

## PROJECT SELECTION CRITERIA

1. The Asian Development Bank (ADB) and the executing agency for the project readiness loan have agreed on the selection criteria for choosing ensuing projects that will be supported during implementation. This approach will allow the government to lead the identification, prioritization, and due diligence for selecting future projects to be supported by the project readiness loan. ADB will grant approval based on criteria listed below as agreed between the executing agency and ADB.
2. The nominated projects must meet the following selection criteria for funding under the project readiness financing facility.
  - (i) **Relevance.** The proposed ensuing projects are in line with the priorities of the government and ADB for urban sector development, as outlined in the current country partnership strategy,<sup>1</sup> or are listed in the current country operations business plan,<sup>2</sup> and are in line with the overall objective of the proposed project readiness financing.
  - (ii) **Technical.** The executing agency agrees to (a) carry out the needed detailed climate change risk analysis and (b) include climate change resilience measures as part of the detailed design activities.
  - (iii) **Governance.** The proposed implementing agency's capacity has been assessed *sufficient* to undertake the required financial management and procurement activities. If the capacity of a proposed specific implementing agency is assessed *inadequate*, the executing agency will be required to agree to include the mitigation measures proposed by ADB.
  - (iv) **Safeguards.** The proposed ensuing projects fully meet the requirements of ADB's Safeguard Policy Statement (2009).
  - (v) **Sustainability.** The executing agency agrees to include measures to improve project sustainability (e.g., cost-recovery tariff reforms) as part of the project scope.
3. ADB will review the executing agency's proposal for a project to be included for support under the project readiness loan and, if necessary, may request additional information to justify the selection. The executing agency must obtain ADB's formal approval before starting detailed design or other project preparation activities for the proposed project.

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<sup>1</sup> ADB. 2019. [Country Partnership Strategy: Uzbekistan, 2019–2023–Supporting Economic Transformation](#). Manila.

<sup>2</sup> ADB. 2018. [Country Operations Business Plan: Uzbekistan, 2019–2021](#). Manila.