Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 24-Nov-2021 | Report No: PIDA31299

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Central Asia	P174135	RESILAND CA+: Uzbekistan Resilient Landscapes Restoration Project	
Region	Estimated Appraisal Date	Estimated Board Date	Practice Area (Lead)
EUROPE AND CENTRAL ASIA	10-Nov-2021	29-Mar-2022	Environment, Natural Resources & the Blue Economy
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Republic of Uzbekistan	State Committee on Forestry	

Proposed Development Objective(s)

The Project Development Objective is to increase the area under sustainable landscape management in selected locations in Uzbekistan, and promote Uzbekistan's collaboration with Central Asia countries on transboundary landscape restoration.

Components

Strengthen Institutions and Policies, and Regional Collaboration
Enhance Resilient Landscapes and Livelihoods
Enhance Protected Areas and Nature-based Tourism
Project Management and Coordination

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	153.00
Total Financing	153.00
of which IBRD/IDA	142.00
Financing Gap	0.00

DETAILS

World Bank Group Financing	
International Development Association (IDA)	142.00
IDA Credit	142.00
Non-World Bank Group Financing	
Trust Funds	11.00
Korea WB Partnership Facility	3.00
Global P'ship for Sust. and Resilient Landscapes - PROGREEN	8.00

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Regional Context

1.   **Drylands in Central Asia are one of the most rapidly degrading and climate vulnerable areas in the world.**[1] A mix of natural arid conditions and increasing anthropogenic pressures, such as converting land to intensified commercial agriculture, logging, and grazing, have led to land degradation, deforestation, erosion, loss of vegetation cover, and loss of biodiversity. This, in turn, has affected the productivity of agriculture, the resilience of transport and infrastructure, and the potential for tourism development, while increasing the fragility of the region. The region is increasingly exposed to intense weather events and natural disasters, which further degrade the landscapes and the living conditions and economic opportunities of people. Climate change impacts are expected to worsen the condition of countries' natural resources and the overall resilience of their populations and ecosystems.

2.   **Land degradation, including deforestation, costs on average 6 percent of Central Asia countries' Gross Domestic Product (GDP), with the cost of inaction being 6 times higher than the cost of action**[2] due to a strong dependency of the population and the economy, including the forestry and agriculture sectors, on landscapes. Since

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[1] Magero. C. 2019. Drylands and Climate Change – Synthesis Paper. URL:
https://www.iucn.org/sites/dev/files/content/documents/drylands_and_climate_change_gdi.pdf; and,
World Bank. 2019. URL: *https://blogs.worldbank.org/voices/fighting-climate-change-planting-trees-sea*.

[2] Kazakhstan: 3 percent; Kyrgyz Republic: 11 percent; Tajikistan: 10 percent; Turkmenistan: 4 percent; Uzbekistan: 3 percent. Source: Mirzabaev, A., Goedecke, J., Dubovyk, O., Djanibekov, U., Quang, B.L., & Aw-Hassan, A. (2016). Economics of land degradation in Central Asia. In Nkonya, E. et al (Eds), Economics of Land Degradation and improvement – a global assessment for sustainable development. Springer. Retrieved on [2016, 01/11] from [DOI 10.1007/978-3-319-19168-3_10].

1990, degradation-related disasters have affected the lives of over 10 million people in Central Asia and caused damages worth around US$2.5 billion.[3] Land degradation and reforestation are particularly prevalent in border areas, causing increased vulnerability of natural ecosystems and acute regional externalities.

3.   **The World Bank Central Asia Resilient Landscape Restoration Program (RESILAND CA+ Program) was formed in 2019 to provide Central Asia countries with a regional framework for landscape restoration with the aim of increasing resilience of regional landscapes in Central Asia.** This umbrella program finances analytics and advisory on FLR, and supports investment projects in Central Asia countries, one of which is the proposed Uzbekistan Resilient Landscapes Restoration Project. The Project is developed alongside RESILAND CA+ Program of projects in Tajikistan and Kyrgyz Republic, glued together by a Regional Exchange Platform for high-level dialog on forest landscape restoration (FLR). Each national RESILAND CA+ project will address landscape restoration using specific entry points valid to the country. For example, Uzbekistan will focus on tree-based systems, protected area (PA), and nature-based tourism (NBT), while Tajikistan will focus on climate-smart agriculture, forest, and pasture management.

Country Context

4.   **Uzbekistan is a lower-middleincome, natural resource and mineral-rich, double-landlocked country that borders all other Central Asia countries and Afghanistan.** The country has the largest population in Central Asia—35.0 million as of October 2021[4], with an annual growth rate of 1.8 percent on average in 2016-2020. With a total area of about 44 million hectares, approximately 49 percent of the population is concentrated in rural areas.

