INTEGRATED SDG INSIGHTS
UZBEKISTAN

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.

HOW TO READ THIS REPORT

Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).

It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).

Combined, these insights are mapped against SDG interlinkages to define policy choices the accelerate SDG progress, tailored to national context (**SDG Interlinkages**).

These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).
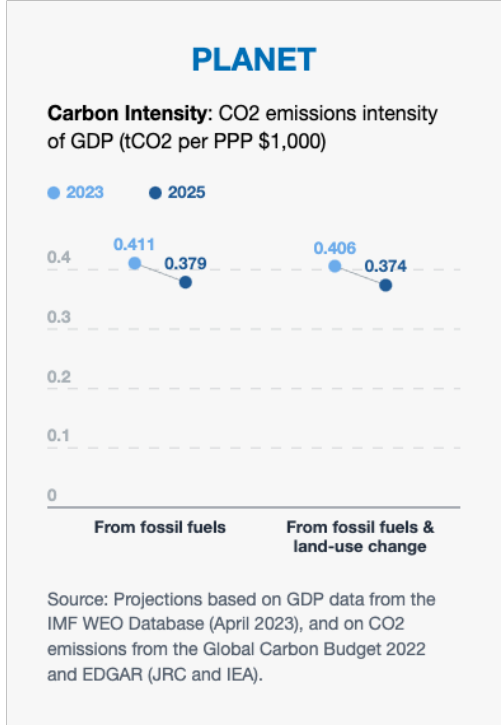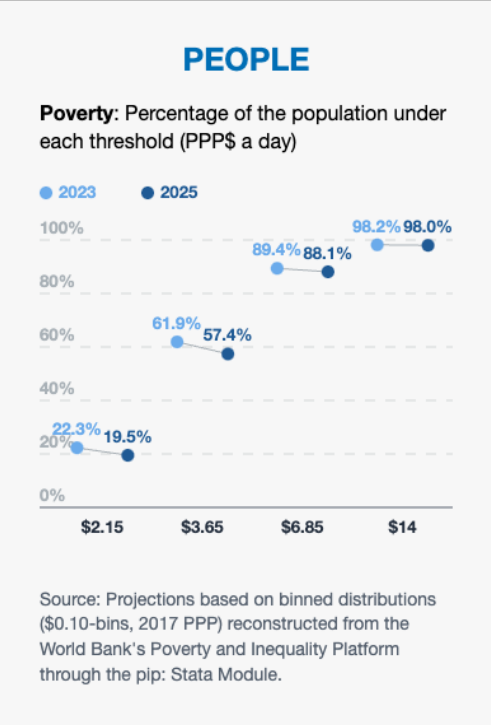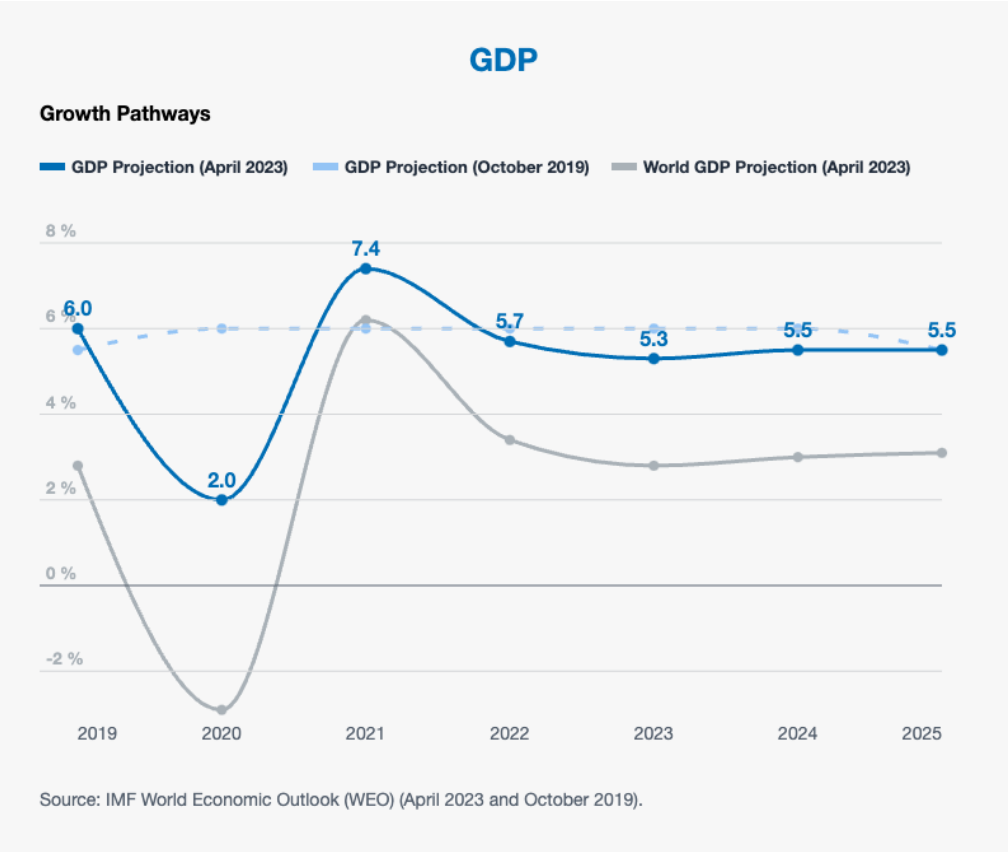
SDG MOMENT:
UZBEKISTAN

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

During the 2023-2025 cycle Uzbekistan's growth trajectory is in acceleration mode, characterized by being 83% higher, on average, than the global projection and converging with the country's growth trajectory forecast before the pandemic.[1] Accordingly, Uzbekistan's commitments to achieving the SDGs are focused on increasing people's well-being.

