

PROMHOUSE 2022

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Current developments in the housing sectors in Kazakhstan & Uzbekistan – EU Strategy – PROMHOUSE contributions.

Housing in Kazakhstan and Uzbekistan today and in the future: Cooperation with the European Union and in international projects helps and shapes a climate-friendly and energy-efficient residential building stock.

As in most countries in the post-Soviet region, housing construction and housing stock management have been a major challenge for both countries - Kazakhstan and Uzbekistan - ever since their independence in 1991. This is due to a variety of facts: First, apartments - formerly state-owned as well as maintained by the state - were privatised once the countries became independent of the Soviet Union. Thus, residential buildings in Kazakhstan and Uzbekistan are typically built before the 1990s as industrially prefabricated and large multi-apartment buildings. The appearance is influenced by the architectural standards in Soviet times and can be found in similar technical design and wide distribution in all countries of the post-Soviet region, in the south at the Black Sea as well as in the north in the Baltic States, east of the Odra River as well as in the Caucasus.

Many of the buildings were already in need of renovation at the time of privatisation. However, their new owners were and are not in the financial position to afford modernisation, let alone energy-efficient upgrading which the buildings so urgently require today. Most buildings have well exceeded their useful life, energy and heat losses are a huge health and financial burden to the residents. A functioning market for professional housing management where owners can expect, and demand high-quality maintenance and renovation expertise is but slowly developing in both countries. Companies applying and following outdated approaches and processes inherited by often state-owned predecessor enterprises are still dominating.

The short- and medium-term refurbishment of the region's residential buildings is inevitable though. Not only for reasons of climate protection and decarbonisation, for which the global community has only a few years left to mitigate the impending climate catastrophe; the structural condition is in part so poor that it poses a real danger to the inhabitants. Political deciders in Kazakhstan and Uzbekistan are increasingly aware of the need and benefits of the energy-efficient refurbishment of their residential housing stock. Progressing here also is a key element for reaching climate-neutrality – a goal that is gaining importance and momentum in both countries' political and economic strategies. Kazakhstan, for example, aims at carbon-neutrality by 2060.

International activities like those funded by the EU's Central Asia Invest scheme make important contributions to the development of the housing and building as well as other sectors in the region. Central Asia Invest was set up in 2007 and is part of the European Union's strategy of cooperation with the five Central Asian countries. The EU and Central Asia have built a close partnership since 1991, so from the early days of independencies of the countries in the region on. The cooperation is regulated in the EU Strategy for Central Asia first adopted in 2007 and renewed in 2019 to further strengthen ties and enhance regional integration. It defines the EU's priorities for development aid and diplomatic activity in the region. Priorities include responding to security threats, protecting human rights, promoting economic development, developing transport and energy links, and ensuring environmental protection. Progress in these areas has been uneven since, although the issues

identified in 2007 are still highly relevant today and remain at the core of future EU policy in Central Asia. Since the strategy was adopted, there have also been several major developments, though, which the 2019 strategy responds to; for example China's Belt and Road Initiative is reviving overland trade routes connecting Europe and Asia via the region, and a more conciliatory foreign policy under Uzbekistan's new president has eased regional tensions and opened the door to cooperation between neighbours. The EU's long-term objective is for the region to develop into an interconnected partner region that attracts investments and trade and significantly revamps the private sector. European trade and investments have made the EU the main economic player in Central Asia.

One of the international projects funded by the EU through Central Asia Invest is *PROMHOUSE – Promoting professional housing management in Kazakhstan and Uzbekistan (2020-2023)*. Activities directly follow up on the successful PROHOUSE project (2016-2019) which started laying the grounds for renewing, improving, and professionalising the housing management sectors in the two partner countries. Because in the end, a functioning market for housing management that provides and ensures professional, high-quality, up-to-date maintenance services and renovation expertise is indispensable for improving living and housing standards and increasingly decarbonising building stocks. As soon as competition between companies comes in, providers on the market must render their services attractive and customer oriented. This way, homeowners are given more choice and can influence the overall quality of the market offers through their decisions and commissioning. In order to get there, qualification levels of housing managers as well as awareness of homeowners regarding the benefits of energy-efficient refurbishment have to increase.