5.   **Over the past decade, Uzbekistan has maintained high and stable economic growth rates (at 6.1 percent on average) and has gradually diversified its economy, and official poverty estimates have declined from 27.5 percent in 2001 to 11.0 percent in 2019 and 11.5 percent in 2020.**[5] Despite the steady decline in poverty, Uzbekistan still has a high level of poverty, especially among the rural population. The unemployment rate is at 10.5 percent at end-2020 and the groups most vulnerable to poverty remain those with low education levels, households with three or more children, families in rural areas relying on self-employment, women, and the elderly. Rural poverty persists due to distortion of agricultural policies, low agricultural productivity, limited access to productive assets, and the informality of rural labor markets. Uzbekistan's per capita gross national income rose from US$560 in 2001 to US$1,790 in 2019 and it was US$1,670 in 2020[6] and the GDP per capita in 2019 was US$1,784.[7] These gains, however, until 2017 have relied largely on an economic model driven by the State's dominance in major productive sectors, and a small, restricted, small and medium business sector. Since 2017, the new government in Uzbekistan has started to address the legacy of a state-led economic model that achieved high growth but insufficient jobs and incomes. After initial market liberalization reforms in 2017-2019, Uzbekistan's reform agenda has shifted to addressing deeper structural constraints such as weak factor markets and the dominance of public enterprises. These reforms will help create more room for competition and private business growth and help create more jobs and incomes and accelerate Uzbekistan's market transition.

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[3] EM-DAT International Disaster Database, *Université Catholique de Louvain*, D. Guha-Sapir, Brussels, Belgium. URL: *https://www.emdat.be/*.
[4] URL: *https://stat.uz/en/58-useful-information/5903-permanent-population*.
[5] In 2020, the national poverty level increased to 11.5 percent of Uzbekistan's population because of the slower income growth due to COVID-19 related lockdowns. The World Bank notes that the methodology for measuring poverty needs to be brought to international standards. The official poverty estimate does not consider non-food items and the use value of assets. World Bank data sources suggest that the poverty rate at the lower-middle income country line was approximately 9 percent in 2020 ($3.2 a day, PPP 2011 adjusted).
[6] These figures are presented in current US dollars (Atlas method). Uzbekistan's GDP per capital in purchasing power parity (PPP) terms in current international dollars was US$7,335.6 in 2019.
[7] URL: *https://thedocs.worldbank.org/en/doc/d5f32ef28464d01f195827b7e020a3e8-0500022021/related/mpo-uzb.pdf*

Sectoral and Institutional Context

6.	**Uzbekistan is a low forest-cover country and adding trees to the landscape is an important strategy for the Government of Uzbekistan (GoU) towards reforestation and landscape restoration.** While the State forest land (known as the 'State Forest Fund' - SFF) covers nearly 26 percent of the total land area of Uzbekistan (approximately 11.5 million hectare[8]), only 7.3 percent of the land area (about 3.2 million hectare) correspond to the country's definition of forests, and only 5.6 percent (2.8 million hectare) are classed as forest according to the United Nations Food and Agriculture Organization (FAO).[9] In addition, there are forests that are located on agricultural land and in PAs that are not part of the SFF. This is comparable to other Central Asia countries where the forest cover is between 4 percent (Tajikistan) and 8.7 percent (Turkmenistan). The largest forest areas (around 3 million hectares) are in cold desert areas and consist mainly of low saxaul forests, which have the characteristics of woodlands rather than forests. Submontane and mountain forests account for more than 300,000 hectares of the total forest area and include broadleaf forests (for example, pistachio, walnut-fruit forests) and juniper (archa) forests. In addition, there are around 95,000 hectares of riverine or riparian forests (called *tugai* forests) along the larger river belts of the country.[10] Consequently, the direct economic contribution of the trees and forest sector is relatively small, less than 1 percent of GDP in 2019[11]; however, it makes important contributions to ecosystem services and communities.

7.	**Over the past 30 years, the area of forest and other wooded land has reduced due to degradation resulting from competing uses and anthropogenic impacts.** More than 90 percent of the riparian *tugai* forests that were present in the first half of the 20th century have been lost because of land clearance for agriculture, uncontrolled fuelwood removal and logging, and reduced river flows.[12] Since Uzbekistan's 1991 independence, the limited availability of energy sources in rural areas combined with their increased costs have negatively impacted the forest estates both on SFF land and on land controlled by other agencies. The most prevalent degradation drivers have been uncontrolled animal husbandry, increasing demand for industrial and fuel wood, uncontrolled harvesting of non-forest resources, and expansion of irrigated agriculture into forests. Other degradation factors have been the changing climatic conditions, which could be associated with increased incidence of wildfires and pest and disease outbreaks. Researchers expect that future changes in temperature and precipitation would further negatively affect forest growth and survival. These degradation trends have important and long-term implications for the country's sustainable development and green growth, particularly food security, social stability, long term viability of forests and agro-economic land use, and resilience to forecasted climate change. With the economic cost of land degradation estimated in 2016 to be 3 percent of GDP or US\$0.83 billion per year[13], continued degradation is expected to further impact the national economy, and food security could be significantly impacted.

