

## Uzbekistan : Rural Infrastructure Development Project

### 1. Project Information

Project ID:	P000328	Instrument ID:	L0328A
Member:	Uzbekistan	Region:	Central Asia
Sector:	Rural Infrastructure and Agriculture Development	Sub-sector:	
Instrument type:	<input checked="" type="checkbox"/> Loan:82.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Finance and Economy, Uzbekistan
Implementing Entity:	Ministry of Economic Development and Poverty Reduction, Uzbekistan		
Project Team Leader:	Zacharias Ziegelhöfer		
Responsible DG:	Gregory Liu		
Responsible Department:	INF2		
Project Team Members:	Zhixi Zhu, OSD - Environment & Social Development Specialist; Liu Yang, Project Counsel; Yi Geng, OSD - Financial Management Specialist; Jurminla Jurminla, OSD - Procurement Specialist; Yuyou Guo, Project admin		
Completed Site Visits by AIIB:	Jun, 2020 Virtual mission Aug, 2020 Virtual mission Feb, 2021 Virtual mission Jun, 2021 Virtual mission May, 2022 Physical mission Oct, 2022 Physical mission Apr, 2023 Physical mission		
Planned Site Visits by AIIB:	Tentatively scheduled in Q3 2023 as for now.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/10		

### 2. Project Summary and Objectives

The Project Objectives are to (i) improve the quality of basic infrastructure and services and (ii) strengthen participatory local governance processes in targeted rural villages.

This is a multi-sectoral rural infrastructure project. The project has the following two components.

Component 1: Demand-driven Investments in Basic Infrastructure and Services. The Project finances sub-projects comprising investments in basic infrastructure and services. The types of investments include access to water supply for drinking, irrigation, and agricultural production; sanitation services; rehabilitation of social facilities; rehabilitation of roads, footpaths and bridges; rural electrification, and energy efficiency improvements. Investments are subject to a negative list that includes housing construction and renovation or any investments that require physical displacement or resettlement of people.

Component 2: Project Management, Monitoring and Evaluation, and Institutional Support. This component will support a project implementation structure within the Ministry of Finance and Economy (MoFE). The component provides financing for operational costs, consultants, essential equipment, technical assistance, and training. Funding is also provided for information dissemination, beneficiary assessments, periodic surveys, monitoring and evaluation (M&E) activities, a management information system (MIS), project audits, and a project-level grievance redress mechanism (GRM) that will handle grievances.

### 3. Key Dates

Approval:	Dec. 12, 2019	Signing:	May. 28, 2020
Effective:	Jun. 24, 2020	Restructured (if any):	Oct. 05, 2020
Orig. Closing:	Dec. 31, 2024	Rev. Closing (if any):	

### 4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	21.96	Most recent disbursement (amount/date):	3.69/May. 23, 2023
Undisbursed:	60.04	Disbursement Ratio (%) <sup>1</sup> :	26.78

### 5. Project Implementation Update

The overall Implementation progress is rated moderately satisfactory by the lead co-financier World Bank (WB) and AIIB concurs. Implementation of community mobilization activities continues to progress and is on track, while Component 1a procurements have been delayed. Qishloq (village) development plans (QDPs) have been completed in all 176 phase-1 villages, from which 240 subprojects have been prioritized and are at various stages of implementation. These include the rehabilitation of 105 drinking water supply systems, 55 internal roads, 29 power supply systems and the rehabilitation or construction of 29 schools and 15 kindergartens. As of April 2023, 36 subprojects have been completed in Jizzakh and Syrdarya regions, benefiting over 99,000 people, over half of whom are women, and 61 subprojects are expected to be completed by July 2023. Moreover, the project is making solid progress towards achieving its targets for social inclusion. Nearly all (93%) villages have established decision-making bodies (Mahalla Development Units) with at least 50% female representation. Of the over 24,000 women who have participated in the first round of social audits, 97% reported that the subprojects selected for financing reflect women's priorities. Community mobilization activities are underway in 13 new villages and in 117 new communities in Andijan, Ferghana, and Namangan regions are expected to commence in July 2023, once the contract for the phase 2 Facilitating

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

Partners is signed. Agreed actions to increase community and women's participation in project planning, decision-making, and monitoring activities above levels constrained by COVID-19-related restrictions are being carried out by the PIU and producing results.