For bringing about and scaling up energy-efficient refurbishment of the building stock in both countries, the development and relevance of a well-functioning and professionalised market for housing management are gaining momentum in both, Kazakhstan, and Uzbekistan. Albeit renovation strategies are still not in place in either country, the topic is moving up the political and economic agendas – also thanks to international projects like PROHOUSE and PROMHOUSE. Large-scale refurbishment of the building stocks would not only contribute to international climate protection efforts; they would also increase employment opportunities on the labour market as the construction and building materials industries and small and medium businesses would benefit. Also, refurbishing the buildings will have a social impact because living and health conditions will be improved for the vast majority of the population who live in old stock buildings.

Against the background of this approach and logic, PROMHOUSE started out in 2020 and is continuing its actions until the end of 2023. The project is also dedicated to the United Nations' Sustainability Goals, particularly those related to living and housing which affect every citizen around the world, and the project's objectives were aligned accordingly. PROMHOUSE basically aims at institutionalising and spreading vocational education and training for housing managers at colleges and sectoral organisations in Kazakhstan and Uzbekistan. This way, also organisational, institutional, and professional capacities of business intermediary organisations (BIOs) are being developed to empower them to strengthen private companies engaged in the sector of housing management.

PROMHOUSE is jointly implemented by project coordinator Housing Initiative for Eastern Europe (IWO) from Germany, the Association "Shanyrak" of management entities, services, and energy service in housing in Kazakhstan and the Association of the organizations of professionally managing and serving housing funds in Uzbekistan. Now, halfway through the project, the partners have already achieved a lot of tangible results: As part of the second 'Training of Trainers' (ToT) phase, 280 representatives of BIOs and Mini and Small-Medium Enterprises (MSMEs) in the field of housing management were trained throughout 2021. A total number of 126 academic hours of the training were delivered during nine thematic webinars. Additionally, an audio-course was recorded on "Managing homeowner associations' buildings – Experiences from Germany", containing 32 academic hours of training. These

training units have increased the competence of BIOs and MSMEs members in housing management and informed them about international experience. BIOs have improved their ability to provide qualified training to their members. In Uzbekistan, the professional standard for 'Residential Building Manager (for managing multi-family buildings)' and 'Caretaker' were developed and finalized. Two additional educational programmes for 'Caretaker' and 'Manager of Multi-Family Buildings' are under way. Also in Kazakhstan, two educational programmes for 'Caretaker' and 'Manager of Multi-Family Buildings' were developed and included in the register of educational programmes of the National Joint Stock Company Tala.

In both partner countries, two major events took place respectively, assembling deciders and high representatives from the European Union and from politics, the economy and civil society in the countries. The high number and rank of attendees bear witness of the fact that the project is being well accepted and perceived in the partner countries – an important factor for success of the overall action and dedicated activities.

The first of these events was the project conference on AFFORDABLE HOUSING IS A FACTOR OF SUSTAINABLE DEVELOPMENT on 30 November 2021 at the Atameken National Chamber of Entrepreneurs in Nur-Sultan and hybrid. It was opened by the Head of Cooperation of the EU Delegation to Kazakhstan, Johannes Stenbaek Madsen, and attended by the First Vice Minister of Industry and Infrastructure Development of the Republic of Kazakhstan Kairbek Uskenbayev as well as the Deputy Chair of the Atameken National Chamber of Entrepreneurs Talgat Temirkhanov.

On 30 March 2022, the roundtable on PROFESSIONAL EDUCATION DEVELOPMENT FOR HOUSING MANAGEMENT IN UZBEKISTAN took place in the Ministry of Housing and Communal Services of the Republic of Uzbekistan as well as hybrid and was hosted by the Deputy Minister of Housing and Communal Services of the Republic of Uzbekistan Ozoda Juraeva. Political attention and support were high; representatives from the Ministry of Higher and Secondary Specialised Education of the Republic of Uzbekistan, the Ministry of Employment and Labour Relations of the Republic of Uzbekistan and the Ministry of Construction of the Republic of Uzbekistan attended the roundtable, along with a group of parliamentarians from the Committee on Industry, Construction and Trade of the Legislative Chamber of the Oliy Majlis including its chairman Muratkabilov Vakhobjon Abduganievich.

The political, sectoral, and public attention the PROMHOUSE events and activities have received so far also show that the addressed topics strike a nerve. The project partners have proven a deep and thorough understanding of the challenges associated with housing management and energy-efficient refurbishment of the residential building stock in the two countries – and they are jointly working out ways to practically tackle them and thus contributing to the countries' development towards decarbonisation and carbon neutrality.