8.	**Despite actions taken by the GoU, forest management and landscape restoration efforts have been hampered by several key factors.** These are (i) lack of current and comprehensive data and research on forests, and approaches that do not consider the broader landscape; (ii) reliance of forest research on short-term limited funding and insufficient focus on cross-sectoral sustainable management of forests as part of the broader landscape; (iii) long-term planning for

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[8] Note that the area of the SFF is different according to the source. Since 1998, the amount of land classified as Forest Fund has grown, hence official figures differ from year to year.

[9] FAO. 2015. Global Forest Resources Assessment 2015: Country report Uzbekistan. Rome, Italy.

[10] Draft World Bank Uzbekistan Forest Policy Note, 2021.

[11] Uzbekistan statistics – national accounts. URL: *https://stat.uz/en/181-ofytsyalnaia-statystyka-en/6373-national-accounts*.

[12] FAO and UNECE. 2019. Overview of the State of Forests and Forest Management in Uzbekistan.

[13] According to Mirzabaev, A., Goedecke, J., Dubovyk, O., Djanibekov, U., Quang, B.L., & Aw-Hassan, A. (2016). Economics of land degradation in Central Asia. In Nkonya, E. et al (Eds), Economics of Land Degradation and improvement – a global assessment for sustainable development. Springer. Retrieved on [2016, 01/11] from [DOI 10.1007/978-3-319-19168-3_10].

forest management is still linked to a modified version of the former Soviet system of economic planning; and (iv) an inconsistent and proliferative legal and regulatory framework.

9.   **All forests are state-owned and fall under the responsibility of the State Committee on Forestry (SCF), which has local offices that carry out forest operations and manage the state forest enterprises (*leskhoz).* The SCF is also responsible for NBT development in SFF lands, which has been growing exponentially in the past three years (pre-COVID-19) in terms of income from visitors to forests and the types of NBT attractions on forest land. A self-gap analysis carried out by the SCF in 2019 highlighted some capacity gaps, including in coordination with other government entities managing forests, capacities for FLR and management of national parks in the SFF, the education curricula it uses to train staff, and dated databases as noted.

10.   **In the past two years, the GoU has adopted several resolutions aiming to sustainably develop FLR.** On October 6, 2020, the GoU adopted a 'Presidential Resolution on the Forest System Development Concept to 2030' (PP-4850), defining the sector's strategic goals, policy priorities, and implementation mechanisms, and prioritizes policy, capacities, forest protection activities, incentives for private sector investments, improved monitoring, and expanded economic activities in the sector. The Concept is aligned with the August 23, 2019 Presidential Resolution on 'Additional Measures to Increase the Efficiency of Forest Use in the Republic' (PP-4424), and with the Decision of the Cabinet of Ministers in August 2020 on the 'Creation of Industrial Plantations of Fast-growing Trees' (no. 520). To implement the Concept, on January 21, 2021, another Presidential Resolution was adopted on 'Measures to Develop Science and Promote Scientific Research in the Forest Sector' (PP-4960),[14] and in 2019, the Uzbekistan 'Concept of Development of the Tourism Industry 2025' and a corresponding Action Plan were adopted to develop the tourism sector with a focus on rural areas in the provinces, and the zoning of NBT areas within almost all State reserves.

C. Proposed Development Objective(s)

11.   **The goal of the RESILAND CA+ Program is to increase resilience of regional landscapes in Central Asia**. The regional impact of the Program will be measured by aggregating the results of individual country projects and monitoring the results of regional activities. For this purpose, the Project Development Objective (PDO) and PDO-level Indicators have been harmonized.

PDO Statement

12.   *The PDO is to increase the area under sustainable landscape management in selected locations in Uzbekistan, and promote Uzbekistan's collaboration with Central Asia countries on transboundary landscape restoration.*

13.   This PDO is uniform across the RESILAND CA+ projects, however, with varied sustainable landscape management practices based on country-specific context. For Uzbekistan, sustainable landscape management refers to tree-based restoration practices on SFF land in landscapes within six defined transboundary corridors. Such practices include agroforestry (intercropping with trees, shelterbelts); improved grazing land management through temporal enclosure and enrichment planting; plantations and reforestation, (production-oriented plantations, tree belts for protection of catchments and erosion control); PA management; soil fertility and water harvesting measures to support tree systems

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[14] Resolution PP-4960 introduces new departments and entities in the CF's structure responsible for scientific research: a Department for Coordination of Scientific Organizations and Introduction of Innovations, a Scientific Experimental Pistachio Farming Station, a Forest Economy Department, and a Forest Design Institute (*Urmonloyiha*) as a state institution responsible for improving the quality and effectiveness of design and survey work in the forest sector.