This pace of growth would exert a moderately positive impact on reducing poverty, though there are still challenges to accelerate poverty reduction from its relatively high prevailing levels when using more stringent thresholds. The economic expansion, on the other hand, would be somewhat less dependent on carbon emissions as the country's carbon emissions intensity of GDP is expected to decrease at annual rates of 4% under current conditions.[2]

[1] The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.
[2] CO2 emissions intensity of GDP is computed as tonnes of CO2 per $1,000 (2017 PPP).

GDP

Growth Pathways

— GDP Projection (April 2023) ···· GDP Projection (October 2019) — World GDP Projection (April 2023)

Source: IMF World Economic Outlook (WEO) (April 2023 and October 2019).

PEOPLE

Poverty: Percentage of the population under each threshold (PPP$ a day)

● 2023 ● 2025

Source: Projections based on binned distributions ($0.10-bins, 2017 PPP) reconstructed from the World Bank's Poverty and Inequality Platform through the pip: Stata Module.

PLANET

Carbon Intensity: CO2 emissions intensity of GDP (tCO2 per PPP $1,000)

● 2023 ● 2025

Source: Projections based on GDP data from the IMF WEO Database (April 2023), and on CO2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

SDG TRENDS

Understanding how Uzbekistan performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows UN Stats standards and methodology, and is aligned with country profiles.

Trends in detail:
https://data.undp.org/sdg-push-diagnostic/UZB/sdg-trends
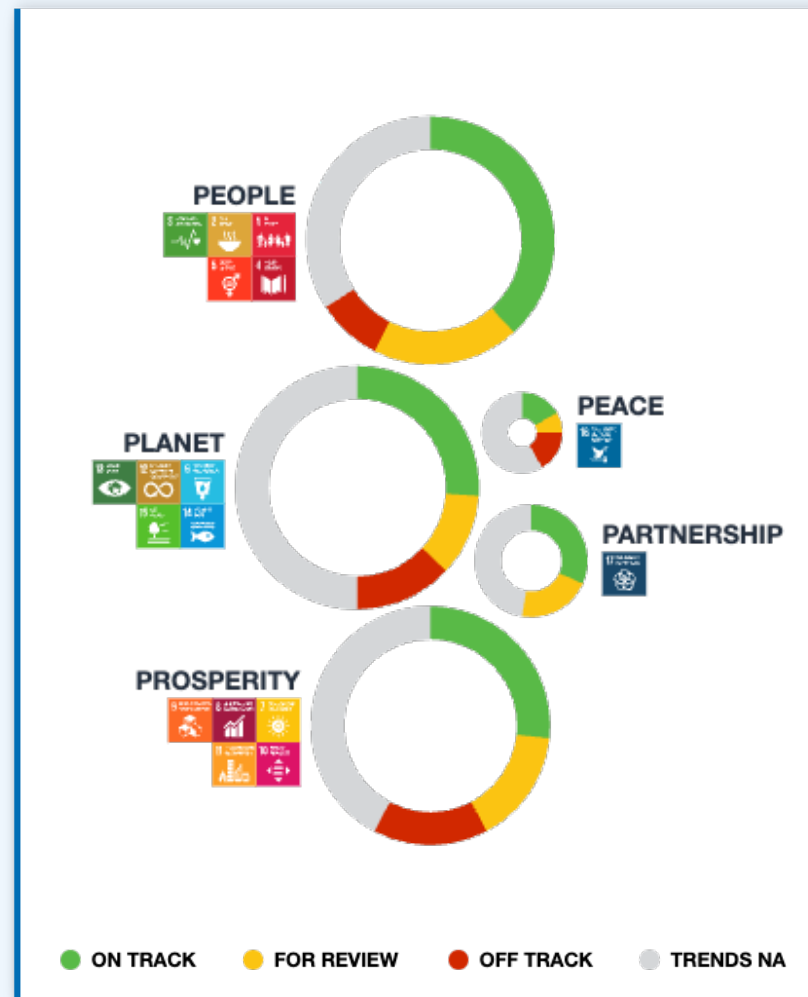
National Platform:
https://nsdg.stat.uz/

SDG PRIORITIES

Uzbekistan's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.

Key documents for analysis:
1. Uzbekistan–2030 Strategy (Draft)
2. New Uzbekistan Development Strategy 2022-2026
3. Poverty Reduction Strategy (Draft)
4. Strategy for Social Protection of the Population, 2022
5. Concept of Administrative Reform 2017-2021
6. Strategy for the transition of the Republic of Uzbekistan to a Green Economy 2019-2030
7. Digital Uzbekistan 2030 Strategy
8. National Strategy on Human Rights, 2020
9. Voluntary National Review 2023

