



Project Summary Information

Date of Document Preparation: March 30, 2021	
Project Name	Medium-size Cities Integrated Urban Development Project
Project Number	P000474
AIIB member	Republic of Uzbekistan
Sector/Subsector	Urban / Urban Infrastructure
Status of Financing	Under Preparation
Project Description	<p>The Medium-size Cities Integrated Urban Development Project (MSCIUDP) is envisioned to address the challenges of rapid urbanization of secondary cities. The proposed Project is jointly co-financing the scaling up of the World Bank-led (WB, lead MDB) MSCIUDP. The Project has been conceived as a programmatic approach and is contributing to Government of Uzbekistan (GoU)'s vision to roll-out a National Medium Size Cities Program (NMSCP).</p> <p>Component 1 - Improvement of Urban Services and Enhancement of Public Urban Spaces This component will finance selected infrastructure investments that improve urban functionality and livability in Participating Cities (referred to as specific activities). Fast track investments to commence during the year 1-2 of the project are expected to include rehabilitation/extension of water supply and sanitation infrastructure and energy efficiency measures. Strategic urban investments will be identified based on urban regeneration studies and may include upgrading of public spaces, street networks, and associated infrastructure; upgrading of vehicular, pedestrian and multi-modal accesses; restoration of selected heritage buildings; improvements to selected basic infrastructure and services (water supply, sanitation, sewerage, sidewalks, roads) on a case-by-case basis to complement the long-term functionality and increase the effectiveness of area-specific urban improvements. Feasibility studies (if required), detailed design, construction supervision, and other services associated with the investments may also be financed under this component.</p> <p>Component 2 - Institutional Strengthening and Capacity Building Subcomponent 2.A: Institutional strengthening and capacity building of project municipalities and their regions. This subcomponent will support the institutional strengthening and capacity building of Participating Cities and their respective regional governments. The activities will be tailored to the specific needs of the Participating Cities and focus on the improvement of asset management and maintenance capacity as well as design of safe roads. This component also includes the procurement of municipal maintenance equipment and the construction/upgrading of maintenance facilities to store and maintain municipal equipment, if needed.</p>

	<p>Subcomponent 2.B: Support for GoU policy and reforms for sustainable urbanization. This component will complement the activities under the WB's parent project through activities to support sustainable and resilient urbanization, including i) the national urbanization study, ii) development of procedures and regulations to mobilize private investments in solid waste management, and iii) support the respective water companies in mobilizing private investments and increasing efficiency in water supply. Technical assistance and capacity building may be provided in the areas of land privatization, housing, road safety, and other areas, as needed. In addition to directly supporting Participating Cities, the component will also support the Academy of Public Administration (a government body responsible for training of public servants) in developing a new system of trainings and capacity building for local governments.</p> <p>Component 3 - Implementation Support This component will support project implementation, including implementation of the project monitoring and evaluation (M&E) system, communication strategy, application of safeguard instruments as well as training and financing of incremental operating costs of the Project Implementing Unit (both at central and regional levels).</p> <p>Component 4 - Contingent Emergency Response Component (CERC) This provisional component will allow for rapid reallocation of Project funds from other Components to provide immediate response capacity to the Government following an eligible crisis or emergency in Uzbekistan. The criteria for determining an eligible crisis and process for CERC activation will be defined in the Project Operation Manual prior to project effectiveness.</p>
Objective	The Project Objective is to: (a) improve access to selected urban infrastructure (including public spaces) and services in Participating Cities; and (b) to strengthen the institutional capacity of the Borrower's relevant agencies to deliver and manage local infrastructure.
Expected Results	<p>The project is expected to improve urban living conditions in the project areas of the targeted medium-size cities. The expected results will be monitored through the following indicators:</p> <ul style="list-style-type: none"> (i) Number of people provided with improved urban living conditions (of which female); (ii) People provided with access to improved public spaces (within 15 minutes walking distance from the place of residence); (iii) Number of municipalities with improved real estate and infrastructure assets operation, management and maintenance practices, and with trained municipal officials.
Environmental and Social Category	WB Category B (equivalent to Category B if AIIB's ESP were applicable)

