

Policy Brief – Uzbekistan

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Legislative framework of the sericulture sector in Uzbekistan

Jana Hack (adelphi, Germany), Franziska Sophie Kohler (adelphi, Germany), Ilkhomjon Aliev (CCIU, Uzbekistan), Azizbek Murtazaev (CCIU Uzbekistan), and Aikena Orolbaeva (adelphi, Germany)



Uzbekistan

1. Introduction

Since ancient times, the sericulture traditions of Uzbekistan have been shaping the Central Asian region. Silk weaving remains a key part of the local economy in the region until today. As part of the project RUTSIS, this report aims to illustrate the policy framework which surrounds the sericulture value chain in Uzbekistan, emphasize some of the legal gaps, identify the most important stakeholders as well as to recommend a way forward in order to improve framework conditions of the sector. The policy framework covers the government development programs, environmental action plans, environmental laws as well as production and consumption regulations regarding the sericulture sector.

2. Background

Uzbekistan covers an area of 447 400 sq. km and has a population of 34 million. The country's natural resources are for instance: natural gas, oil, gold, silver, uranium, molybdenum, tungsten, coal, copper, zinc, etc. The development of sericulture in the Republic of Uzbekistan has a long history. The practice of silkworm breeding and spinning of silk existed 4000 years ago in the south of Uzbekistan, in the Ferghana Valley, as well as in the sources of the Zarafshan River. The largest rivers are Amu Daryai 2660 km, Syrdarya - 2982 km. Many rivers in Uzbekistan dry up in their course of a year (Umarov, n.d.). In the 1990s, the production of live cocoons in Uzbekistan was very high and reached 36,000 tons. Today Uzbekistan is the third largest producer of silk fibers in the world after China and India. Multiple clusters exist in Uzbekistan where experts, artisans and sericulture companies are based. Namangan and Samarkand are among the most important clusters as well as Fergana and Andijan. These clusters have often been centers of artisanry since ancient times like in the case of the Fergana Valley where until today a large silkworm factory is producing silk fabrics in Margilan. Recently the numbers of sericulture factories in Uzbekistan are experiencing an upturn again, due to the country's ongoing efforts to attract investment.

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Project Implemented by:

3. Important Policies and Initiatives

3.1. Policy Framework

- **Governmental Development programmes on sericulture**

There are a number of newly proposed and approved, governmental programmes and decrees of the President of the Republic of Uzbekistan, supporting the development of the silk-, sericulture- and ikat sectors in Uzbekistan. These policies cover different aspects of the sericulture and ikat value chains, including: research, education, production, raw materials- and equipment supply, product development, marketing and export. Especially after 2017, a variety of governmental support programs were introduced, beginning with the decree **“On measures to organize the activities of the «Uzbekipak Sanoat» Association”**. Various tax benefits and exceptions from social payment duties were stated as part of this program for sericulture stakeholders until 2023. 2018 was a year which experienced an exceptionally support for the sericulture sector. Four programmes were launched in this year, the first one being: **“On measures for further development of the silk industry in the republic”** which again declared various exceptions for taxes and duties for silk sector stakeholders. This was followed by the decree **“On additional measures for further development of the silk industry”** that emphasized the role of a Sericulture Research Institute for modernizing as well as innovating within the industry and establish cooperation. The third decree of 2018 was **“On measures for further effective use of available opportunities of the silk industry in the republic”** and finally a decree **“On additional measures to support the accelerated development of the silk industry in the republic”** which again declared tax exceptions as well as the organization of an international Forum on silk. During the following year of 2019, the decree **“On additional measures to develop deep processing in the silk industry”** was introduced, including subsidies for sericulture exporters who transport to the United States, European Union countries and Turkey and exceptions of custom fees under certain conditions.

Recently in 2020, the decree **“On additional measures to develop the feed base of mulberry silkworms in the silk industry”** focused subsidies and financial support for the agricultural activities and earlier steps of the value chain, while the decree **“On measures to develop the hand carpet weaving industry in the republic”** focused on later value chain processes such as weaving. The most recent decree **“On measures for further development of sericulture and karakul breeding in the Republic of Uzbekistan”** was introduced in 2020 and states the objective to establish a Committee for the development of silkworm breeding and Karakuluk breeding which is for instance responsible for innovating and regulating the breeding of silkworms (The state Committee of the Republic of Uzbekistan for ecology and environment protection, n.d.).

Furthermore, in 2021, as part of the Presidential Decree "On Additional Measures for Efficient Use of Existing Pastures and Support of Silk and Wool Processing in the Republic", the Cabinet of Ministers adopted a decree "On Approval of the Regulation on the Procedure for Granting Subsidies to Individuals for Growing Mulberry Silkworm Cocoons (Raw Silkworm)". Subsidies are granted from January 2022 to January 2025.