(including adopting techniques such as hydrogels); and other relevant sustainable landscape management practices that are tree-based. Sustainable landscape management related interventions will be carried out by the government, *leskhoz*, the private sector, and rural communities, in the targeted locations within the Project corridors.

Key Results

14. **The following indicators will measure the achievement of the PDO**:

   a) Land area under sustainable landscape management practices (Corporate Result Indicator, Ha)
   b) People benefitting from landscape management practices (Number, sex disaggregated)
   c) Transboundary sustainable landscape management policies harmonized (Number)

D. Project Description

15. **Project approach.** The geographic focus of the Project is six transboundary corridors - three on the Uzbekistan and Tajikistan border, one on the Uzbekistan, Tajikistan, and Kyrgyz Republic border, and two on the Uzbekistan and Kazakhstan border - with Project-financed activities taking place on the Uzbek side of the corridors. Actions on the Tajik side of the border will be financed by the RESILAND CA+: Tajikistan Resilient Landscape Restoration Project (P171524), developed alongside the Project. This follows the RESILAND CA+ stepwise approach of expanding interventions in transboundary corridors as other Central Asia country projects join the Program. Transboundary corridors are defined here as geographical spaces that provide connectivity between landscapes, ecosystems, and natural or modified habitats, ensuring the maintenance of ecosystem services. The corridors connect a mosaic of different land uses - PAs, forests, pastureland, degraded agriculture lands, and irrigated land. On the Uzbek side, adding trees to the landscape is a major strategy to combat land degradation and deforestation. Regionally, the project aims to strengthen collaboration with neighboring countries in key aspects of landscape management.

16. **Project areas/provinces.** The six corridors span across degraded border areas within Uzbekistan's provinces:
   - Corridor 1 traverses four districts in Surkhandarya province and includes the Bobatag/Key Biodiversity Area and Uzun forest.
   - Corridor 2 traverses one district in Surkhandarya province, two districts in Kashkadarya province, and three districts in Samarkand province, and includes Kitab and Shakhrisabz forests and Zarafshan National Park/PA.
   - Corridor 3 traverses three districts in Jizzakh province, and includes the Zaamin National Park/PA.
   - Corridor 4 traverses one district in Jizzakh province and includes the Arnasay PA/Key Biodiversity Area.
   - Corridor 5 traverses one district in Sirdarya province and includes the Qolqansir forest.
   - Corridor 6 traverses one district in Namangan province and includes the Pop forest.

Project components

17. **Project activities are grouped into the following four inter-related components**, which are further grouped into sub-components:
18. **Component 1: Strengthen Institutions and Policies, and Regional Collaboration (*US$10.50 million from IDA; US$2.00 million from PROGREEN; US$3.00 million from the Korea World Bank Partnership Facility, KWPF*).** Sub-component 1.1 will support the development of an appropriate policy and reform of the legal and institutional framework to restore and sustainably manage forest landscapes in Uzbekistan. It will develop the country's first National Forest Inventory (NFI), which will serve, among other, to enhance planning capacities in support of Uzbekistan's Land

Degradation Neutrality (LDN) and Nationally Determined Contribution (NDC) targets. Sub-component 1.2 will support the development of an Information and Communication Technology (ICT) Platform for FLR and forest management within the Forest Design Institute (*O'rmonloyikha*) of the SCF, in support of data-based decision making on forest and landscape management planning, including afforestation, reforestation and other FLR investments. Sub-component 1.3 will promote Uzbekistan's collaboration with Central Asia countries on transboundary landscape restoration by setting up a regional online database on sustainable landscape management and restoration.

19. **Sub-component 1.1: Strengthen Institutions and Policies.** The sub-component will be implemented at the national level, focusing on SFF lands, PAs of various categories, and forested landscapes under other legal tenure categories/sectors. The targeted provinces will serve as pilots for policies and legislative measures and for implementation of pilot integrated land-use plans. The following five groups of activities will be supported: (i) development of a unified policy and institutional reform for forest landscape management, harmonization of the legal framework on forests and landscape, and development of a national strategic plan for FLR, forest management, and approaches for collaborative management with communities and user groups to address FLR; (ii) setting up Uzbekistan's first NFI and NFMS to provide data for decision-making on forest and landscape management and restoration; (iii) strengthening the capacity of the Forest Research Institute and conducting targeted applied field research work; (iv) creating human capacities for monitoring, planning, and implementing FLR and forest management; and (v) reviewing Uzbekistan's stated LDN targets and refining them based on new information from the NFI/NFMS on the degradation status, including submission of a revised communication document for government approval.