Priorities in detail:
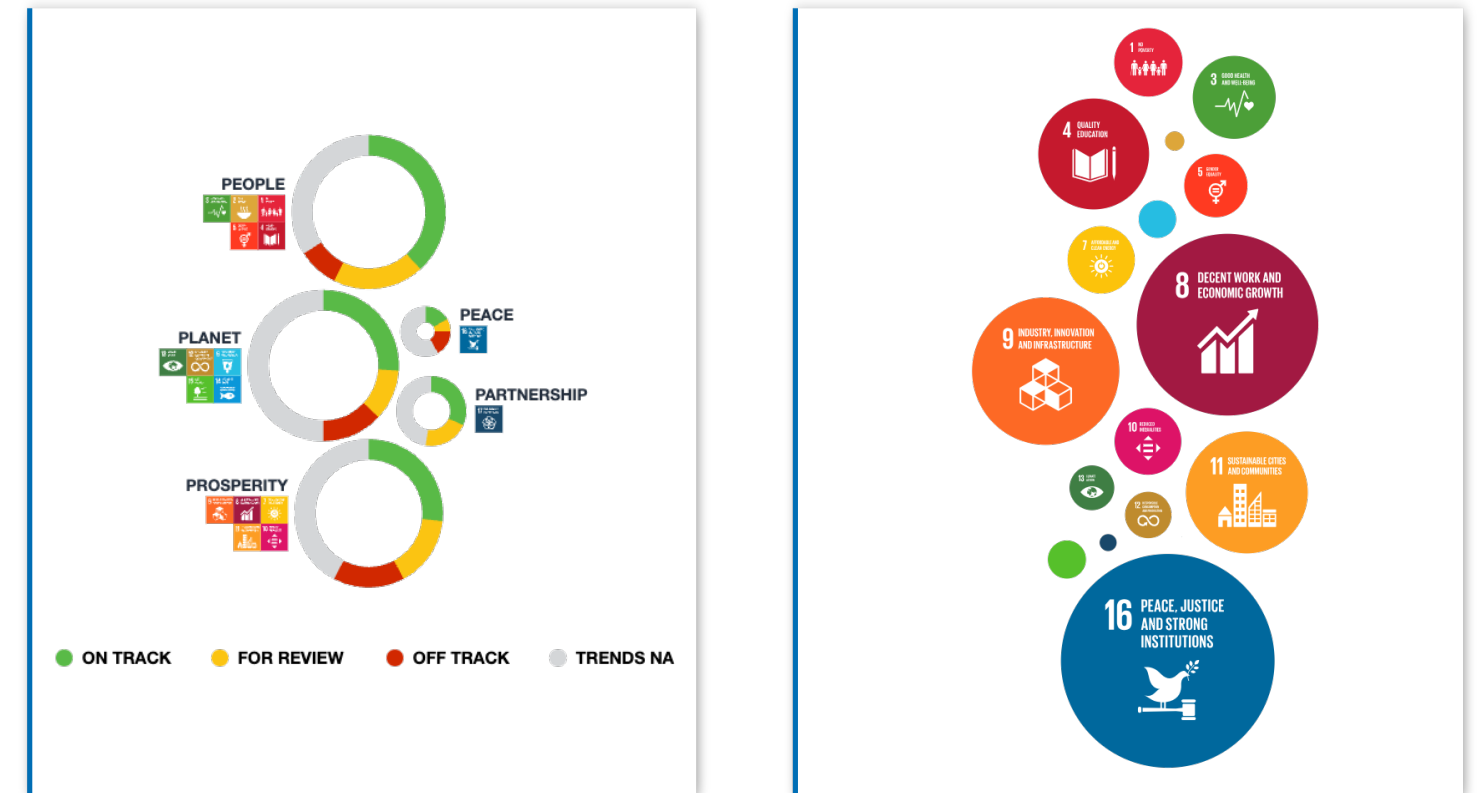https://data.undp.org/sdg-push-diagnostic/UZB/current-priorities

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Uzbekistan to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Uzbekistan's SDG progress is colour-coded at the target level.

Building from national priorities, the following pathways with the following entry targets reflect policy investments with the most potential to accelerate the SDGs for Uzbekistan:
- Target 4.3: Equal access to affordable technical, vocational and higher education
- Target 8.3: Promote development-oriented policies
- Target 11.1 Sustainable urbanization
- Target 12.2: Achieve the sustainable management and efficient use of natural resources

ACCELERATION PATHWAYS

SYNERGIES

TRADE-OFFS

SDG INTERLINKAGES

4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

Investments in human capital is a crucial accelerator for the whole SDG agenda for Uzbekistan. Ensuring equal access for all to quality education produces relevant skills (Target 4.4) for youth, which is key in the age of rapid economic and social change, as well as being a driver of sustainable industrialization and digitalization. Investments in secondary education (Target 4.1) and competitive skills (Target 4.3) could help young people to set out on a future-proof path, ensuring employment (Target 8.6), and contribute to accelerated economic growth (Target 8.1).

Addressing evident differences (Target 10.1) in education by expanding options for boys and girls will contribute to women's empowerment (Target 5.5). Investment in women and girls across all levels of decision-making in political and economic life (Target 5.5) and enhancement in the use of technology to empower women (Target 5.b) contribute to achieving this target. Sustainable urbanization, including transportation services (Targets 11.1, 11.2) and targeted inclusion policies for disadvantaged group (Targets 1.3, 10.3) will contribute to improving equality of opportunities.

Explore the interlinkages at:
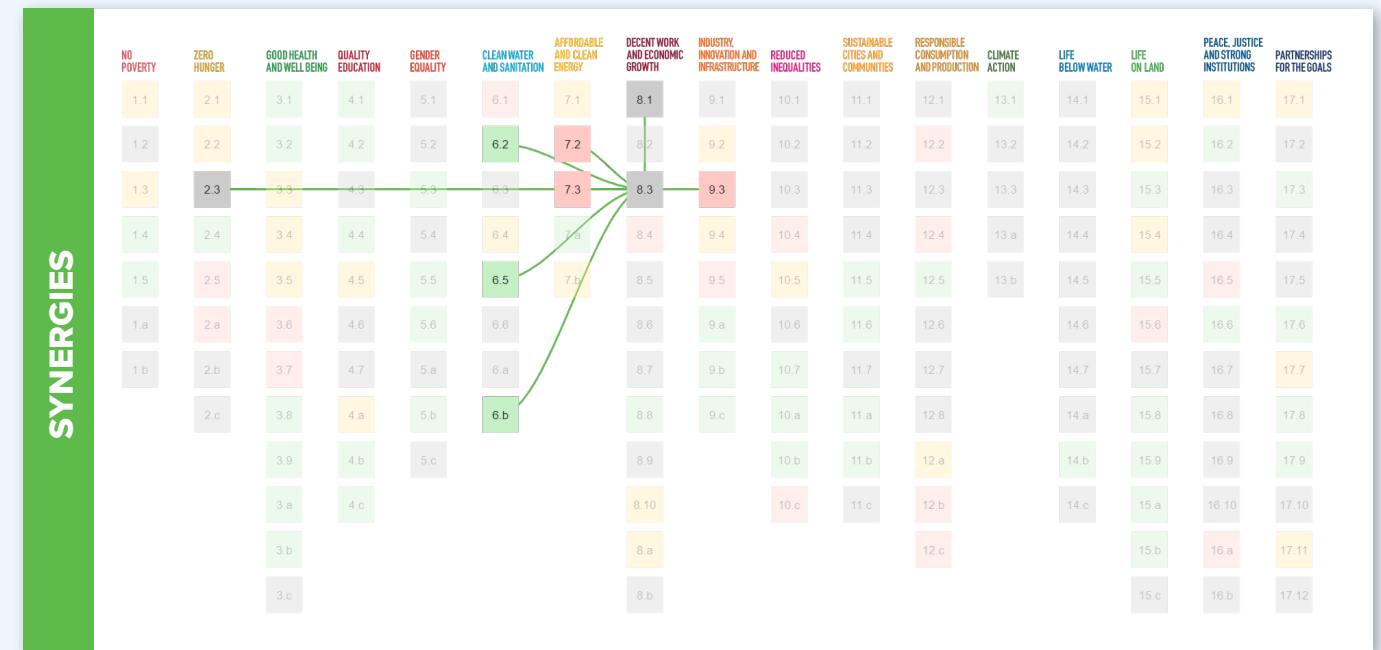*https://data.undp.org/sdg-push-diagnostic/UZB/synergies-and-tradeoffs*