Components	Physical Progress	Environmental & Social Compliance	Procurement
<p>Component 1: Demand-driven Investments in Basic Infrastructure and Services. The Project will finance sub-projects comprising investments in basic infrastructure and services which will be planned and prioritized jointly by participating district administrations and communities. The types of investments will include: access to water supply for drinking, irrigation, and agricultural production; sanitation services; rehabilitation of social facilities; rehabilitation of roads, footpaths and bridges; rural electrification, and energy efficiency improvements. Investments are subject to a negative list that includes housing construction and renovation or any investments that require physical displacement or resettlement of people.</p>	<p>240 subprojects have been identified, including rehabilitation of 105 drinking water supply systems, 55 internal roads, 29 power supply systems, and the rehabilitation or construction of 29 schools and 15 kindergartens. 36 subprojects have been completed, benefiting over 99,000 people. Implementation progress has accelerated substantially during the last 12 month, and would be further advanced had cold weather and accompanying electricity and heating outages experienced in December 2022 and January 2023 not delayed civil works implementation by two months in many subproject sites.</p>	<p>Environmental and Social (ES) Staff at the Project Implementation Unit (PIU) and region levels are onboard. ES screening and preparation of Environmental and Social Impact Assessments (ESIAs), Environmental and Social Management Plans (ESMPs) or ESMP checklists are conducted in compliance with the Project Operational Manual (POM).</p>	<p>Despite the progress achieved the Procurement risk remains Substantial as the PIU/Procurement Specialists were not able to resolve the potential procurement issues. The PIU is not willing to delegate to the Regional Single Customer Service (SCS) Engineering Company the procurement decision-taking power. The associated risks would be re-considered by the lead co-financier Bank by the end of the year to assess the progress and quality of the procurement.</p>
<p>Component 2: Project Management,</p>	<p>The project implementation structure has been</p>	<p>ES issues are monitored as per the POM.</p>	<p>Recent mission to the Regions demonstrated the positive work performed by</p>

<p>Monitoring and Evaluation, and Institutional Support. This component will support a project implementation structure within MoEDPR). The component will provide financing for operational costs, consultants, essential equipment, technical assistance, and training. Funding will also be provided for information dissemination, beneficiary assessments, periodic surveys, monitoring and evaluation (M&amp;E) activities, a management information system (MIS), project audits, and a project-level grievance redress mechanism (GRM) that will handle grievances.</p>	<p>established and activities are ongoing. Community participatory monitoring teams in 176 villages have completed the first round of social audits. Nearly all (93%) villages have established decision-making bodies (Mahalla Development Units) with at least 50% female representation. Community mobilization activities in 117 new communities in Andijan, Ferghana, and Namangan regions are expected to commence in July 2023.</p>		<p>the Facilitating Partners in the sites. So far they have provided basis for the full-scale implementation work. The associated risks would be re-considered by the WB by the end of the year to assess the progress and quality of the procurement.</p>
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**Financial Management:**

The FM arrangements of the project are considered generally acceptable. The financial management (FM) arrangements in the PIU including accounting, budgeting and planning, reporting, internal controls, external audits, funds flow, organization and staffing are considered satisfactory, and the Projects FM residual risk is rated as Moderate based on the WB FM supervision. There are no overdue financial reports or audit reports. By the end of May 31 , 2023, Bank loan proceeds have disbursed USD21.96 million to the project.