<p>Environmental and Social Information</p>	<p>Environmental and Social Policy and Categorization. The Project will be co-financed with the WB, which acts as the lead MDB, and its environmental and social (E&S) risks and impacts have been assessed in accordance with WB's Environment and Social Safeguard Policies (ESSP). To ensure a harmonized approach to address the E&S risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), the WB's ESSP will apply to the Project in lieu of AIIB's ESP. AIIB has reviewed WB's ESSP and is satisfied that: (a) it is consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP and the relevant E&S Standards; and (b) the monitoring procedures that are in place are appropriate for the Project. In accordance with WB's ESSP, the project is classified as Category B (equivalent to Category B if AIIB's ESP were applicable), since the E&S risks and impacts are relatively limited, localized and can be easily mitigated by applying best construction practices and relevant precautionary measures.</p> <p>WB's Environmental Operational Policy (OP) 4.01 is triggered as the Project will generate some adverse environmental and social impacts, as is OP 4.12 (Involuntary Resettlement) and OP 4.11 (Physical Cultural Resources) in view of potential impacts and risks to livelihoods and cultural resources.</p> <p>An Environmental and Social Management Framework (ESMF) which includes an outline of an Environmental and Social Management Plan (ESMP), a standalone Resettlement Policy Framework (RPF) along with an Entitlement matrix, an outline for an Abbreviated Resettlement Action Plan (ARAP) and a Resettlement Action Plan (RAP) were prepared for the MSCIUDP and updated for this proposed Project.</p> <p>The proposed Project will focus on improving, upgrading and limited extension of existing infrastructure in urban areas. The anticipated adverse environmental risks and impacts are mainly related to typical small-scale civil works and they will be assessed and mitigated through site-specific ESIA and/or EMSPs.</p> <p>The Project is expected to have significant positive social impacts including: (a) improved civic amenities; (b) strengthened local governance; and (c) enhanced livelihood opportunities. Key adverse social issues relate to ensuring inclusion and local level participation, limited temporary and / or permanent resettlement, economic displacement, access restrictions and health hazards and labor safety issues related to civil works. In respect of each investment, a comprehensive citizen engagement plan, RAP/ARAP and an EMSP will be prepared as relevant.</p> <p>The updated ESMF and RPF were disclosed on the WB's project webpage¹. Both instruments and their Russian translation were also disclosed on the AIIB dedicated page².</p>
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¹ <https://projects.worldbank.org/en/projects-operations/document-detail/P173259>

² <https://www.aiib.org/en/projects/details/2021/proposed/Uzbekistan-Medium-size-Cities-Integrated-Urban-Development-Project.html>

	The MSCIUDP's GRM will be used to address grievances and receive feedback from all stakeholders, including project workers in a timely manner.			
Cost and Financing Plan	Project cost: USD240 million Financing Plan: AIIB loan: USD100 million WB/IDA loan: USD100 million Government of Uzbekistan: USD40 million			
Borrower	Republic of Uzbekistan			
Implementing Entity/Sponsor	Ministry of Foreign Investment and Trade (MIFT)			
Estimated date of loan closing (SBF)	December 31, 2027			
Contact Points:	AIIB	World Bank	Government of the Republic of Uzbekistan	Implementation Entity
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Date of Concept Decision	February 5, 2021			
Date of Appraisal Decision	March 31, 2021			
Date of Financing Approval	June or July 2021			

Independent Accountability Mechanism	Pursuant to AIIB's agreement with WB, the WB's Safeguards Policies will apply to this Project instead of AIIB's ESP. The WB's Corporate Grievance Redress Service (GRS) and its Independent Accountability Mechanism, the Inspection Panel, which reviews the WB's compliance with its policies and procedures, will handle complaints relating to ES issues that may arise under the Project. In accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions to the PPM under this project will not be eligible for consideration by the PPM. Information on WB's corporate GRS is available at http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service . Information on WB's Inspection Panel is available at http://www.inspectionpanel.org .
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