SDG INTERLINKAGES

8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

The policies for accelerated, inclusive and sustainable growth of Uzbekistan's economy (Target 8.3) aim at improving the well-being of the population. These policies seek to achieve faster economic growth (Target 8.1) through sustainable industrialization (Target 9.1), digitalization (Target 9.c) and trade facilitation (Targets 8.a, 17.10, 17.11).

The growth has the potential to increase agricultural productivity (Target 2.3) and industrial productivity (Targets 9.2, 9.3) - both development priorities for Uzbekistan. Digitalization, which lies at the heart of these policies, requires developing quality, reliable, sustainable and resilient infrastructure, including ICT (Targets 9.1, 9.c)

Economic growth policies should resolve trade-offs with the quality of economic growth, namely achieve the sustainable management and efficient use of natural resources (Target 12.2) and of resource efficiency (Target 8.4), increasing energy efficiency (Targets 7.2, 7.3) and, ultimately, decoupling economic growth from environmental degradation while ensuring climate resilience (Targets 13, 14, 15)

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/UZB/synergies-and-tradeoffs
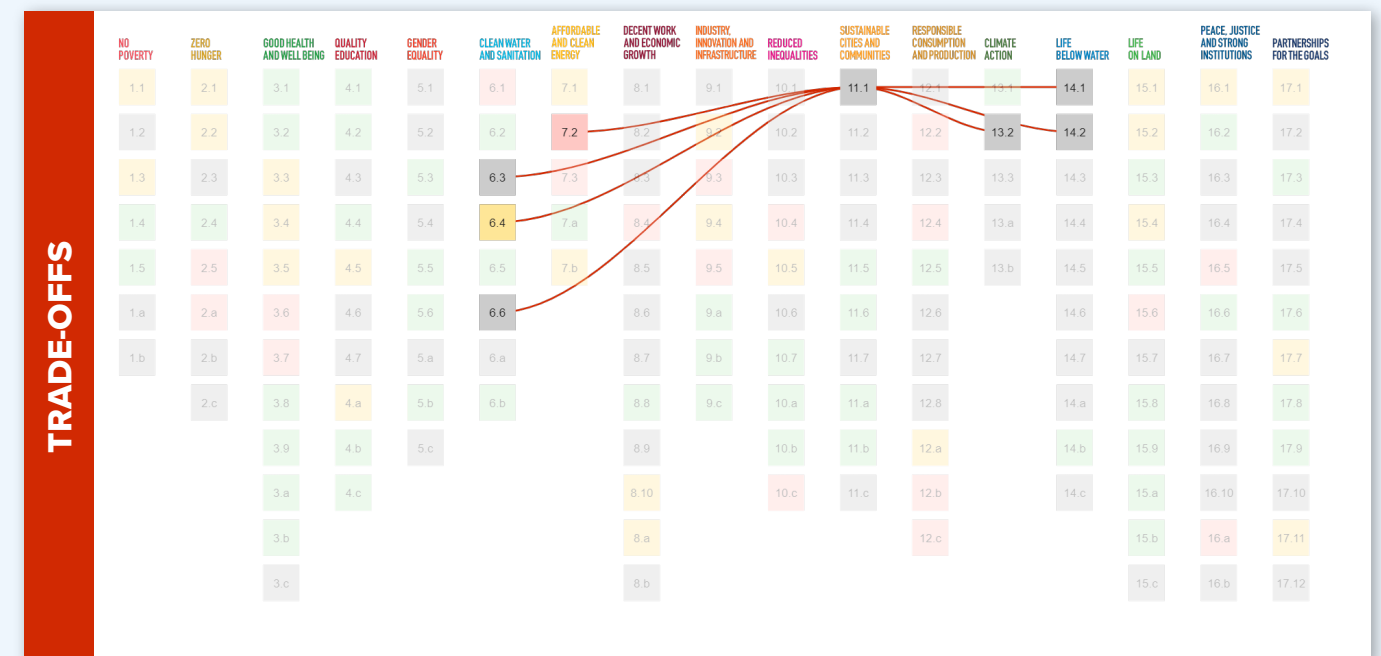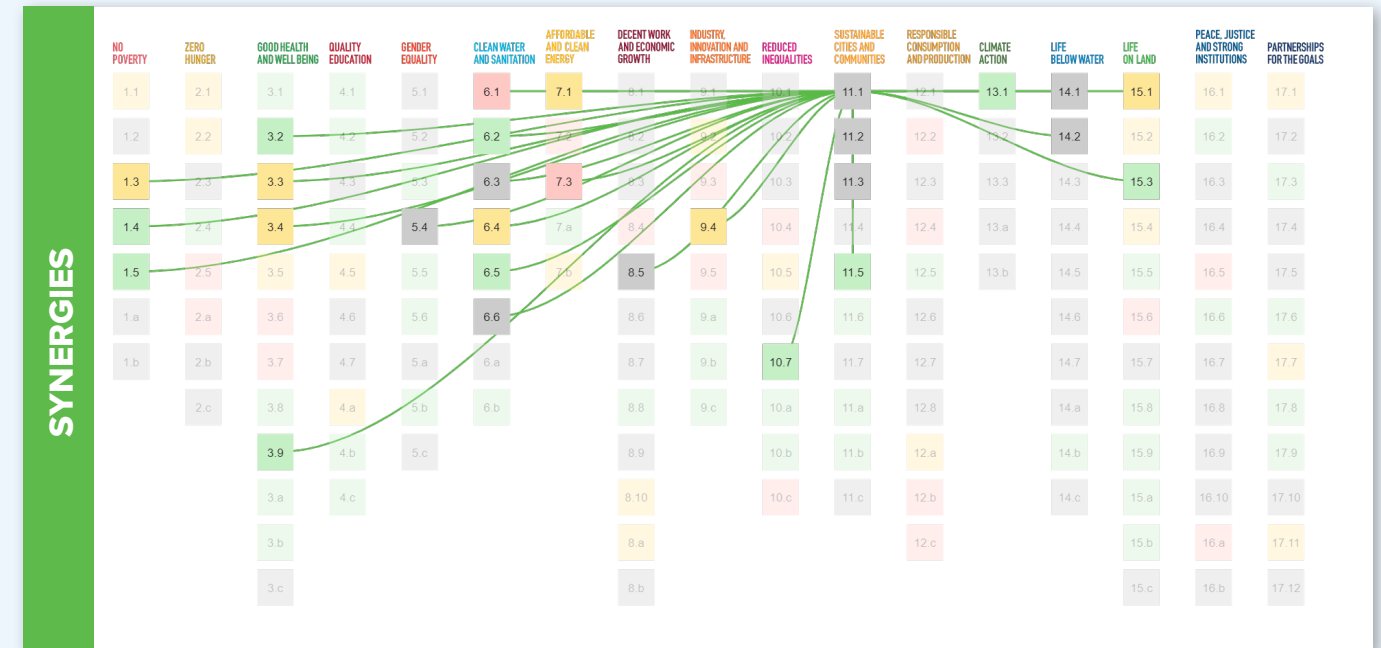
SDG INTERLINKAGES

