

# Home owners partnerships and “Mulokot” centres

– a dialog in search of ways to implement the turn down energy demand strategy in housing sector of Uzbekistan

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## Abstract

The people of Uzbekistan, the most populated country in Central Asia, are a key factor and consumer in the housing sector. Former monopolistic systems of State run utilities has demonstrated its incompetence and inefficiency in gas, water, heat saving and proper maintenance of housing stock. The result is wasteful energy consumption, some times higher than world standards, lack of metering and adequate tariffs with a poor quality of communal services provided. In 1999 the Law on Home Owners Partnerships based on the best international practice of condominiums, co-operatives and communes adapted to Uzbekistan’s environment as a country in transition have been passed. There are now 1 400 partnerships that maintain up to 90% of tenement-houses with the involvement of other NGOs such as makhallas (neighbourhood communities), public utilities, local government and private sector providing an enabling environment for ESCOs occurrence. The experience gained shows that perception of new social, economic and legal environments is a complex process. Awareness about problems and positive achievements of the partnership activities, rights and commitments of the partnerships’ members, ways to get loans and donor assistance has a great importance. The first centre aimed to continuous work with population, partner-

ships and utilities is the Republic “Mulokot” (Dialog) Centre established by the Agency “Uzcommunkhizmat” with technical assistance of Tacis Programme.

An active role in decision-making in the reduction of energy demand through rational use and savings combined with introduction of modern energy saving technologies and market economy mechanisms is an efficient and effective way to secure a sustainable development of the country.

## Introduction

Uzbekistan is a newly independent State that appeared on the world map through the break-up of the Soviet Union in 1991 (Table 1).

Uzbekistan is one of the most populated countries in Central Asia. At the present time, the population of Uzbekistan is about 25 million and by 2025 it will have an estimated population of 34.7 million people<sup>1</sup>.

In 2000, the population (a key factor in energy consumption within the housing sector) consumed up to 18%, and, in general, the housing sector and communal services, where obsolete (50 years) technologies are still utilised, used 22.6% of the total energy consumption.

It is obvious, that inefficient technologies plus intensive growth of the population will result in increases, plus irrational use of energy.

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1. Common Country Assessment of Uzbekistan, United Nations Resident Co-ordinator System in Uzbekistan, Tashkent, 2001.

Table 1. Country Information.

<b>Official Name:</b>	Republic of Uzbekistan
<b>Location:</b>	Central Asia
<b>Capital:</b>	Tashkent (2 138.4 million people)
<b>Population:</b>	24.5 million people (urban population – 37.6%)
<b>Area:</b>	447 400 km <sup>2</sup>
<b>Administrative Subdivisions:</b>	Republic of Karakalpakstan, 12 viloyats (regions), 162 districts, 118 cities, towns
<b>Official Language:</b>	Uzbek
<b>System of Government:</b>	Republic
<b>Executive Body:</b>	President – Head of State and Government
<b>Legislative Body:</b>	Oliy Majlis
<b>Judicial Body:</b>	Supreme Court
<b>GDP per Capita:</b>	2 994 (PPS\$)

Source: Human Development Report, Uzbekistan, 2000

## Soviet Background

In the republics of the Former Soviet Union (CIS countries), communal services were implemented not as a service itself, but as one of the administrative tasks to be implemented by the State for the population. Despite the multiplicity and the variety of communal services' consumers, the critical problems have originated mainly from the housing sector. Since Soviet times this sector has been considered as a sector which has to be under the State social protection. This implies, for instance, providing the population with hot water and keeping low prices for the communal services which are factors of the social and political stability.

During the Soviet times, people spoke about an anecdote: A plumber comes to the flat, checks the leakage and declares – Yes, the radiators are damaged. But it is nothing to do with the radiators. The *system* must be changed!