20. **Sub-component 1.2: Develop an ICT Platform for Forest Landscape Restoration and Management.** Establishing an ICT Platform for FLR and forest management within the Forest Design Institute as a two-way forest management information system that: monitors afforestation, reforestation, natural regeneration forests, and forest land use changes; a disaster response information platform; forest big data with mobile application; and a decision support tool that produces tailor made recommendations on forest-related topics for decision making, planning, and monitoring of forest restoration and management operations, and disaster response and preparedness actions. This sub-component will benefit from the technical support of Korea Forest Services (KFS), which has experience in the development of such ICT platforms. The sub-component will also finance the development of user-friendly guidelines for the Platform, purchase relevant ICT equipment for the Forest Design Institute, and onboarding of SCF and *leskhoz* staff through training, including a specific focus for female staff. The new ICT Platform will also facilitate baseline mapping of NBT sites.

21. **Sub-component 1.3: Strengthen Regional Collaboration.** The objective of this sub-component is to promote Uzbekistan's collaboration with Central Asia countries on transboundary cooperation and landscape restoration, given the critical need to address emerging threats at the regional level, including impacts of climate change. It will finance the development and operation of a regional online database hosted at the Regional Environmental Centre for Central Asia (CAREC). The database will be an extension of the existing Central Asia Climate Information Platform (CACIP), with a module on sustainable landscape management and restoration. The database will allow the compilation, storage, and publishing of data and publications on this topic. Uzbekistan will also participate in several regional activities, including: (i) development of a Memorandum of Understanding (MoU) for facilitating border-crossing for NBT in PAs and unique natural sites shared between countries, (ii) development of an MoU for using common modern methods of inventory of flora and fauna diversity, and ecosystem condition among transboundary corridors, (iii) development of a joint transboundary management plan for ecological corridors for migratory animals, and transboundary cooperation agreements for addressing issues of protection of key species and habitats, including PAs from fires, invasive species, etc., (iv) development of a protocol for using nature-based solutions; and (v) development of an MoU for the designation

of a transboundary 'Peace Park' between countries along the lines of the United Nations Convention to Combat Desertification (UNCCD) Peace Forest Initiative (2020).[15]

22.   **Component 2: Enhance Resilient Landscapes and Livelihoods (*US$84.00 million from IDA; US$6.00 million from PROGREEN*).** Sub-component 2.1 will develop robust forest and tree-based intervention packages to deliver production, service values, and restoration, leading to enhanced and sustainable forest landscapes in the Project corridors. Sub-component 2.2 will incentivize communities within the corridors to engage in landscape restoration and management practices by enhancing resilient livelihoods and improving the incomes of beneficiaries in target areas. It will do so by providing financial and non-financial services to existing and new enterprises.

23.   **Sub-component 2.1: Enhance Tree-based Landscape Restoration and Management.** The main activities supported under this sub-component will include[16]: (i) development of a three-tier land electronic Geographic Information System (GIS)-based unit classification system as a decision support tool, including for aligning species with site characteristics that will link with and support integrated land use plans for Project corridors; (ii) production-oriented interventions with protective/restoration benefits; and (iii) ecosystem service-oriented interventions in support of rehabilitation, restoration[17] and protection (including farmer-based natural regeneration through a participatory approach), eco-structures, biodiversity, and a Green Wager Program. Model nurseries will be supported to ensure supply of quality seedling stock for restoration activities. Given the structural constraints of climate, soils, and topography, all restoration and tree-based interventions will aim to generate both production and service values concurrently, and where possible, allow flexible management to facilitate responses to future changes in physical growing conditions and/or changing demand for products and services. Involved actors' different levels of access to resources of land, finance, time, and skill levels will inform the type and scale of any intervention.

24.   **Sub-component 2.2: Enhance Resilient Livelihoods and Value Chains.** The main activities under this sub-component are formation and strengthening of livelihood groups and enterprises; carrying out market assessments to identify demand-driven livelihood activities; providing business training and supporting business plan development to form the basis of proposals for matching grants that will be provided accordingly; and providing downstream business development support, the establishment of linkages and collaboration with commercial banks, private sector associations, and other development programs that provide credit-based financial services and support infrastructure and digitalization for sustainability. The sub-component will be implemented in villages/clusters of villages situated within or adjacent to PAs in the six Project corridors.