**6. Status of the Grievance Redress Mechanism (GRM)**

The project has established the GRM in all project districts and villages. Anyone can submit queries/complaints regarding the project via various channels, including telephone hotline, email address, online portal, mailing address

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and complaint boxes. These details are included in the GRM Manual annexed to the POM, approved by the WB and adopted by the line Ministry on May 18, 2020, and translated into Uzbek and Russian languages. The MoEF, the successor to the Ministry of Economic Development and Poverty Reduction following the administrative reforms introduced in December 2022, continues to operate the GRM (see 10- Significant events). As of April 1st 2023, the GRM received 175 queries. The majority of queries until 2023 were requests to accelerate implementation of civil works now, as the project implementation cycle has shifted to civil works , most queries submitted over this period related to subproject design issues (e.g. not all households within communities are covered by water supply or electricity modernization subprojects), or the pace of implementation, and requires frequent visits by PIU technical supervisors, Qishloq Engineers, and Qishloq Facilitators.; and one collective query, received from Jizzakh region, was related to differences in subproject design and community expectations. All queries were addressed in a timely manner. Many questions from communities are addressed during the frequent visits of Qishloq Facilitators (QFs) to villages.

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**7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)**

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The project is progressing with the intermediate indicators and results reported below.

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**Remarks:**

N/A

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Project Indicators	Objective	Indicator level	Unit Measure	Cumulative Target Values												Frequency	Responsibility	Comments	
				Baseline		2020		2021		2022		2023		End Target					
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Percentage of sampled male and female respondents who report improvements in the quality of basic rural infrastructure (Percentage)	Project	%	2020	0	0							0		2024	60% total;60% women		PIU		
Percentage of beneficiaries (male/female) who participate in planning, decision-making, or monitoring subprojects (Percentage)	Project	%	2020						62% total, 38% women			62% total, 38% women		2024	62% total, 38% women		PIU		
Number of social audits that have been completed across the targeted rural qishloqs (Number)	Project	Number	2020						176			335		2024	300		PIU		

Project Intermediate Indicators	Indicator level	Unit Measure	Cumulative Target Values												Frequency	Responsibility	Comments	
			Baseline		2020		2021		2022		2023		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Number of subproject investments (disaggregated by type) (Number)	Project	number	2020						52			36		2024	300		PIU	
Percentage of subprojects that support climate change adaptation or mitigation (Percentage)	Project	%	2020						17			17		2024	25		PIU	
Percentage of beneficiaries in targeted rural qishloqs with improved quality of water supply as a result of project investments	Project	%	2020						100			71		2024	80		PIU	

Number of project beneficiaries (male/female)	Project	Number	2020					48,516 total/24,459		99,351 total/52,120		2024	330,000 women total 165,000 women			PIU	
Percentage of district and regional hokimiyats completing agreed local governance training curriculum in procurement and oversight.	Project	%	2020					100		100		2024	100			PIU	
Number of targeted rural qishloqs that produce development plans that reflect community members (male/female) priorities.	Project	Number	2020					176		176		2024	300			PIU	
Percentage of targeted rural qishloqs that have at least 50% female representation in the MCA project committees and social accountability roles (monitoring and oversight)	Project	%	2020					93% Mahalla, Social Accountability roles/Development Unit,		93% Mahalla, Committees 97% Social, Accountability Roles		2024	50% Mahalla Project Committees Development Unit, 97%, 50% Social, Accountability Roles			PIU	
Percentage of district project committee members that are female	Project	%	2020					8.4		8.4		2024	50			PIU	
Percentage of infrastructure subprojects for which procurement data is publicly accessible.	Project	%	2020					100		95		2024	100			PIU	
Percentage of grievances (gender disaggregated) which are received that are resolved	Project	%	2020					97		92		2024	100			PIU	
Percentage of qishloqs for which the required information is uploaded to the MIS in a timely fashion for project management to monitor results and for citizens to access	Project	%	2020					75		88		2024	80			PIU	