The former monopolistic system of State run utilities providers as a complex of State subsidising institutions demonstrated its absolute incompetence and inefficiency in terms of gas, water, heat saving and rational use as well as the proper maintenance of housing stock. Housing sector and communal services were, and still are, State owned and State running structures. In other words, they still remain pieces of the socialist system that have all its signs such as poor quality of buildings, infrastructure and services, embezzling of public funds and the constant shortage of financing and resources. The existing mechanisms of the State budget subsidies abet as a rule, the deterioration of the whole sector. The Soviet idea of centralising everything including housing sector and communal services, required technological solutions that had to have a large-scale and resource consuming nature. The Former Soviet Union could be characterised with the “hang-the-expense approach”: the more petrol, gas, and coal would be consumed, the common wealth will be higher. According to the various sources, the resource consumption rate is actually 8-14 times higher than the respective indices of the advanced countries<sup>2</sup>. Heat sup-

ply, for instance, was provided and is still provided now through kilometres of huge pipelines. The losses in heat networks are estimated at 21% (the standard is 7%) but in fact they are 30-40% due to obsolete (50 years) technologies and depreciation (70%) of plants, as well as the shape of residential and public buildings that require capital investments for renovation.

Moreover, such a system encouraged people to have an indifferent attitude to energy resources and their habitation. People could not be surprised by the damaged pipelines, hot water floods in the streets, underground drinking water rivers, eroded foundations of buildings, roads and pavements. And they got used to regular interruptions of the hot and cold water supplies. The thermal power stations have been built with the main purpose of energy generation, but the hot water and heat supplies had been considered as a secondary product and the saving issues have never been actual. The result is highly inefficient energy consumption, some times higher than world standards. For instance, six times higher than in Japan and three times more than in Western Europe<sup>3</sup>, with lack of metering and adequate tariffs and poor quality of services provided. For example, at the present time in Uzbekistan, specific water and heat consumption per person is in 2-3 times higher than the European standards (at comparable conditions)<sup>4</sup>.

In this connection, improving and reforming the housing sector is an urgent and complex task that requires a special approach.

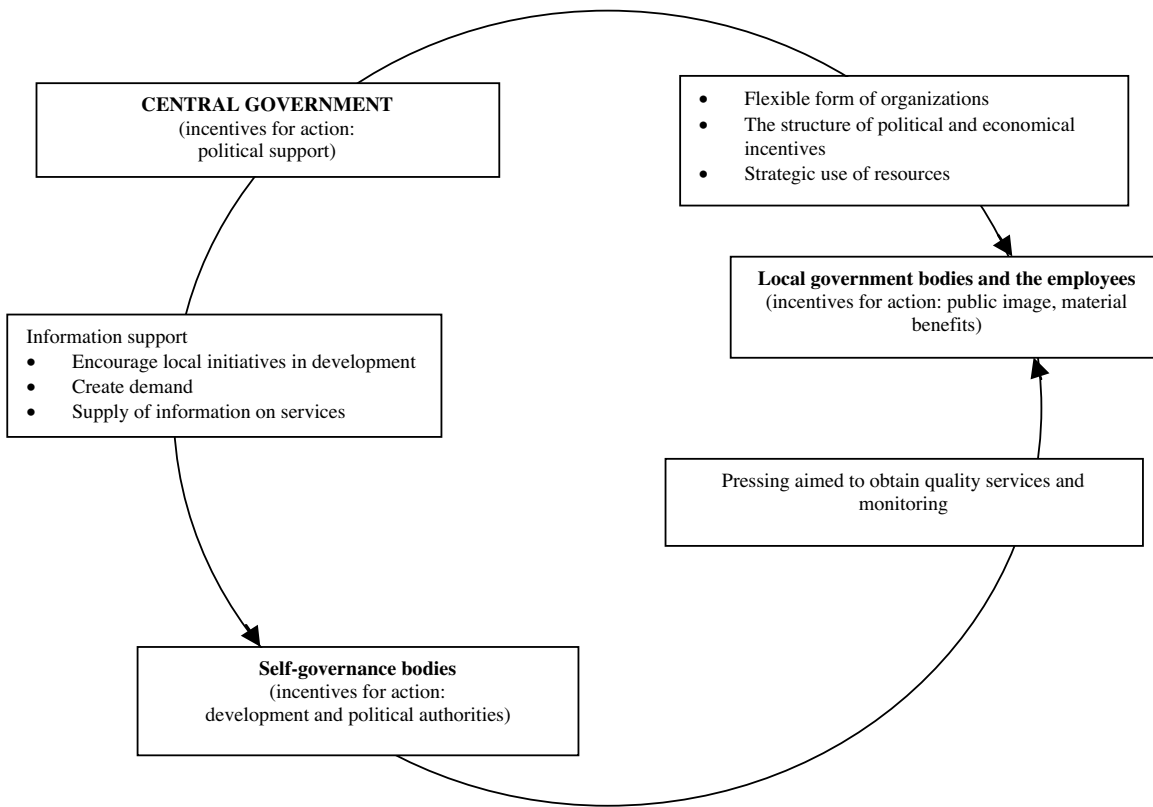
## Challenges and Reforms in Housing Sector