- **Environmental Action Plans**

Besides development programmes that are specifically targeted at sericulture, also environmental Action Plans affect all manufacturing industries in Uzbekistan including the silk sector. As one of the first of such plans, the 1998 **National Environmental Action Plan (NEAP)** describes the State's environmental policy framework and has set the agenda for the development of further environmental

policies in the country. Among the following implementation plans was the **Programme for Environmental Protection and the Rational Use of Natural Resources** for 1999–2005. In 2008, a second implementation programme, the **Programme of Actions on Nature Protection** for 2008–2012 (PANP) was adopted for a five-year period (United Nations Economic Commission for Europe, 2010). After a National **Strategy on Greenhouse Gas Emissions Reduction** was approved in 2000, the 2002 **Concept of Integrated Sustainable Water Supply** defined the direction for water management and measures for 2008–2011. In the same year the 2002 **Programme on Energy Efficiency** was introduced which mainly focused on energy pricing, education and information dissemination as well as institutional development.

The **ratification of the Treaty of Paris** in 2015 and a law that emerged from it in Uzbekistan marked an important milestone that initiated the introduction of a multitude of environmental action plans and resolutions published by the state committee of the republic of Uzbekistan on ecology and environmental protection. For instance, three resolutions were introduced in 2017 which were particularly relevant for pollution-related topics, namely the regulation on forming the **Uzbek State Committee for Ecology and Environmental Protection**, followed by an approval of the **State Committee for Ecology and Environmental Protection for collection, storage, transportation, utilization, recycling, disposal of waste** and thirdly a regulation on funds for **Ecology, Environmental Protection and Waste Management**. In the following year of 2018, **measures to further develop the research base in the field of ecology and environmental protection** were defined in a resolution and a new law was additionally introduced in order to **strengthen the liability for violations in the field of environmental protection**, rational use of natural resources, including drinking water. During the year 2019, the decree **“On implementation of the system of voluntary ecological labelling of products in the Republic of Uzbekistan”** was launched which introduced a voluntary ecological labelling scheme for certain products, based on the requirements of international standards. The State Committee of the Republic of Uzbekistan on Ecology and Environmental Protection was declared as the authorized body to approve ecological standards and develop the ecolabeling system further. In the same year a **strategy for Biodiversity Conservation in Uzbekistan** was introduced for the period of 2019-2028. Waste treatment was further strengthened in 2019 by the introduction of **regulation in the field of waste management** as well as the **Strategy for the implementation of solid waste management** in the Republic of Uzbekistan for the years 2019-2028 (The state Committee of the Republic of Uzbekistan for ecology and environment protection, n.d.).

- **Environmental Law**

Currently, Uzbekistan has more than 30 legislative and about 100 by-laws in the field of nature protection and use of natural resources (Conventus Law, 2021). Specific environmental laws which emerged as a consequence of some of the previously described action plans are particularly important in the consideration of the Uzbek policy framework surrounding sericulture production. The **Law about the Nature Protection** of 1992 as well as the **Law on water and water use** which was introduced one year later were among the earliest environmental laws of Uzbekistan. Agricultural topics rose on the political agenda until the end of the decade when the **law on protection and usage plant life** was introduced and complemented by the **Law on the Protection of Agricultural Plants against Pests, Diseases and Weeds** in the year 2000. The topic of waste management was picked up in 2002 with the **law on waste**. It declared the SCNP as responsible for inspections, coordination, establishing certain parameters with regard to the locations for waste processing (United Nations Economic Commission for Europe, 2010).

A more systemic perspective was taken with the **law on standardization** which was introduced in 2013, in the same year in which a **law on environmental control** was published. In 2017 and 2018 a more concrete way forward was specified in the **measures for the fundamental improvement and**

development of the waste management system which are being implemented throughout the time period of 2017-2021. In 2018 the Law "On the Forest" as well as the **law on measures to further improve the economic mechanisms for the protection of nature** (The state Committee of the Republic of Uzbekistan for ecology and environment protection, n.d.) were adopted.

- **(Sustainable) Production and Consumption Efforts**

Uzbekistan's production is focused on mining output, liquefied petroleum gas, cotton, fabric, and nonferrous metals. Few industrial regulations are specifically targeting sustainable practices. Nevertheless, in the years between 2016 and 2018, the country worked towards defining national Sustainable Development Goals on the basis of the global SDGs. This process has culminated in the adoption of 16 national goals, 125 national targets and 206 national indicators. In this context, the government of the Republic of Uzbekistan pays special attention to developing policies aimed at introducing resource-saving and low-waste (clean) technologies and new types of services, entrepreneurship. Furthermore, the country identified various climate change adaptation measures in areas such as agriculture, natural resources, and infrastructure. They include "(i) introducing and scaling up modernized agricultural methods and technologies that are more productive and resilient to the impacts of climate change and variability; (ii) restoring degraded land and improving the management of water resources to ensure sustainable and efficient use of resources with better drought resilience; 26 (iii) modernizing, constructing, and maintaining climate-resilient irrigation, water supply, and other infrastructure that is more resilient to extreme weather events; and (iv) conserving and restoring livelihoods and ecosystems the Aral Sea Basin" (Asian Development Bank, 2019) (p.7)