25.   **Component 3: Enhance Protected Areas and Nature-based Tourism (*US$40.00 million from IDA*).** This component will promote sustainable land and natural resource management practices through improved management of the Zaamin National Park and Zarafshan National Park and sustainable NBT*.*

26.   **Sub-component 3.1: Improve Protected Area Management.** The sub-component will finance improved protection and management of two PAs managed by the SCF - Zaamin National Park (Jizzakh) and Zarafshan National Park (Samarkand).[18] Management plans of the PA will be updated and improved where needed and two new visitor

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[15] URL: *https://www.unccd.int/news-events/unccd-ready-welcome-countries-new-peace-forest-initiative*.

[16] Areas of plantations to be supported were selected using the new World Bank Rating System for Project Resilience, based on sites' climate projections, hazard exposures, impacts, and risk mitigation measures. Interventions will be prioritized according to the main drivers of degradation in each area and their relative impact.

[17] Using IUCN's Restoration Opportunities Assessment Methodology. URL*: https://www.iucn.org/theme/forests/our-work/forest-landscape-restoration/restoration-opportunities-assessment-methodology-roam*.

[18] Within the five-year Project timeframe, it is expected that these two PAs will qualify to be added to the IUCN Green List of Protected and Conserved Areas, the first in Central Asia. URL: *https://iucngreenlist.org/*.

centers – one in each park - will be established to help attract, inspire, engage in dialog, and educate a growing number of tourists in both parks and communities residing in the vicinity of the parks, as well as other investments to be defined in accordance with the latest Management Plans. These could include: (i) additional visitor facilities such as new or rehabilitated hiking trails, scenic viewpoints, observation platforms, picnic areas, and campgrounds; (ii) PA management infrastructure such as small park buildings (headquarters, ranger outposts, staff housing, etc.) and improved physical demarcation or signage; (iii) equipment that could include vehicles, field equipment, and office equipment; and (iv) incremental recurrent costs for PA management activities specific to Project implementation, such as office and field supplies, field rations, fuel, support for park auxiliaries (such as community volunteers) if any, boundary maintenance, and equipment maintenance during the expected five-year Project life.

27.   **Sub-component 3.2: Enhance Nature-based tourism.** The sub-component will promote environmentally sustainable and climate-resilient forms of NBT, targeted both on domestic tourists and a potentially growing number of international visitors. The investments will be made within or adjacent to SFF lands, such as Bobotag and Uzun (Surkhandarya), Pop (Namangan), Qolgansir (Syrdarya), and Kitab and Shakhrisabz (Kashkadarya) and national parks in Jizzakh, Samarkand, Surkhandarya, Namangan, Syrdarya, and Kashkadarya provinces. Activities will complement the ongoing World Bank-financed Medium-Size Cities Integrated Urban Development Project (MSCIUDP, P162929) by upgrading '*gateway settlements*'[19] and creating rural-urban tourism corridors to realize increased and sustainable levels of tourist visitation. The types of investments that could be considered under include, but are not limited to improved basic infrastructure, trail systems, picnic and camping areas, and appropriate recreational facilities that promote sustainable natural resource uses, baseline mapping of promising NBT sites, connecting smaller settlements to trails to promote sustainable natural resources, diversify activities and potential for economic development, in combination with private sector engaging activities under the Project. The sub-component will also finance NBT promotion activities focused especially on the planned Project corridors, and NBT-related technical studies.

28.   **Component 4: Project Management and Coordination (*US$7.00 million from IDA*).** A Project Implementation Unit (PIU) will be established within the SCF-International Relations and Ecotourism Development (SCF-IRED) to coordinate implementation, project management, coordination and reporting tasks, including preparation of annual work plans and budgets, procurement activities, financial management of project funds, hiring of external auditors, knowledge management, development and maintenance of a project communication program, grievance redress mechanism, and Monitoring and Evaluation (M&E) and reporting. The PIU will also be responsible for citizen engagement, ensuring Project compliance with and monitoring implementation of Environmental and Social Framework-related issues. and that due attention is given to gender aspects as per Project design.

Legal Operational Policies	
	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

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[19] For the purposes of Project interventions, the 'gateway settlements' are defined as typical peripheral small towns or villages located in the areas adjacent to natural areas that share similar characteristics (economic, administrative, territorial development, natural resource management, and other). They function as entry points to nature-based touristic sites (natural habitat, forests, mountain trails, lakes/water reservoir-based and other natural or farm-based recreational areas); often provide accommodation, goods, and services to eco-tourists, and have a significant mutual impact with the surrounding areas. The gateway settlements, as such, are integral parts of NBT value chains.