During recent years, housing sector reform has become a major problem for many CIS countries. The first and quite radical and optimistic programmes did not fulfil the hopes and objectives that were set out for them. Meanwhile, the housing sector situation became more critical due to the obsolete equipment and technologies, lack of investment that had been expected from foreign and local investors and poor

2. Asmond, A., "Alternative Reform of Housing and Communal Services Sectors", Russia: Commersant Newspaper, No 209, 2002.

3. Bashmakov, I., "Nobody Knows the Exact Level of Losses", Russia: Commersant Newspaper, No 209, 2002.

4. Communalnye Vesty (Communal Services News), Monthly Specialised Articles, Uzbekistan, Fascicle 1, 2000.



Source: Das Gupta, Grandvoinnet, and Romani forthcoming

Figure 1. Union of the State and Civil Society could promote rapid development and improvement of services.

quality of services provided at constantly increasing prices. The population is discontented with the growing problems and discomfort and refuses to pay for undelivered or poor quality services. Consumers in turn become debtors of utilities, which cannot fill the funds required to rehabilitate and modernise their facilities.

Uzbekistan meets the same problems. A recent poll of the population of two Southern regions of the country implemented within the framework of joint UNDP and USAID development activity on Community Development Assessment has indicated that the majority of respondents have attended meetings about infrastructure issues (water, power and heat supply) and have chosen infrastructure issues as the greatest potential source of conflict within their settlements<sup>5</sup>.

The Government of Uzbekistan pays special attention to this particular problem, starting from the very first years of independence. To implement the measures on reforming, demonopolisation and privatisation of the housing sector, the government had passed a set of legislative acts and resolutions aimed at both the utilities and consumers. These included instruments such as “Law on Privatisation of the Public Housing Stock”, “Civil Code”, “Housing Code” and the “Law on Home Owners Partnerships”. These legal acts affect each individual directly and deeply.

They have been developed by decision-makers who studied the relevant experience of Western and CIS countries. For example, EU experts of Tacis project - Energy Efficiency Housing Demonstration Project implemented by ADEME (France) – closely worked with representatives of the Cabinet of Ministers and Khokimiyat of Tashkent on development of the Law on Home Owners Partnerships. They introduced to decision-makers the best western practice related to the associations of home owners such as condominiums, co-operative societies, communes, and communities, provided them with the examples of the relevant legislation of Western countries (France, Germany, USA) and arranged for them study tours to EU countries. Another Tacis project - Strengthening of Government Administration and Assistance to the Civil Service Reform in Uzbekistan implemented by Nicolaus Witsen Foundation (the Netherlands) – continued such a collaboration and helped to adapt this practice to the Uzbek conditions as a country that is in transition to market economy.