11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

In Uzbekistan the quality of life – in terms of affordable housing and basic services – varies significantly by regions. On average only 59% of the population is using safely managed drinking water services, while in urban areas this rate is much higher at 86%, compared to only 31% in rural areas.

Non-sustainable urbanization and lack of affordable fuels result in high air pollution in urban areas, affecting the health of the population (Target 3.9). Providing universal access for all to adequate, safe and affordable housing and basic services requires investments in resilient infrastructure (Targets 9.1, 9.4) to make them climate change and disaster ready (Targets 1.5, 13.2). Investment in women and girls across all levels of decision-making in political and economic life (Target 5.5) and guarantee of their rights to access and control resources (Targets 1.4, 5.a) will also contribute to improving the well-being and resilience of livelihoods.

It will contribute to reducing inequalities (Target 10) and also to reducing conflicts (Target 16). Measures to decrease multidimensional poverty (1.2) and to tackle inequalities (10) are deeply rooted in improving well-being and in building the resilience of livelihoods. It also could have a positive impact on the sustainability of ecosystems (Targets 6, 14, 15)

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/UZB/synergies-and-tradeoffs
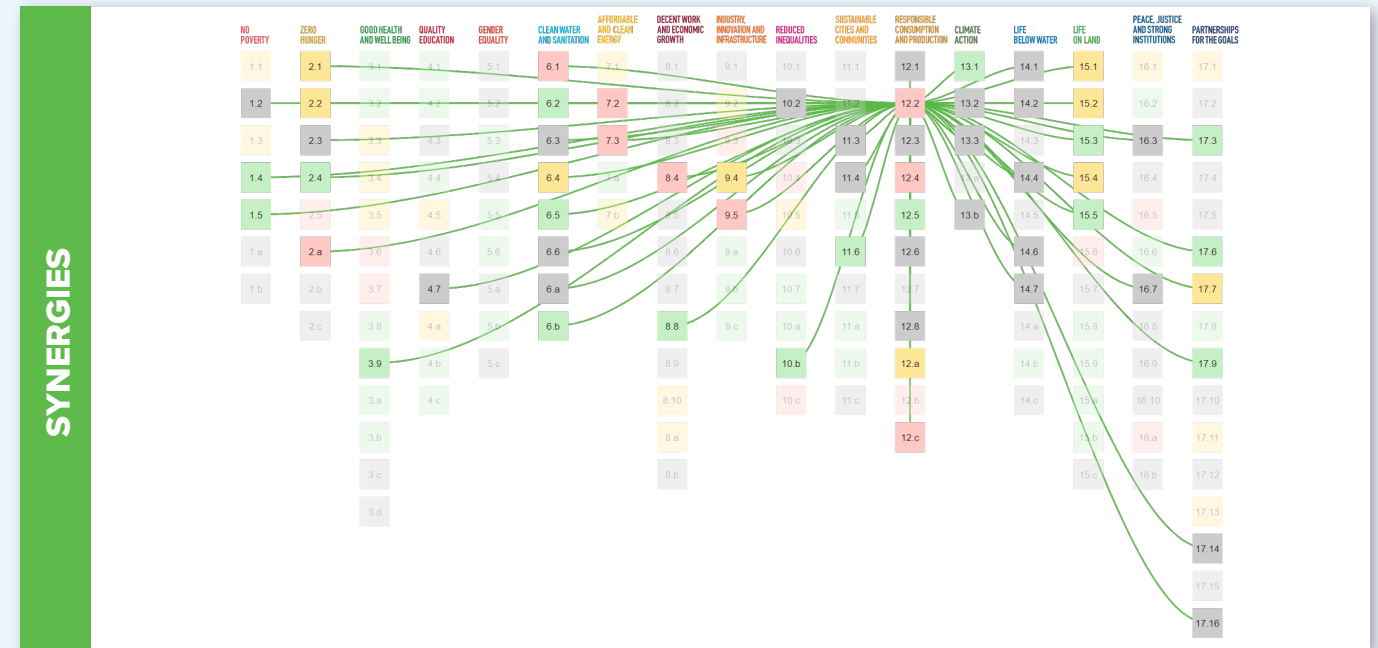
SDG INTERLINKAGES

