



Project Summary Information

Date of Document Preparation: February 8, 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 co-financing the scaling up of the World Bank-led (WB, lead co-financier) 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</p> <p>This component will finance integrated and multi-sectoral investments to contribute to the enhancement of selected public urban spaces in project cities and improve livability (referred to as specific activities). These may include upgrading of public spaces, street networks, and associated infrastructure; upgrading of vehicular, pedestrian and multi-modal accesses; carrying out works to restore selected heritage buildings; improvements to selected basic infrastructure and services (water supply, sanitation, sewerage, sidewalks, roads) on a case-by-case basis when deemed necessary to complement the long-term functionality and increase the effectiveness of area-specific urban improvements.</p> <p>Component 2 - Institutional Strengthening and Capacity Building</p> <p>This component will consist of capacity building activities targeting Participating Cities and local government agencies, tailored to their specific needs, including (a) asset management systems and management of integrated urban mobility; (b) sustainable tourism development; and (c) cooperation with the private sector. This component will also support the design of GoU's NMSCP and the phased development of design studies deemed necessary for the preparation of the roll-out phase of the NMSCP to all Participating Cities in the national program and relevant agencies, including the methodology and approach required to enable the prioritization and preparation of integrated investment packages for the Participating Cities.</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 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.</p>
Objective	The Project Objective is to: (a) improve selected urban infrastructure, public spaces and assets, and access to services in Participating Cities; and (b) 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"> • Number of people (cumulative), of which female (50% of total), provided with access to improved urban service; • Square meters of new or rehabilitated urban spaces, of which now accessible to persons with disabilities (percentage); • Number of municipalities with asset management system in place and with trained municipal officials to use them.
Environmental and Social Category	WB Category B (equivalent to Category B if AIIB's ESP were applicable)
Environmental and Social Information	<p>Environmental and Social Policy and Categorization. The Project will be co-financed with WB as lead co-financier 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 addressing 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) they are 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</p>

mitigation measures.

The World Bank has triggered Operational Policy (OP) 4.01 since the Project will generate some adverse environmental and social impacts which are entirely irreversible and temporary in nature. Given the possibility of land acquisition for some of the sub projects, OP 4.12 (Involuntary Resettlement) has been triggered. Also, OP 4.11 (Physical Cultural Resources) has been triggered in view of potential impacts and risks on cultural resources and related impact.

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 parent project. These documents will provide direction on the assessment of specific environmental, social and resettlement risks and impacts applicable to the proposed Project and provide guidance to mitigate them.

Environmental Aspects. The proposed Project will focus on improving, upgrading and limited extension of existing infrastructure in urban areas. No natural habitats, forest, or protected areas will be impacted. The anticipated adverse environmental impacts are mainly related to typical small-scale civil works, such as dust and waste generation (which may include asbestos dust pollution and transformer oil), air, noise, water pollution and vibration, limited tree felling, health hazards and labor safety issues (including child and forced labor). Site-specific ESIA and/or EMSP will be used for assessment and mitigation of subproject environmental impacts and risks.

Social Aspects. 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, temporary and / or permanent limited resettlement, economic displacement, access restrictions and health hazards and labor safety issues related to civil works. Limited temporary and permanent involuntary resettlement could be expected in investment requiring new construction of facilities. In such cases, RAPs or ARAPs will be prepared based on the RPF for each investment. In respect of each investment, a comprehensive citizen engagement plan and a Gender Action Plan will be prepared as relevant.

The original ESMF and RPF were prepared in consultation with stakeholders based on public consultations in October

	<p>2018. Both instruments in English were disclosed on the WB's project website¹ and their translated versions in Russian are available on the websites of the Surkhandariya and Kashkadariya's khokimiyats (cities/districts)². Hardcopies are made physically available in the project site.</p> <p>The MSCIUDP's GRM will be used to address grievances and receive feedback from all stakeholders, including Project workers in a timely manner.</p>		
Cost and Financing Plan	<p>Project cost: USD240 million</p> <p><u>Financing Plan:</u> AIIB loan: USD 100 million WB/IBRD loan: USD 80 million WB/IDA loan: USD 20 million Govt of Uzbekistan: USD 40 million</p>		
Borrower	Republic of Uzbekistan		
Implementing Entity/Sponsor	Ministry of Foreign Investment and Trade (MIFT)		
Estimated date of loan closing (SBF)	Q2 2027		
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¹ <https://projects.worldbank.org/en/projects-operations/document-detail/P173259>

² <http://surxondaryo.uz/news/view/482> and <http://www.qashqadaryo.uz/uz/evview/ushkrl>

Date of Concept Decision	February 5, 2021
Date of Appraisal Decision	March/April 2021
Date of Financing Approval	July 2021

Independent Accountability Mechanism	<p>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.</p>
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