### Introduction of Home Owners Partnerships

It seems that the most important is that introduction of similar home owners associations encourages the establishing of a new type of social organisation acting on the basis of dem-

5. Community Development Assessment 2002, CHF International, USAID and UNDP, Uzbekistan.

ocratic principles of self-government bodies. Home owners partnerships allow people to elect the management (Partnership's Board) and participate actively in the decision-making process and allocation of the funds.

Housing sector reformation is implemented within the framework of the process of improving and transforming of the governance: "from strong State to strong society", and in particular, the transfer of executive powers "from top to bottom", i.e. from the government management structures to self-governing institutions of the citizens (Figure 1). Many issues of implementation of market economy reforms can be effectively solved through a collaboration of local authorities and self-government bodies. To some extent the partnerships are a synthesis of Western "best practice" and "makhalla" (neighbourhood community) that is a kind of structure appropriated for the Uzbek society, coming as it does out of a rich historical experience of local governance by people based on their place of residence.

#### MAKHALLAS: NEIGHBOURHOOD COMMUNITIES

Makhallas are community groups that have existed for centuries in the Uzbek culture. The makhallas are a unique element of the country's public life.

There are about 12 000 local level makhallas in the country, with the number of households in each makhalla ranging from 150 to 1 500<sup>6</sup>. Each community has elders (aksakals – "white beard" people), who are expected to help solve social problems and conflicts arising within the community. Makhallas help to organise weddings, funerals, naming ceremonies and male circumcisions which are major and very expensive events in the Uzbek culture. They also try to prevent divorces and see that crime is punished.

The population fully trusts makhallas. They form public opinion towards many events happening in their territories and establish specific codes of behaviour that should be followed by any person living in them. Although the makhallas are not religious organisations, they seem to promote traditional Islamic ideas on social roles and behaviour. The makhalla itself, without any other controlling agency, can induce people to observe legal norms.

The Uzbek makhalla committee traditionally organises various aspects of community services. For example, it organises street cleaning operations and garbage disposal. Most important from the point of social welfare, makhalla traditionally ensures that the elderly in the community are cared for and that children are also guaranteed care and protection. The makhallas are an important factor for maintaining social and political stability and civil society and the partnerships are focused on solving housing problems to ensure comfortable a life for their members.

They were not suppressed during the Soviet period, but their activities were by no means encouraged. Since 1992, they have been more formally promoted by State authorities and have also been given administrative tasks. Central to the structure of the makhalla are the "Citizen Meetings" gathering of all residents who are called on at least quarterly to deal with various issues. The activity of citizens' meetings as

self-governing institutions was fixed in the Constitution (Article 105) and in the Law "On self-governing institutions of citizens (September 2, 1995).

The network of makhallas is central now to the government's vision of a decentralisation of power and community development. In 1994, the Uzbek Government came up with an original solution to target social assistance. It introduced a new social assistance scheme for low-income families which is administrated by the makhalla. The makhallas are asked to identify the most vulnerable people in their community and to evaluate the eligibility of applicants for assistance using a variety of welfare indicators.

Another example of such a transfer of the authorities is the creation of "Makhalla Posbony" (Makhalla's Guards) to assist the police in ensuring public order. Conciliation commissions are created in each makhalla from aksakals, veterans, women and youth representatives of culture and clergy to affect those earlier convicted, chronic alcoholics and other people at risk of committing crimes. Thus, in Bukhara region alone in May, 2000, these commissions assisted in taking legal measures on 140 different cases of law infringement; they participated in the disclosure of over 10 crimes and revealed more than 650 violations for which administrative responsibility is stipulated<sup>7</sup>.

The efficacy of makhalla as a self-governing institution has proved itself. The measures are now taken to heighten the status of makhalla, reinforce its authority and augment its functions. The President has declared 2003 as the Year of the Prosperous Makhallas.