3.2. Stakeholders and Initiatives

- **Governmental stakeholders**

Among governmental stakeholders, the Uzbek Agency for Standardization, Metrology and Certification («Uzstandart» Agency) is the national certification body of the Republic of Uzbekistan which issues for instance certificate of conformity for silk products. The State Committee of the Republic of Uzbekistan on Ecology and Environmental Protection is the authorized body to organize work in the field of voluntary ecological labelling of products. Additionally, the State Committee on Ecology on an environmental level as well as the Ministry of Health and Ministry of Labour on a social level play an important role for Sustainable Production aspects. The Ministry of Agriculture and Water Resources with its Research and Production Centre of Agriculture, which again covers the Sericulture Research Institute is another sector-specific stakeholder that plays a crucial role in shaping the policy framework around sericulture. The Chamber of commerce in Uzbekistan is also well connected with sericulture actors along the whole value chain and are therefore another relevant stakeholder for driving policy development.

- **Associations**

Three associations are particularly relevant for the sericulture sector. First, Uztextileprom Association represents the overall textile and garment sector in Uzbekistan and aims to strengthen the political conditions in which the industry operates. Secondly, Uzbekipaksanoat Association represents the silk sector and acts as a non-governmental organization despite holding close relations with the administration office of the countries president. It is the main organization within the country which represents all the sectors of the silk industry in Uzbekistan. Finally, the Khunarmand Association represents craftsmen and craftswomen that engage in the manufacturing of regional heritage crafts (Hunarmand Association, n.d.).

- **Academia stakeholders**

There are various stakeholders from research and academia which are relevant for strengthening or influencing policy development in Uzbekistan regarding sericulture. Relevant universities over the Uzbek State Agrarian University, Tashkent Institute of Engineering Irrigation and Agriculture Mechanization including the Bukhara Region Branch of The Institute as well as Andijan Agricultural Institute, Tashkent Institute of Engineering Irrigation and Agriculture Mechanization and Samarqand Agricultural Institute. Research institutes include the Research and Production Center of Agriculture, which again covers the Sericulture Research Institute. Also, the Cotton breeding, seed production and cultivation agro-technologies research institute as well as Karakalpak research institute of agriculture and Research institute of plant industry could play a role for guiding policy developments alongside research. Additional relevant scientific centers are for instance the Scientific center Uzbek station of oil and fiber crops as well as the Uzbek station of primary seed and seed cotton production (Agricultural information system portal of Uzbekistan, n.d.).

- **Other stakeholders**

From the private sector companies, producers of sericulture products and Ikat are central stakeholders which are affected by any policy developments in the country. NGOs are further driving policy developments, as for instance the Peasants' and Farmers' Association or the Ecoforum of NGOs of Uzbekistan which strives for public participation in the implementation of the national nature conservation strategies (United Nations Convention to Combat desertification, n.d.). In addition, several regional stakeholder groups have been found in Uzbekistan and are relevant for policy dialogues including of the International Rescue Fund Aral Sea (IFAS), Interstate Commission for Sustainable Development Central Asia (ICSD), Interstate Coordination Water Commission (ICWC) and Central Asia Regional Economic Cooperation Program (CAREC). Uzbekistan's current policy framework pays particular attention to international co-operation on environmental issues. The country has been actively involved in the international agreements and conventions. Presently, the Government is for instance a member of the UN and its agencies including UNEP and UNDP and UNESCO, the Organization for Security and Cooperation in Europe (OSCE), Economic Cooperation Organization (ECO), Shanghai Cooperation Organisation (SCO), Central Asian Cooperation Organization (CACO) and the Central Asian Union. The country moreover regularly works in cooperation with Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD) and Food and Agriculture Organization of the United Nations (FAO). Specifically, in the context of sericulture, the German Agency for International Cooperation (GIZ) was another recent cooperation partner with a project to strengthening the business and organizational potential of the «Uzbekipaksanoat» Association.

4. Way forward

Despite the progress in aligning the country environmental framework, several parts of legislation concerning air, water, and nature protection but also sustainable production and consumption are still to be regulated. Some of the challenges that the country faces in order to implement a policy framework which benefits the silk sector while addressing sustainable issues and strengthening environmental as well as social legislation include:

- Potentials of green public procurement in the textile and silk sector have not been explored sufficiently
- Enforcement of environmental regulations need to be strengthened
- Use of a variety of economic instruments for environmental purposes (including specific taxes, charges, emission trading systems) and to strengthen the sector in Uzbekistan is not applied at full potential
- Application of Extended Producer responsibility (EPR) or the principles of polluter pays and user pays is not effectively implemented
- Environmental management systems for industry development including public-private partnerships are rarely adopted
- Adopting Sustainable Design and production principles is not enough incentivized
- Collaboration and exchange between neighbouring countries regarding policy development could be strengthened
- Regulations protecting labour rights and ensuring fair contracts could be strengthened

The RUTSIS project aims to address these challenges by initiating and driving a dialogue on the strengthening the policy framework surrounding the sericulture sector. In the course of the project various round tables will take place to assess policy gaps further and address them by conducting several sessions to identify solutions and measures with relevant stakeholders.

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