



# PROSPERITY

## Country Presentation UZBEKISTAN



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# Here with you today from UZBEKISTAN

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**Orifjon Fayziev**

## Role

Deputy director at National Agency of Perspective Projects of the Republic of Uzbekistan

## Professional background

Commencing his career in the banking sector in 2004, he has since amassed extensive experience across various financial domains. From 2009 to 2017, he served within the Ministry of Finance of the Republic of Uzbekistan, contributing to fiscal policy development and financial governance. He then transitioned to the National Agency for Project Management, where he played a pivotal role from 2018 to 2019 in overseeing strategic project initiatives.

Between 2019 and 2022, he held the position of Director of Department at the State Tax Committee, where he was instrumental in implementing tax regulations and enhancing compliance frameworks. Most recently, from 2023 to 2024, he led the Department for Insurance Market Development at the National Agency for Project Management, focusing on advancing the regulatory landscape and fostering growth in the insurance sector.

As of December 2024, he has been appointed Deputy Director.

# Risk Profile of UZBEKISTAN

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## Disaster threats faced by the country

- Earthquake
- Drought / heat waves
- Flood / landslides



## Major catastrophes, if any

- The Tashkent Earthquake (April, 1966)
- Sardoba Reservoir Break (May, 2020)
- Strong wind in Bukhara region
- Annual mudflows and landslides in the mountains, foothills and hilly areas



## Priorities over next five years

- Global warming, as a result:
- Drought, dust storms
- Mudflows and landslides

# Risk Financing and Insurance in UZBEKISTAN

## How it started

Uzbekistan faces significant financial losses from natural disasters, mainly earthquakes, floods, and droughts. Climate change is expected to worsen these risks, increasing the frequency of extreme weather events.

Uzbekistan's disaster risks are unevenly distributed, with the south and east prone to seismic activity and landslides, the central and north to flooding, and the west to water scarcity.

## Key impacts of the program

- **Strengthened Government Response Capacity**
- **Expand financial protection**
- **Strengthen the insurance sector's role in disaster risk financing**
- **Protect the vulnerable and poor from the financial impacts of disasters**

## Key challenges

- **Fragmented financing mechanisms**
- **Insufficient financial preparedness:**
  - limited private sector participation in closing the funding gap from disasters:
  - insurance market supply-side constraints:
  - insurance market demand-side constraints
- **Vulnerability of low-income and informal sectors**

## Ambition for the future and objectives for this week

Uzbekistan's unique landscape of risks necessitates the development of a mixed-cover insurance product that effectively addresses diverse challenges while providing affordable premiums.

# Establishment of a Disaster Management Fund in Uzbekistan

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## Establishment of a Disaster Management Fund in Uzbekistan

### **1. Objective:**

- The primary goal of creating the Fund is to expand the capabilities of the state management system in emergency situations and to improve its effectiveness in preventing and responding to such events.

### **2. Significance:**

- The Fund would represent a crucial step in strengthening the insurance system against natural and technological disasters in Uzbekistan.

- By providing financial resources and support, the Fund would enhance the reliability and efficiency of disaster management efforts.

### **3. Expected Outcomes:**

- Improved preparedness and response to emergencies, leading to reduced economic losses and better protection of lives and property.

- Increased investment in risk assessment, prevention measures, and recovery strategies, contributing to overall resilience against disasters.

# Establishment of a Disaster Management Fund in Uzbekistan

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## Strategy and implementation processes

### 1. Target Audience:

- The solution aims to provide insurance options for low-income groups, ensuring access to basic insurance coverage at reduced rates or through government subsidies.

### 2. Insurance Premium Payment:

- Individuals, Enterprises, and Farmers: Responsible for paying the full amount of the insurance premium.
- Government Support: The government will compensate a portion of the insurance premium for low-income categories of policyholders.

### 3. Beneficiaries:

- Local Communities: Residents, especially in high-risk urban and suburban areas, will benefit from quicker access to resources for restoring essential infrastructure and services.
- Businesses: Small and medium enterprises (SMEs) are particularly vulnerable to climate risks and need financial protection to ensure business continuity.
- Agricultural Sector: Financial protection will be provided for farmers' properties, enhancing their resilience to risks.

### 4. Implementation Strategy:

- The insurance fund will issue policies directly and through intermediaries.
- The implementation will occur systematically in four phases:
  1. Insurance for Legal Entities
  2. Insurance for Urban Residents
  3. Insurance for Suburban Areas
  4. Insurance for Rural Areas
- This phased approach allows time for all market segments to adapt to the new insurance system and ensures adequate protection for the population overall.