#### HOME OWNERS PARTNERSHIPS

It turned out that the process of establishing partnerships is a complex one due to several factors. First, there is the prevalent stereotypes. During Soviet times when the administrative-commanding management system existed, people did not come up with any informal initiative – expression "Initiative is punishable" was a very popular one. People did believe that all problems and aspects of their political and social life have to be solved by someone (Soviet power) but not by the citizens themselves. In the housing and communal services sector, such an attitude and lack of metering (except electrical meters) formed a kind of dependant, even parasitic approach which became strongly fixed in their minds. Any consumer of communal services therefore believed that these services have to be free of charge or have just a symbolic price. Nobody realised the real costs of heat, water, gas supply and other communal services. Nobody cared for the daily working of lighting in the common staircases, broken taps with dripping water, hot radiators operated at full capacity during warm weather seasons (in spring and autumn). Secondly, there remains a strong legacy of traditions – approaches and methodologies – inherent in the former service system. The standards of cold and hot water and heat, and gas consumption per person and per square metre and electricity per unit of products had been developed when the energy costs were cheap and there was practically no metering. Many factors had not been taken into

6. Common Country Assessment of Uzbekistan, United Nations Resident Coordinator System in Uzbekistan, Tashkent, 2001.

7. Human Development Report "Uzbekistan 200, UNDP, Tashkent.

account in these old Soviet methodologies and this resulted in the increase of actual amounts of heat consumed by 20-30%<sup>8</sup>. These approaches and methodologies are still used now. Moreover, members of the partnerships are tenants of already inhabited high-rise and blocks of flats residential buildings who present various groups of the population with different levels of incomes.

Now, when the former Soviet structures as ZHEKs (district housing and communal services operational units) have been liquidated, people begin to realise that they themselves are in charge of proper operation and maintenance of their habitation. Only they can properly care about their home, only they can rationally and effectively use their money to be paid for the communal services and only they can require the proper quality of these services delivered. Moreover, a number of initiative and motivated people that strive to solve their communal services problems by themselves, needing advice and consultation has also increased significantly.

All these encourage people to join into the partnerships, and actually, Uzbekistan has up to 1 400 partnerships established due to the efforts made by many partners. Now, partnerships are in charge of the operations of about 90% of the residential buildings. However, there are problems to be solved and shortcomings to be improved. The experience gained proves that realisation of new social, economic and legal environments as well as changing the behaviour of individuals is a long and complex process.

### Awareness and Attitudes to Energy Saving Issues

Lack of knowledge and experience in the field of reformation of the housing sector and communal services of decision-makers and insufficient awareness of the population is a real challenge for the housing sector. Moreover, decision-makers are still working within highly centralised autocratic management systems. It has both positive and negative aspects. For instance, the system ensures social protection of low-income families and assigns utilities to install gas, hot and cold water meters in residential buildings and individual houses for population. But at the same time, this system inhibits rational use of resources and effective feedback or correction processes<sup>9</sup>. It does not encourage and sometimes does not allow people to come up with their own initiatives, proposals, and criticisms.

An important role is played by an awareness of the population about the best, as well as the negative practices of partnership activities and about the rights and commitments of the partnership members, possibilities and ways to get loans and donor assistance.

The close collaboration between partnerships and makhallas also has great importance. It would be necessary to mention that the territorial boundaries of partnership and makhalla do not always coincide with each other. One or more partnerships can be a part of one makhalla and vice versa. In general, an individual is always a member of his

makhalla, but cannot be a member of a partnership. Partnerships are common for the groups of high rise residential buildings. The makhalla can join people living in individual houses and high rise buildings located in the same territory. People usually participate in both makhalla and partnership's meetings. Thus many problems that are important for both makhalla and partnerships can be discussed and solved during the meetings and within the activities of those two structures. For example, this allows the collection of monies that can be spent on repairing housing stock and improving the territories adjacent to the residential buildings that are exactly within the mandate of a partnership.

