



Project Summary Information

Date of Document Preparation: April 12, 2022	
Project Name	Karakalpakstan and Khorezm Water Supply and Sanitation Project
Project Number	PD000350-UZB
AIIB member	Republic of Uzbekistan
Sector/Subsector	Water and Waste / Water Supply, Sewage
Status of Financing	Under Preparation
Project Description	<p>Component 1 - Investment in Water Supply Infrastructure: Construction and rehabilitation of well fields and intakes, reservoirs, main water lines, water treatment facilities, pumping stations and distribution networks including house connections. This component includes investments in the rehabilitation and/or extension of water supply systems in 10 districts in the Republic of Karakalpakstan and its capital city Nukus as well as in 3 districts in Khorezm Region.</p> <p>Component 2 - Investment in Sewerage Infrastructure: Construction of centralized sewage systems in 9 district centers in the Republic of Karakalpakstan and 8 district centers in Khorezm Region consisting of collectors, pumping stations, new construction of sewerage system and sewage treatment plants as well as discharge and optional reuse facilities.</p> <p>Component 3 - Capacity Building and Implementation Support: Component 3a - Capacity Building: A capacity gap assessment and mapping of Capacity Building activities of development partners will be conducted as part of the Feasibility Study. Based on the findings, activities will be specified in dialogue with the National Water Company JSC Uzsuvtaminot to improve business practices of Karakalpakstan and Khorezm RWCs. Areas of Capacity Building may include activities to support the Government's Priorities for the Reform of the Water Sector 2030, and related systems such as asset management, client management and complaint handling as well as billing and collection system and the strengthening of the capacity for operation and maintenance.</p> <p>Component 3b - Project Implementation and Management Support: Project management and implementation support</p>

	to assist the Implementation Agency (IA) in ensuring seamless coordination, efficient implementation and compliance with the relevant policies.
Objective	The Project Objective is to provide access to safely managed water and sanitation services, and to strengthen the operational performance of the regional water companies in Karakalpakstan and Khorezm.
Expected Results	<p>Expected Beneficiaries: The project is expected to benefit about 1.25 million people (492,000 in Karakalpakstan and 756,000 in Khorezm). Low-income households, women and girls would benefit most. The Republic of Karakalpakstan is among the poorest regions of Uzbekistan and hence the project is expected to substantially improve living conditions in this region.</p> <p>Expected Results will be monitored through the following outcome indicators:</p> <ul style="list-style-type: none"> • People provided with access to safely managed water sources in target areas • People provided with access to safely managed sanitation services through connection to sewerage network in target areas • The RWCs in Karakalpakstan and Khorezm are operating the respective WSS infrastructure in a sustainable manner (Operating Cost Recovery Ratio > 1).
Environmental and Social Category	Category A
Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs), and Environmental and Social Exclusion List, is applicable to the project. ESS 1 (Environmental and Social Assessment and Management) is applicable while ESS 3 (Indigenous Peoples) is not applicable as no indigenous peoples are identified in Karakalpakstan and Khorezm Region according to AIIB team's desk review and field visit. The applicability of ESS 2 (Involuntary Resettlement) will be determined prior to the appraisal of the Project.</p> <p>A phased approach has been proposed for Project implementation and the details and locations of the activities are not yet identified, a framework approach has been adopted, whereby two Environmental and Social (ES) Management Planning Frameworks (ESMPFs) will be developed covering the two regions respectively, each of which will include a generic Environmental and Social Management Plan (ESMP) and a Resettlement Planning Framework (RPF). The purpose of the ESMPF is to ensure that the proposed project activities are assessed and implemented in conformity with the policies of the Republic of Uzbekistan as well as the AIIB's ESP and ESSs. The ESMPF including the RPF will provide</p>

	<p>policy, methodology and procedures for ES screening, impact assessment, mitigation measures and the monitoring of the site-specific activities. In addition, the ESMPFs will also include analysis of climate change mitigation and adaptation in relation to the Project. The impact of the Project on climate change will be assessed and the Project will adopt climate resilient designs.</p> <p>The project is expected to generate benefits in terms of improving the efficiency of water use and enhancing water environment and public health security in Karakalpakstan and Khorezm regions. Nevertheless, the Project may generate negative ES impacts during construction and operation phases. Mitigation measures to address those adverse impacts and occupational health and safety issues are proposed in the two generic ESMPs and will be specified in ES documents for site-specific activities to be prepared during the Project implementation.</p> <p>During the process of detailed designs, efforts will be made to avoid or minimize the physical and economic displacement. The project affected people's (PAP's) income and livelihoods loss will be compensated in accordance with the provisions of ESS 2 and the principles laid in the RPF. Women and children will be specific beneficiaries of the project due to household connection of clean and safe water supply. A Gender Action Plan (GAP) will be prepared for the project.</p> <p>Stakeholder consultations will be carried out during the preparation of the ESMPFs in line with the government's COVID-19 guidelines for social distancing. The ESMPFs will also set out procedures and requirements on stakeholder engagement, public consultation and information disclosure at site-specific level during the implementation of the Project. The ESMPFs in English and Russian languages and the Executive Summaries in Uzbek will be disclosed on the websites of the JSC Uzsuvtaminot and AIIB promptly after completion of those documents. The hard copies of the documents in local languages will also be available in the Project areas. In addition, once the ES documents for site-specific activities are prepared and approved, they will also be disclosed in a similar manner.</p> <p>A multi-tier Grievance Redress Mechanism (GRM) for PAPs will be developed in accordance with the requirements of the Bank's ESP. A separate GRM for workers will also be developed. Information of established multi-tier GRMs including Project-affected People's Mechanism (PPM) of AIIB in local languages at least will be timely disclosed to communities surrounding area of the project activities in an appropriate manner.</p>
Cost and Financing Plan	<u>Financing Plan:</u> Project cost: USD 488.8 million

	AIIB loan: USD 430.1 million (88%) GoUz: USD 58.7 million (12%)
Borrower	Republic of Uzbekistan
Implementing Entity	JSC Uzsuvtaminot
Estimated date of loan closing (SBF)	December 31, 2028

Contact Points:	AIIB	Government of the Republic of Uzbekistan	Implementation Organization
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Date of Concept Decision	June 9, 2020		
Estimated Date of Appraisal Decision	Q1 2023		
Estimated Date of Financing Approval	April 2023		

Independent Accountability Mechanism	<p>The Project-affected People's Mechanism (PPM) has been established by the Bank to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of the Bank's Management.</p> <p>For information on AIIB's PPM, please visit: https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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