms and standards. The CSOs main call was to enhance a dialogue with civil society. According to the EBRD Uzbekistan Strategy assessment, published in 2023, restrictions on the work of civil society organizations were identified as one of the challenges preventing public oversight of the Bank's projects in the country. CSOs recommended that this issue be included in the list of</p>	<p>The Political Assessment describes the progress in recent years in removing the restrictions on access to some websites but mentions in a footnote that some restrictions remain in place.</p> <p>Construction and civil engineering activities in Uzbekistan are regulated by relevant laws and secondary legislation. These regulations and their enforcement indeed could be further strengthened to ensure overall compliance.</p> <p>The point on Part 1.2 and Part 7 of the Strategy is acknowledged.</p>

<p>challenges in the implementation of the previous strategy and key lessons (specifically into Part 1.2, Draft Strategy), as well as in the list of social and environmental risks (specifically into Part 7, Draft Strategy).</p>	
<p>The CSOs called for EBRD to include specific activities aimed at expanding the role of civil society and strengthening public participation in making decisions to improve the business environment and comply with the Bank's safeguards policy.</p> <p>Effective participation of civil society organizations can help identify risks, ensure customer accountability and prevent potential infringements and losses to investment projects.</p> <p>The group of CSOs also recommended strengthening participation of citizens in monitoring provision of public services by international financial institutions and strengthening joint efforts to advise the government on incorporating these aspects into the new country strategy.</p>	<p>The comments are acknowledged.</p>
<p>The CSO has called the Bank's projects to include funding for training to prepare CSO representatives to monitor the implementation of projects at all stages.</p> <p>It was also highlighted by the same CSO that information about projects for CSOs to be available from the moment of project assessment to the implementation report, including environmental and social indicators. There is a need to ensure public oversight of the implementation of projects at all stages from design to decommissioning.</p> <p>The CSO asked to consider the possibility of including in Priority 3 of the Strategy (in terms of improving the business climate) specific activities of the Bank aimed at expanding the role of civil society organizations and strengthening public participation in decision-making in order to improve the business environment, as well as</p>	<p>With regards to commentaries related to trainings for CSOs and enhanced transparency concerning EBRD projects, both are acknowledged and taken onboard.</p> <p>We welcome continuous interest of CSOs in our project work in Uzbekistan. As per our <a href="#">Access to Information Policy (AIP)</a> Bank's welcomes all interested stakeholders to monitor key information on projects through our dedicated webpage available <a href="#">here</a>. Each project has the latest information on stages of its implementation as well as contact information to address all relevant questions CSOs may have with regards to particular project in EBRDs countries of operations.</p> <p>The point on expanding Priority 3 of the Strategy is acknowledged.</p>

<p>in order to comply with the protective policies declared by EBRD.</p>	
<p>An independent activist from Uzbekistan highlighted that there should be an understanding that the current legislation in terms of doing business often contradicts the Civil Code, the Code of Administrative Offenses, the Criminal Code, the Labor Code, and the Constitution of Uzbekistan. Numerous instances of violation of private property rights, shareholders' rights, and of privatization procedures are continuing to be the subject of numerous court proceedings.</p> <p>The activist proposed to develop the concept of the EBRD's interaction with civil society for the implementation of the Bank's objectives, consolidate results and mitigate risks. According to the member of civil society this will ensure the transparency of the decision-making mechanism of the bodies of the Republic of Uzbekistan.</p>	<p>As above, we continue addressing the property rights/investment climate concerns at two levels: on the FIC and EBRD projects discussions.</p> <p>On CSO engagement, we continue our interaction in the region as well as with representatives of civil society organisation in Uzbekistan via existing <u>Civil Society Capacity Enhancement Framework</u> on various matters including transparency and implementation of wider objectives within mandate of the Bank. The Bank's collaboration with CSOs in 2023 included 18 country and sector strategy consultations, 11 meetings between CSOs and the EBRD President, and 6 meetings with the EBRD Board.</p>

## **ANNEX 1**

### **Consultation with Civil Society Organisations on the EBRD country strategy for Uzbekistan**

**Monday, 11 September 2023**

#### **Key Messages from CSOs to the EBRD**

- Accelerate structural reforms and assist building institutional capacity
- Need to foster innovative business in the country
- Need to invest in industrial/service capacity in regions, including smaller cities and rural areas, to boost employment, particularly for youth
- Take into consideration and promote equal access to public services for all, including people with disabilities, especially to public transport, digital only public information, and skills development
- Climate change affects access to water with significant regional differences, including net incomes impact, and requires careful regulation and introduction of advanced technologies
- Facilitate equal educational and employment opportunities for women across the country including access to business and digital skills
- Promote transparency and accountability in public procurement and PPPs, and enhance related monitoring capacity

#### **List of CSOs participating in the consultation meeting**

1. NGO ‘Mano’, Independent Analytical Centre
2. Association of Women-Entrepreneurs of Uzbekistan
3. NGO ‘Sabr’, Center for Social and Economic Development
4. NGO ‘Ezgu Niyat’
5. Institute for Advanced International Studies
6. Scientific Information Centre of Interstate Commission for Water Coordination in Central Asia
7. NGO ‘Sharait Plus’
8. Centre for Economic Development
9. Sharq Ayoli – East Women Organisation
10. NGO ‘Hayot’
11. Women's and youth center ‘Tumaris’ of Navoi region
12. Representative Office of the Association of Central Asia in Uzbekistan
13. NGO ‘Ecoforum’