The establishing of home owner partnerships encourages an emergence of ESCOs. Management of the partnership has to be elected from the partnership members, but in general they are not familiar with communal services issues. At the same time, the partnerships are empowered with rights to negotiate direct contracts with utilities as providers of communal services such as gas, cold and hot water and heat supply, garbage collection and cleaning etc. Now people have an opportunity to refuse payment for poor quality services or total lack of them. For instance, shortage of cold water in the upper floor flats in the building, poor heat supply, seasonal interruptions of the hot water supply etc. Actually, in the past, consumers could not change a service provider and choose a better one due to the specific infrastructure (heat, water, power, gas supply networks). However, such options are starting to appear now. For instance, partnerships can choose a garbage collecting company. The EBRD's loan given to the Khokimiyat of Tashkent helped to implement the modernisation of the garbage collecting system – to buy the modern equipment and improve the collection and disposal of garbage in the capital of Uzbekistan. Now, the garbage collecting companies of each district of Tashkent city can provide the customers with good quality services. Partnerships can request to contract those companies which meet the partnership's requirements even from the other neighbouring districts, rather than compulsory from their own.

Utilities are still monopolised and partnerships cannot choose the supplier of communal services, even if they are not happy with the poor quality of services provided. Members of the executive body of partnerships are tenants of the partnership's buildings but they are not communal services professionals. There are many conflicting cases between partnerships and service providers that require professional knowledge and consultation to be solved. They would prefer to contract any private companies (like ESCO) or NGOs specialising in communal services that can help them to solve the technical and legal problems they encounter. This would provide the monopolists with less opportunities to shift the burden of payment for their losses to the consumers and force them to invest in rehabilitation, modernisation and development of their infrastructure as well as to improve the quality of services provided. In general, this eventually results in the reduction of losses, use of modern technologies and down turn of energy demands.

8. Bashmakov, I., "Nobody Knows the Exact Level of Losses", Russia: Commersant Newspaper, No 209, 2002.

9. Common Country Assessment of Uzbekistan, United Nations Resident Coordinator System in Uzbekistan, Tashkent, 2001.

### **“MULOKOT” CENTRES – DIALOG BETWEEN PARTNERSHIPS AND UTILITIES**

The partnerships become the allies in the implementation of down turns in energy demands, water saving, reduction of losses and the introduction of metering. Not every apartment owner is ready to spend money to buy and to install cold and hot water and heat or gas meters. However, the partnership can allocate some funds for one common meter to be installed at the building inlet with the costs shared between the partnership members. Partnerships are also concerned with keeping internal networks in proper order to minimise the losses and avoid unnecessary expenses. Newly established partnerships are concerned with the lack of professional knowledge and knowledge about their rights, ways to get loans and donor assistance from local and international organisations, shortage of financing to arrange any information campaign for the population. Conflicts of interests between utilities and partnerships often occur and they need qualified legal advice and professional consultations.

All these require the creation of a structure that can bridge this gap and help to launch a dialog between the communal services providers and partnerships representing the population. Thereupon, constantly functioning centres aimed at communal services professionals, partnerships and the population have been established in accordance with the President's Assignment in early 2001.

#### **First “Mulokot” Centre**

The very first centre is the Republic Centre “Mulokot” (Dialog) that was established in June 2001 by the Uzbek Agency “Uzcommunkhizmat” (replacing the Ministry of Communal Services which was abolished in 2000). This initiative had been supported by Tacis Programme which allocated a grant to equip the centre with office furniture and office and printing equipment and training aids. This allowed the Centre to carry out the first workshop, start training and awareness activities and print relevant materials in September 2001. Nowadays similar centres have been opened in all regions of Uzbekistan and the “Mulokot” Centre guides and provides them with methodological assistance. “Mulokot” actually co-ordinates and supports 13 regional centres recently established under each regional Khokimiyat.