12.2: By 2030, achieve the sustainable management and efficient use of natural resources

The policies for accelerated growth would not be relevant, if they were not delivering inclusive and sustainable growth. Target 12.2, focusing on sustainable use of natural resources, lies at the heart of the Green Economy. It is closely linked with sustainable and inclusive agricultural practices (Targets 2.3, 2.4, 2.5), energy transition (Targets 7.2, 7.3), sustainable infrastructure (Targets 9.1, 9.4) and an inclusive economy (Targets 1.4, 2.3, 4.4, 5.5, 10.3).

Building a just and inclusive economy requires investment in women and girls across all levels of decision-making in political and economic life (Target 5.5) and guarantee of their rights to access and control of resources (Targets 1.4, 5.a). The goal of the green economy is decoupling economic growth from environmental degradation while ensuring climate resilience (Targets 13, 14, 15).

Building the green economy – one of the strategic goals of Uzbekistan – requires resolving short-term trade-offs with the pressing needs of accelerated growth. It requires providing transitory social protection measures to those affected by the transition (Target 1.3), building skills for the future (Target 4.4) and investments in sustainable infrastructure (Targets 9.1, 9.4) using innovative finances (Target 17.3).

Explore the interlinkages at:
*https://data.undp.org/sdg-push-diagnostic/UZB/synergies-and-tradeoffs*

THE SDG PUSH - FUTURES SCENARIOS

Achieving the SDGs is possible.

The 'SDG Push' is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating 'SDG Push' accelerators into development interventions in Uzbekistan can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	2.6 mn	1.1 mn
With the SDG Push	2.0 mn	180,000

POVERTY <$1.90 PER DAY (NUMBER OF PEOPLE)

