



Project Summary Information

Date of Document September 22, 2020	
Project Name	National Bank for Foreign Economic Activity of the Republic of Uzbekistan COVID-19 Credit Line Project
Document Code	000420-UZB
AIIB member	Republic of Uzbekistan
Sector/Subsector	Finance / Financial Intermediary
Status of Financing	Proposed
Project Description	The proposed Project will be financed under the COVID-19 Crisis Recovery Facility by a medium term sovereign-backed credit line to the National Bank of Uzbekistan (NBU), and will support a portfolio of small and medium enterprises (SMEs) operating in infrastructure and other productive sectors (OPS) in overcoming liquidity constraints and/or working capital shortages brought on by the COVID-19 pandemic. With such support, SMEs can overcome liquidity constraints and maintain operations and investments in infrastructure and other productive sectors that may have to be curtailed, delayed or suspended in the absence of AIIB financing.
Objective	To alleviate working capital shortages and liquidity constraints brought on by the pandemic to SMEs operating in the private infrastructure and OPS.
Expected Results	The project expects to mitigate the potential financial shock stemming from the COVID-19 pandemic, alleviate market liquidity constraints and preserve economic resilience by supporting the flow of credit to corporates and SMEs in the Republic of Uzbekistan. The expected results may be measured by the quantum of financing made available to final beneficiaries.
Environmental and Social Category	FI
Environmental and Social Information	AIIB's Environmental and Social Policy (ESP) including the Environmental and Social Exclusion List (ESEL) and relevant Environmental and Social Standards (ESSs) apply to this FI Project. The Project has been placed in Category FI. NBU has established a "Policy of Environmental and Social Risks Management" (ESRM), which is equivalent to an ESMS. Building on NBU's ESRM and its ESMS arrangements with other Multilateral Development Banks (MDB), an enhanced ESMS aligned with AIIB's ESP will be adopted to apply to this direct lending credit line. Category A and high-risk Category B sub-loans and activities listed in AIIB's ESEL and the Exclusion List of ESRM will be excluded from eligibility for financing. The enhanced ESMS will be reflected in the Operational Manual (OM) for this Project. The enhanced ESMS will include requirements on stakeholder engagement for sub-loans. The environmental and social (ES) documentation on sub-loans will be disclosed to the community in light of the enhanced ESMS.

	<p>The existing grievance redress channel in NBU and its applicability to this Project will be reviewed and recommendations will be reflected in the Project-specific ESMS. The sub-borrowers will be required to have sub-project level grievance redress mechanisms (GRMs) in place for receiving and addressing ES concerns and or complaints as part of the Project-specific ESMS.</p> <p>This Project aims to provide immediate support to SMEs that have been affected by COVID19 pandemic. In line with the emergency nature of COVID Response, NBU will ensure that the ES screening, due diligence, approval, and monitoring procedures for sub-loans are aligned with the enhanced ESMS. AIIB's team will monitor the implementation of the enhanced ESMS and conduct post review of ES performance of the sub-borrowers on a sample basis.</p>
Cost and Financing Plan	AIIB Loan: USD 200 million
Borrower	"National Bank for Foreign Economic Activity of the Republic of Uzbekistan" JSC
Guarantor	Republic of Uzbekistan
Estimated date of loan closing (SBF)	11/2027

Contact Points:	AIIB	"National Bank for Foreign Economic Activity of the Republic of Uzbekistan" JSC
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Date of Concept Decision	July 24, 2020	
Date of Appraisal Decision	September 22, 2020	
Estimated Date of Financing Approval	Q4 2020	

Independent Accountability Mechanism	AIIB's Policy on the Project-affected People's Mechanism (PPM) applies to this Project. The PPM has been established by AIIB 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 the ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM, or sub-project level GRMs or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html .
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