

Republic of Uzbekistan

Type of Engagement: Annual Review

Date: 28 March 2025

Engagement Team:

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Introduction

In July 2021, the Republic of Uzbekistan ("Uzbekistan", the "Country" or the "Issuer") issued an SDG Bond (the "2021 SDG Bond") and raised UZS 2,500,000 million to finance and refinance projects and programmes that are expected to contribute to the environmental and social sustainable development of the Country. In March 2025, Uzbekistan engaged Sustainalytics to review the projects financed and refinanced with proceeds from the 2021 SDG Bond (the "Nominated Expenditures") and provide an assessment as to whether they meet the use of proceeds criteria and whether Uzbekistan complied with the reporting commitments in the Republic of Uzbekistan SDG Bond Framework (the "Framework").¹ Sustainalytics provided a Second-Party Opinion on the Framework in July 2021.² This is Sustainalytics' second annual review of allocation and reporting of the instruments issued under the Framework, following a previous review in October 2022.³

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and Uzbekistan's reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

SDG Goals	Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Goal 4: Quality Education Goal 5: Gender Equality Goal 8: Decent work and Economic Growth Goal 9: Industry, Innovation and Infrastructure	Access to Education	Construction, reconstruction, maintenance and operation of: • Public primary and secondary schools • Public kindergartens and early childhood development facilities • Public education facilities to cater for children with special needs or disabilities • Public and national libraries	• Number of students reached (enrolment rate) • Number of students reached with disabilities and special needs • Number of education facilities and/or initiatives • Number of teachers trained • Area of classroom space that was built, converted or expanded for use within educational facilities (m²).
Goal 2: Zero Hunger Goal 6: Clean Water and Sanitation Goal 11:	Sustainable Water Supply and Waste-Water Management and Flood	• Promote sustainable water management including enhancing water efficiency and wastewater treatment	• Percentage of population that has daily access to piped water and basic sanitation

¹ Republic of Uzbekistan, "Republic of Uzbekistan SDG Bond Framework 2021", (2021), at: https://api.mf.uz/media/document_files/SDG_Bond_Framework_X0K02oV.pdf.

² Sustainalytics, "Second-Party Opinion, Republic of Uzbekistan SDG Bond Framework", (2021), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/republic-of-uzbekistan-sdg-bond-framework-second-party-opinion-\(1\).pdf?sfvrsn=37ed592d_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/republic-of-uzbekistan-sdg-bond-framework-second-party-opinion-(1).pdf?sfvrsn=37ed592d_1).

³ Republic of Uzbekistan, "Annual Review", (2022), at: <https://www.imv.uz/en/static/hisobotlar-2>.

Sustainable Cities and Communities	Defense Systems	to guarantee the water supply • Development and upgrade of water irrigation systems • Development of flood defense systems	• Yield improvement of basic crops in areas with irrigation infrastructure • Reduction in water consumption • Kilometres of wastewater piping installed • Quantity of wastewater treated • Volume of potable water supplied
Goal 3: Good Health and Well-Being Goal 5: Gender Equality	Access to Essential Health Services	• Construction, reconstruction, maintenance and operation of public health and institutions • Financing of public vaccination Programmes	• Number of hospital beds per capita • Number of patients reached • Number of places and beds • Percentage of population with an inability to access medical care • Reduction in maternal mortality and neonatal mortality Increase in number of: • Hospitals and other healthcare facilities built/upgraded • Medical consultations per year (general practitioners, specialists) • Number of patients treated by Programme/vaccinations
Goal 9: Industry, Innovation and Infrastructure Goal 11: Sustainable Cities and Communities Goal 13: Climate Action	Delivery of Essential and Clean Transportation Services	Construction, reconstruction, maintenance and operation of clean public transportation services, such as electrified railway and electrified metro infrastructures (including railway systems, carriages, stations, signaling equipment, direct passenger access)	• Length of railway construction with equitable access (km) • Increase in passenger kilometres • GHG emissions reduced/avoided