● Without SDG Push
● With SDG Push
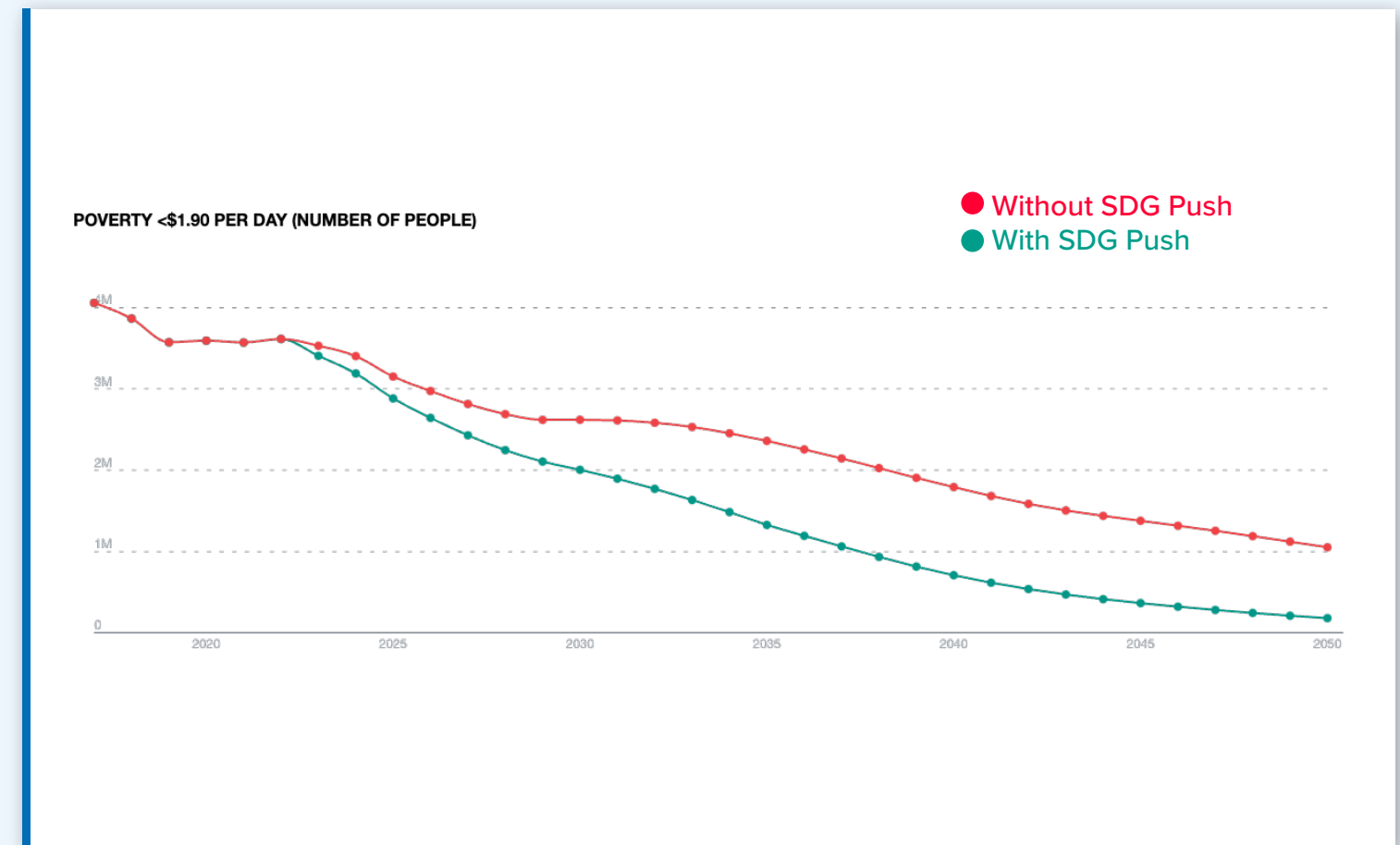
Explore SDG Futures Scenarios at:
https://data.undp.org/sdg-push-diagnostic/UZB/future-scenarios
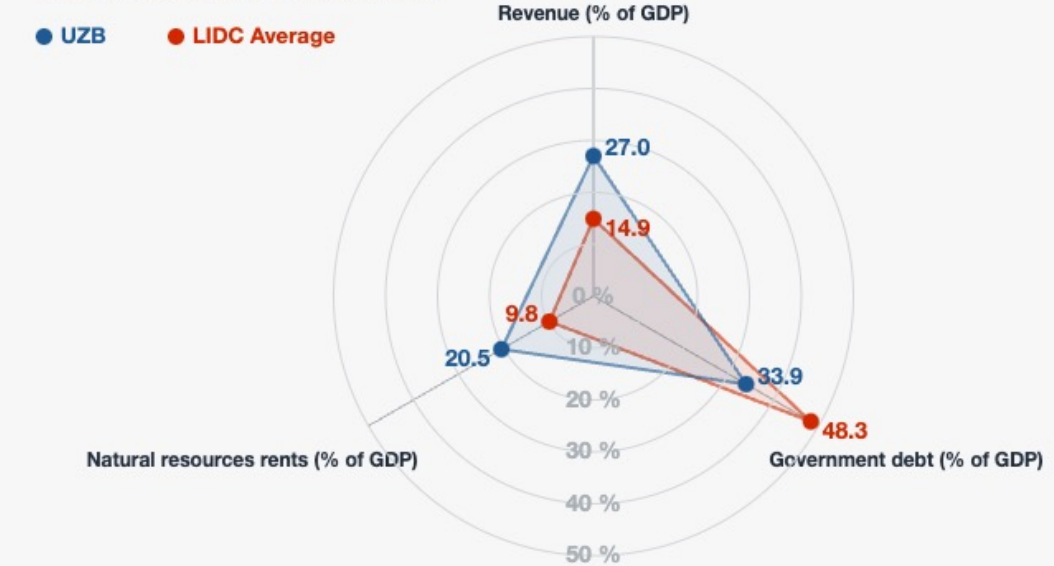
FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue, debt and natural resources rents as a proportion of GDP. The financial indicator graphs show external debt servicing relative to revenue and the sovereign credit rating and the country's latest Debt Sustainability Assessment (DSA) risk rating.
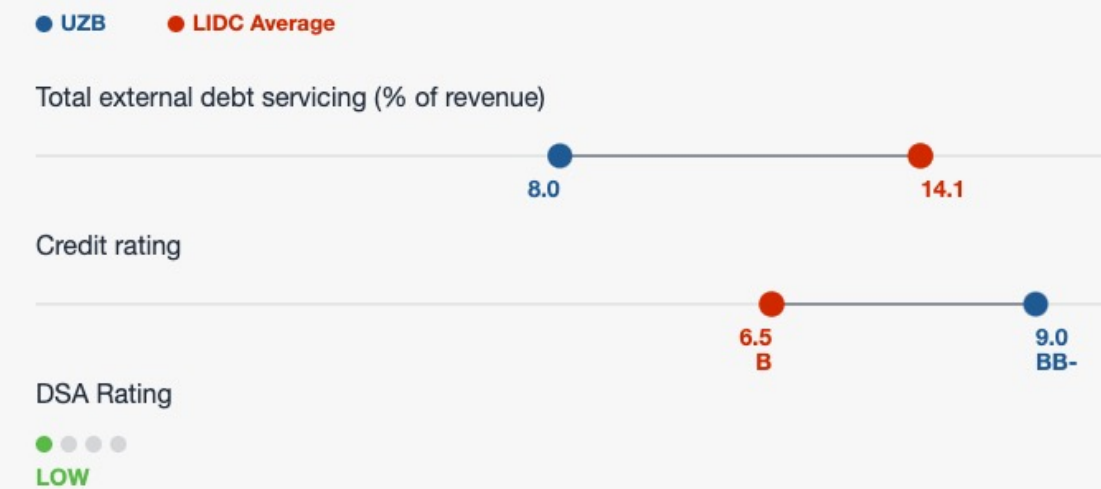
Uzbekistan's gross government debt, projected at 33.9% of GDP in 2023, is 14.4 percentage points (pp) below the low-income developing countries (LIDC) group of 48.3%. The country is projected to collect 27% of GDP in revenue this year, thus nearly double the LIDC group's 14.9%.

Uzbekistan's external debt servicing this year is projected at 8% of revenue compared to 14.1% for the LIDC average. The country's credit rating is in the 'non-investment grade speculative' category and thus above the LIDC average of 'highly speculative'. The latest World Bank and IMF DSA from June 2022 rated the country as at 'moderate risk of debt distress'.