Summary of Assessment of Environmental and Social Risks and Impacts

29.   The environmental and social risks are Substantial and are covered by the following World Bank Environmental and Social Standards (ESSs): ESS 1, ESS 2, ESS 3, ESS 4, ESS5, ESS 6, ESS 8, and ESS 10. The main social and environmental risks and mitigation measures will result from activities of components 2 and 3, which will support landscape restoration, reforestation, slope stabilization, roadside tree planting, sylvicultural and enrichment planting measures, pasture improvement, and introduction of food production systems (horticulture, agroforestry) including some financial and market facilitation assistance to the economic development of local communities. The Project also has a transboundary dimension through promoting regional activities in landscape restoration along Project corridors connecting with Tajikistan.

30.   The OP 7.50 is applicable to the Project as it will finance activities that may draw on water from the Amu Darya and Syr Darya Rivers and/or their tributaries, which are considered international waterways. The exception to the riparian notification requirement according to paragraph 7(a) of the Policy applies because activities are limited to use of water from existing schemes and will appreciably impact quality or quantity of water flows to other riparians.

31.   The main environmental risks are related to new conversion or loss of natural habitats and biodiversity from tree planting, possible risks from changes to landscapes, potential spread of invasive tree or shrub species, risks related to potential overharvesting of Non-timber Forest Products (NTFPs), and environmental and occupational hazard risks related to small scale renovation and construction works (visitor buildings, eco-trails, viewing platform, and other NBT related interventions). There is also a need to ensure that the SCF will maintain policies and practices that adequately conserve wildlife species and biodiversity areas that the Project corridors encompass, especially around the Zaamin National Park and Zarafshan National Park.

32.   The main social risks are potential changes of land-use practices and restriction of access to pastures and forest land, and forest products traditionally used by local communities of targeted landscapes because of the development and implementation of integrated land use plans and implementation of management plans of PAs. Contextual risks include the competing interests and demands of different land and water users, and the need to consider tradeoffs between different stakeholder interests, avoid elite capture and social exclusion. On the social exclusion risk, there are concerns about ensuring vulnerable and disadvantaged groups primarily from low-income households including family enterprises, farmer/community groups, small entrepreneurs, and vulnerable members of communities, including women, youth, and persons with disabilities in villages will benefit from the Project, specifically from Component 2. Thus, the Project will need to ensure in-depth stakeholder involvement during subproject design, planning, and implementation. The project will apply appropriate stakeholder engagement strategies to ensure that the local communities are provided with an opportunity to participate in decision-making and derive full benefits.

30.   The Project does not anticipate land acquisition and involuntary resettlement due to direct Project construction works. The Project interventions will be implemented in representative sites within the Project areas, predominantly on SFF lands. Other lands may be used where interventions are required, provided there are no outstanding issues such as disputed tenure or other rights. The Project sub-components and activities which would involve any land acquisition and involuntary resettlement impacts will not be eligible for financing. There is a possibility of livelihood impacts in and around the two project-supported National Parks (Zarafshan and Zaamin), which relate to potential future restrictions on livestock grazing within one or both of these parks. There might also be increased

restrictions on the collection of fuelwood or other non-timber forest products, mainly within the Zarafshan National Park. A Process Framework is being drafted that will focus on addressing the potential livelihood impacts of these restrictions within the two national parks. Outside these two national parks, the Project would support much-needed tree and shrub planting on degraded SFF lands. To enable the tree and shrub seedlings to grow successfully, it is likely that livestock grazing (especially by goats) will also need to be somewhat restricted, at least during the first few years following tree/shrub planting. The potential Project-related impacts on livelihoods would be the same whether the project activity is within a PA or outside on SFF Land. A 'Process Framework/Resettlement Policy Framework' (PF/RPF) will be drafted and disclosed, to address all potential livelihood impacts related to Project-supported restrictions on natural resource use, whether inside or outside of protected areas. The draft PF/RPF will be further consulted upon with stakeholders and affected communities, and re-disclosed three months after Project Effectiveness.

31. Towards addressing the risks, the following instruments have been drafted, disclosed locally, and consulted on by the SCF prior to Project appraisal: (i) Environmental and Social Management Framework; (ii) draft Stakeholder Engagement Plan; (iii) Labor Management Procedures; and (iv) draft Environment and Social Commitment Plan (ESCP). Final versions of the instruments will be cleared for disclosure by the Implementing Agency and World Bank prior to Project Effectiveness. A Process Framework/Resettlement Policy Framework (PF/RPF) is being drafted and will be disclosed, and a final version will be disclosed after Project Effectiveness.