#### *Tasks and Activities*

The key task of the centres is ensuring the awareness of citizens on the following issues:

- Rights to conclude agreements with communal services providers and examining the quality of service provided;
- Rights of citizens in case of breach of contract with providers of communal services;
- Regulations on the use of dwellings;
- Mechanism of receipt and provision of low income families with subsidies to pay the communal services;
- Advantages and benefits from establishing partnerships by home owners;
- Ways to get favourable loans by home owners partnerships.

Such centres are allowed to implement paid training courses for the staff of communal services companies in accordance with their requirements. The courses include information about recent legal and normative acts and regulations, “round table” discussions, practical training, workshops and presentations.

Every month, the “Mulokot” Centre organises workshops where officials from central and local government bodies (Cabinet of Ministers, khokimiyats, Uzbek Agency “Uzcommunkhizmat”, Ministry of Justice, Ministry of Finance, State Tax Committee), representatives of utilities, partnerships, research and scientific institutes, international and donor organisations (Tacis, USAID, Eurasia Fund), JV companies – producers of metering and mass media are participated.

At the workshops, representatives of partnerships have an opportunity to share information, get answers to their questions, come out with claims and complaints, receive explanations, enrich with international experience, know about new technologies, submit proposals to the government, i.e. real live and informal dialogs take place. Very often, partnerships sharply criticise the imperfections and contradictions of the current legislation as well as the poor operation of utilities, pressure on them from municipalities (khokimiyats) and suggest practical and sensible proposals which come from their day to day operations practice.

In spite of the fact that a sound legal basis for the introduction of partnerships has been developed, in reality they meet many problems dealing with some imperfections and contradictions in the current legislation. For example, to support the newly established partnerships, the Government has issued the Resolution which allows granting them favourable loans. A bank can provide the loan if a partnership has a guarantor (khokimiyat). Some partnerships have used this opportunity. They asked the district khokimiyats (municipalities) to be their guarantors and finally got the loan from a bank. However, in other legal acts it was clearly stipulated that municipality as a public organisation cannot be a guarantor for a loan. Thus, the corresponding legislation has to be revised and improved.

This is a normal process of development and introduction of new approaches to be implemented within the reformation process during transition from a socialist background to the market economy mechanisms. The present legislation has to be improved, revised, adjusted and brought to conformity with the various legal acts related to many sectors of the economy and social life. The “Mulokot” is a channel to deliver such messages, proposals, complaints and requirements to the Government as well as to inform the partnerships about recent legal acts, resolutions, norms etc.

The authors of the paper have participated in many meetings, round-tables, seminars and workshops in the “Mulokot” Centre and they were the witnesses of many “heated” arguments with representatives of partnerships and government, non-government and international organisations.

### *Achievements*

The achievements of the “Mulokot” Centre in 2002 are the following:

- A specialised five-day programme, aimed at chairmen of partnership boards and executive directors of partnerships, had been implemented. In total, 211 chairmen and 65 executive directors were trained within the programme in Tashkent.
- Thirteen chief accountants of the partnerships were trained on the basis of the specially designed Programme “National Standards Based Accounting System” implemented during ten days in “Mulokot” Centre.
- Ten chairmen from the partnerships of Djizak province were trained during one week in the “Mulokot” Centre. The programme was aimed at improving their management skills and the training of managers to carry out such training in the Djizak province.
- Fifteen chairmen from partnerships of the Khorezm province had also been trained. Both khokimiyats paid for their training at the “Mulokot” Centre.
- The Centre developed a programme aimed at the initiative groups of citizens. The programme includes clusters on development of contracts, monitoring of quality of services provided, ways of social protection of low-income families and consumers’ rights in case of breaches of contract terms by utilities.
- “Mulokot” Centre has set up a “hotline” telephone for the population to help people in solving urgent and emergency problems related to communal services. The most common cases, interesting questions and feedback are published in the central newspapers.