LOW-FREQUENCY INDICATORS

● UZB   ● LIDC Average

Revenue (% of GDP): 27.0 (UZB), 14.9 (LIDC Average)
Government debt (% of GDP): 33.9 (UZB), 48.3 (LIDC Average)
Natural resources rents (% of GDP): 20.5, 9.8

FINANCIAL INDICATORS

● UZB   ● LIDC Average

Total external debt servicing (% of revenue): 8.0 (UZB), 14.1 (LIDC Average)

Credit rating: 6.5 B (LIDC Average), 9.0 BB- (UZB)

DSA Rating: ● ○ ○ ○ LOW

Notes: External debt covers public and publicly guaranteed debt. The credit rating shows the numerical average of S&P's, Moodys', and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: WDI (natural resources rents, data from 2021), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), S&P, Moodys and FITCH (credit ratings, data from 2023), IMF/World Bank (DSA Rating as of 31 May 2023).
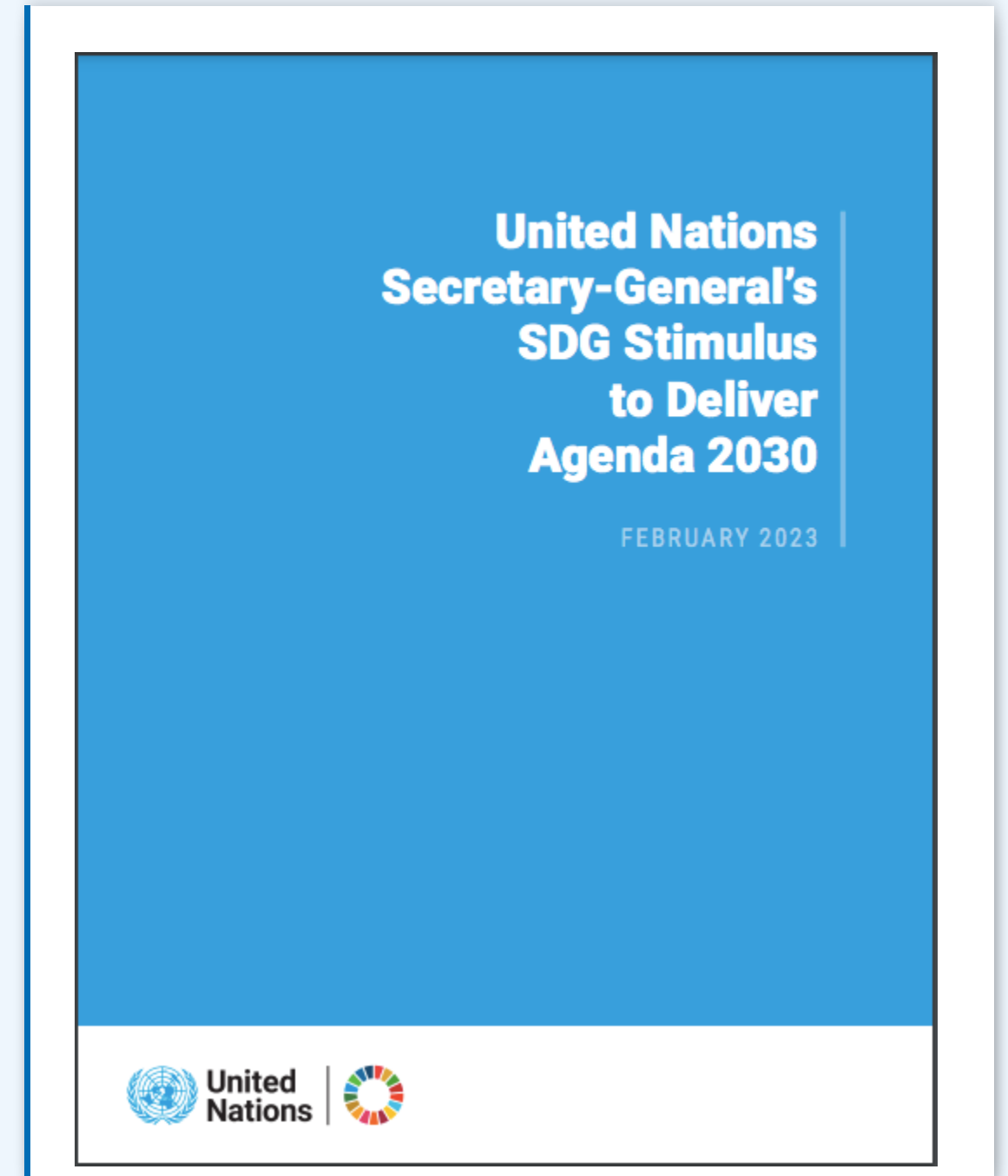
SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Uzbekistan, possible funding options for the investments derived from the identified interlinkages are as follows:

- Tax and revenue reform:
  - Recognizing taxation loopholes via deployment of the Tax Inspectors Without Borders and redirecting additional revenues to SDG areas
  - Increased deployment of tax policies as a vehicle for the SDG stimulus via improved and more SDG-targeted tax incentives (mapping tax incentives by SDG targets) and tailored tax rates to promote/demote specific sectors and consumption pattern (e.g. health taxes on tobacco, sugar-sweetened beverages).
- Debt for SDGs: further deployment of various sustainability bonds mechanisms (SDG bonds, green bonds) to accelerate investments in those areas
- Climate finance: policy, institutional and advocacy support in operationalization of blended finance mechanisms to support green SMEs led by women (Green Lady Fund) and afforestation programmes.
- Introduction of green budgeting principles and instruments to facilitate government expenditures in climate/green areas (SDG/Green budget tagging, programme-based budgeting linked with SDG targets)
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing
- Support and acceleration in SDG-aligned investments from the Restitution Fund

United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023

United Nations

METHODOLOGY

Click here to view the Methodological Note for the Integrated SDG Insights

SDG MOMENT

Methodology
Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources
Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO_2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

TRENDS & PRIORITIES

Methodology
SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source
Trends utilizes official UN statistics to assess SDG progress, supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.
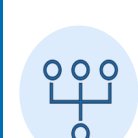
INTERLINKAGES

Methodology
Global target-level interlinkages are drawn from the KnowSDGs Platform by European Commission. SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source
The exercise globally considered a total of 454 documents published from 2015 to August 2022. (Miola et al., 2019 updated in 2021-2022)

FINANCE & STIMULUS

Methodology
Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source
Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).