33. Although ESS4 on Community Health and Safety is relevant to this Project, its dam safety requirements are not. While certain Project interventions, such as tree nurseries, shelterbelts, agroforestry, orchards (using drought-tolerant and native species), wood plantations, and native forest restoration will involve small-scale water use, effective functioning of the Project will not depend on the continued functioning of any dam in Uzbekistan. Moreover, the Project will implement efficient water usage and harvesting techniques, including, for example, rainwater harvesting, use of hydrogels, etc.[20]

34. In general, the Project seeks to restore rural landscapes through sustainable land management practices, and not increase the area of irrigated cropland. However, some Project investments such as tree nurseries, shelterbelts, agroforestry, orchards (using drought-resistant and native species), wood plantations, and forest restoration, may involve small-scale water use, mostly for watering during the first few years for young trees to get established. These interventions would account for very minor, localized, and often temporary increases in water consumption that, taken together, could not appreciably or detectably change the flows of any international waterway, including the Amu Darya and Syr Darya Rivers that flow into the Aral Sea. Accordingly, the Project will not adversely change the quantity or quality of water flows to any other country, and, therefore, does not trigger the riparian country notification requirements of Operational Policy 7.50 - the World Bank Policy for Projects on International Waterways.

E. Implementation

Institutional and Implementation Arrangements

35. **Implementing Agency (IA).** The IA of the Project is the SCF-IRED**,** which will host a PIU composed of a project coordinator, and specialists in M&E, accounting, financial management, communication, procurement, social and environmental specialists, and gender; as well as technical specialists in forestry, landscapes, NBT, ICT, policy, lilvelihoods, and other relevant fields of expertise.

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[20] See ESS4, Annex 1 on Safety of Dams for the kinds of projects that would require some type of dam safety analysis.

36.   **Technical Coordination Committee.** A TCC will be established which will provide technical guidance and ensure inter-ministerial coordination and cooperation. The TCC will be composed of representatives from relevant ministries, state committees, Project provinces, and other relevant stakeholders, and will be expected to meet 2-3 times per year.

37.   The implementation arrangements of the sub-components are summarized below:

a) Sub-component 1.1 (Strengthen Institutions and Policies) will be implemented by the SCF with guidance from experts on forest policy, legal issues, NFMS/ICT, training, and education. Based on its long-standing involvement in forest policy advice and forest development in Uzbekistan, United Nations Economic Commission for Europe (UNECE)/United Nations Food and Agriculture Organization (FAO) will be a key technical adviser. Advisory services will be provided by the national forest policy/multi-sectorial dialog process/platform, initiated by the SCF jointly with UNECE/FAO Forestry and Timber Section, FAO, and Korea Forest Services (KFS) on technologies for forest management, and other relevant development partners as needed, including United Nations Convention to Combat Desertification (UNCCD), International Commission on Poplars and Other Fast-Growing Trees Sustaining People and the Environment (IPC), KFS/Asian Forest Cooperation Organization (AFoCO), the Eorpean Union Delegation, German Society for International Cooperation (GIZ), FAO/Turkey Partnership Programme, M. Succow Foundation and United Nations Development Program (UNDP). These partnerships will be formalized through contracts or other operating agreements.

b) Sub-component 1.2 (Develop an ICT Platform for Forest Landscape Restoration and Management) will be implemented by the SCF with support and guidance from its Forest Design Institute.

c) Sub-component 1.3 (Strengthen Regional Collaboration) will be executed by CAREC through a direct contract with the SCF. CAREC will subcontract other entities as needed to execute specific activities.

d) Sub-component 2.1 (Enhance Tree-based Landscape Restoration and Management) will be implemented by the SCF. The SCF will work with its Forestry Research Institute on the ecological site classification and with its Forest Design Institute on integrated land use plans—both activities will be developed in a participatory manner with local communities. The implementation of productive and restorative activities on SFF Land will be the responsibility of the SCF, which will contract the *leskhoz* either through direct contracting or through a competitive selection (fiduciary responsibilities will remain with the SCF), and benefit from technical expertise, extension, and outreach provided by the Forest Research Institute. The *leskhoz* will also support the Green Wager Program under similar arrangements.

e) Sub-component 2.2 (Enhance Resilient Livelihoods and Value Chains) will be implemented by the SCF in consultation with the provincial and district levels government (*khokimiyat*)[21] and *leskhoz* (*leskhoz* will be contracted by the SCF through direct contracting or through a competitive selection. Fiduciary responsibilities will remain with the SCF). At the community level, activities will be executed by contracted Mahalla Citizen Assemblies (MCAs) with support from Technical Assistance Partners (TAPs) and Community Business Agents (CBAs).

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[21] Which include regional and district departments of the Ministry of Mahalla and Family Affairs, SCEEP, the Ministry of Economic Development and Poverty Reduction, State Committee for Tourism Development, and other relevant agencies.

f) Component 3 (Enhance Protected Areas and Nature-based Tourism) will be implemented by the SCF in collaboration the Ministry of Tourism and Sports and its territorial and specialized departments/agencies. Where needed, specialized NGOs and private companies will be contracted to implement specific activities.

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