In the Centre one can get information on energy saving technologies, set up contacts with international partners and have professional consulting provided by highly-qualified experts. Setting up the contacts and maintaining of relationships with international organisations is very important. This allows Uzbek partners to get, not only the information on the best practice and new technologies, but to invite also international experts to make audits, surveys and studies, or assist them in the preparation of proper feasibility studies and applications for loans and grants.

“Mulokot” Centre uses the full capacities of printing equipment and produces collections of relevant legislation, brochures, leaflets and other printings including papers on activities of utilities and associations of tenants in Western and Eastern Europe prepared in collaboration with EU experts.

The Centre staff visits the regional centres on a regular basis to carry out workshops, round-table discussions, share with information, disseminate the best practice and experience and implement information and awareness campaigns.

### *Current Problems*

It is obvious that the centres as well as the partnerships meet serious problems related to the shortage of funds, financial sustainability, lack of professional and qualified personnel, difficulties in equipping with modern office and communi-

cations equipment and insufficient co-operation from some central and local government organisations.

Unfortunately, lack of own funds and very limited financial support from the Government makes it difficult to implement the activities planned, especially the information and awareness campaigns aimed at the population needs.

Two years ago, the “Mulokot” Centre launched the publishing of a specialised magazine – “Communalniy Vestnik” (Communal Services News) but the problems in dealing with the unavailability of funds do not allow the regular printing of the publication.

The shortage of funds is also a reason why the Centre cannot operate to its full capacity or to carry out the training and upgrading courses. “Mulokot” Centre has already been requested to carry out the training courses in the main cities of some regions such as Navoi, Gulistan and Namangan, but lack of funds does not allow the Centre to meet all the requirements. Moreover, a clear mechanism of payment from the clients to the Centre is still not clarified and properly developed by the khokimiyats (municipalities).

Nevertheless, the staff of the “Mulokot” centres hold a strong belief that they implemented a very important task and that they can overcome the problems and achieve the objectives given the support of the government, population and national and international partners.

## **Conclusions**

The “Mulokot” Centre promotes and contributes to the strengthening and speeding up of reformation of housing and communal services sectors as well as it implements advocacy of energy saving and reduction of energy demands in Uzbekistan.

The lack of funds and a proper financial mechanism to make the Centre self-sustainable substantially restricts the capacities of this newly established institution, especially during the initial stages of its formation and development.

The “Mulokot” Centre needs further support from the Government and central and regional authorities as well as assistance and consultation from the international and donor organisations which would be extremely helpful.

To achieve reduction of energy demand in the housing sector, especially in the countries in transition to market economy and solely with modern energy saving technologies, wider introduction of metering and market mechanisms and economic incentives is neither realistic nor sufficient. The behaviour and attitude of officials who implement the above task is a crucial issue and changing their views can be a long and complex process. However, increasing awareness for people who can ensure their clear understanding of the ultimate goals and objectives to be achieved would be helpful. This can also change their approach to energy consumption from irrelevant and wasteful to the rational and economical as well as a perception of the importance of the global climate changes and environmental protection issues affecting their lives will significantly encourage and speed up the process.

## Glossary

**ADEME** French Agency of Environment and Management of Energy

**CIS** Commonwealth of Independent States

**EBRD** European Bank of Reconstruction and Development

**ESCOs** Energy Service Companies

**EU** European Union

**Khokimiyat** Local government that is equal to municipality of district, city, region

**Makhalla** Neighbourhood community traditionally joins people living in one common area (street, district, village) and helps them to solve various problems such as building of common use facilities for public and private events, support of vulnerable, cleaning of common territories, etc. The management of makhalla (makhalla's committee) is elected from the oldest members of the community

**NGO** Non-Government Organisation

**Tacis** European Union Programme of Technical Assistance to CIS countries

**UNDP** United Nations Development Programme

**USAID** United States Agency for International Development

**ZHEK** Housing and Communal Services Operational Unit – in the Soviet times the ZHEKs were in charge of communal services and operational and maintenance issues for citizens, providing the repairing works for in-house infrastructure and buildings, people paid the unit for the communal services