Issuer's Responsibility

Uzbekistan is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Uzbekistan's SDG Bond. The work undertaken as part of this engagement included collection of documentation from Uzbekistan and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and facts presented by Uzbekistan. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Uzbekistan.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁴ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. Uzbekistan has disclosed to Sustainalytics that the proceeds from the SDG bond were fully allocated as of 12 July 2022.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	Uzbekistan reported on at least one KPI per use of proceeds category.	None

⁴ Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting

Table 3: Allocation Reporting for the 2021 SDG Bond

SDG Goals	Use of Proceeds Category	Expenditure Category	Allocated Amount (UZS Million)	Share (%)
Goal 4: Quality Education Goal 5: Gender Equality Goal 8: Decent work and Economic Growth Goal 9: Industry, Innovation and Infrastructure	Access to Education	Construction and reconstruction of schools	247,805	9.9
		Construction and reconstruction of kindergartens	191,069	7.6
Goal 2: Zero Hunger Goal 6: Clean Water and Sanitation Goal 11: Sustainable Cities and Communities	Sustainable Water Supply and Waste-Water Management and Flood Defense Systems	Construction and reconstruction of drinking water facilities and sewage systems	130,563	5.2
		Reconstruction of irrigation systems	39,407	1.6
Goal 3: Good Health and Well-Being Goal 5: Gender Equality	Access to Essential Health Services	Construction and reconstruction of hospitals	343,892	13.8
		Children's vaccination Programme	197,481	7.9
Goal 9: Industry, Innovation and Infrastructure Goal 11: Sustainable Cities and Communities Goal 13: Climate Action	Delivery of Essential and Clean Transportation Services	Construction of overground and underground metro in the capital city	1,349,782	54
Total Amount Allocated			2,500,000	100
Total Amount Unallocated			0	0
Total Net Proceeds Raised			2,500,000	100

Appendix 2: Reported Impact

Table 4: Reported Impact for the 2021 SDG Bond

SDG Goals	Use of Proceeds Category	Expenditure Category	Reported Impact			
Goal 4: Quality Education Goal 5: Gender Equality Goal 8: Decent work and Economic Growth Goal 9: Industry, Innovation and Infrastructure	Access to Education	Construction and reconstruction of schools	Number of teachers employed	Total capacity seat	New capacity in area (m²)	Number of students graduated
			626	29,980	65,815	5,476
		Construction and reconstruction of kindergartens	484	8,444	42,478	4,035
Goal 2: Zero Hunger Goal 6: Clean Water and Sanitation Goal 11: Sustainable Cities and Communities	Sustainable Water Supply and Waste-Water Management and Flood Defense Systems	Construction and reconstruction of drinking water facilities and sewage systems	Volume of clean drinking water supplied (m³)	Volume of treated wastewater (m³)	Length of drinking water pipelines constructed and reconstructed (km)	Length of wastewater pipelines constructed and reconstructed (km)
			25,824,260	5,633,360	187.79	36.28
		Reconstruction of irrigation systems	Length of canals reconstructed (km)	Land affected (ha)	Average productivity growth rate in (%)	Volume of water saved per year (m³/year)
			99.95	96,881	13	52,165,000
Goal 3: Good Health and Well-Being Goal 5: Gender Equality	Access to Essential Health Services	Construction and reconstruction of hospitals	Number of patients treated	Number of total beds fixed	Number of total ambulatory beds	Number of people benefited from the projects
			1,534,206	4,235	1,160	14,972,453
		Children’s Vaccination Programme	Number of vaccine doses purchased			
			19,770,423			
Goal 9: Industry, Innovation and Infrastructure Goal 11: Sustainable Cities and Communities Goal 13: Climate Action	Delivery of Essential and Clean Transportation Services	Construction of overground and underground metro in the capital city	Number of stations	Length of lines (km)	Average number of passengers served (daily)	GHG emissions avoided (tCO ₂ e)
			21	33.1	213,134	620 to 1,086

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