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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 30-May-2023 | Report No: PIDA35333



BASIC INFORMATION

A. Basic Project Data

Country Uzbekistan	Project ID P179108	Project Name Uzbekistan Digital Inclusion Project	Parent Project ID (if any)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 08-Jun-2023	Estimated Board Date 24-Aug-2023	Practice Area (Lead) Digital Development
Financing Instrument Investment Project Financing	Borrower(s) Republic of Uzbekistan	Implementing Agency Ministry of Digital Technologies, IT Park	

Proposed Development Objective(s)

To support digital inclusion by expanding access to skills and to employment opportunities in the digital economy.

Components

Digital Inclusion and Enabling Environment
Development of regional infrastructure and incentives for ITES
Location Attractiveness Promotion

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	50.00
Total Financing	50.00
of which IBRD/IDA	50.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	50.00
IDA Credit	50.00



Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Uzbekistan is a lower-middle-income, mineral-rich, doubly landlocked Central Asian country with significant longer-term challenges in creating high-productivity employment and reducing the urban-rural gap in living standards, which are compounded by the COVID-19 pandemic.** With over 36 million inhabitants, Uzbekistan has the largest population in Central Asia. Over the past decade, Uzbekistan has maintained high and stable economic growth rates (at 6.1 percent on average). However, Uzbekistan’s economic achievements have largely relied on a model driven by the state’s dominance in the economy, limited economic freedoms, and a restricted private sector. As a result, for decades the country has struggled to reach its full economic potential and generate full employment. Since 2017, the Government of Uzbekistan (GoU) has implemented wide-reaching economic and social reforms, including the unification of exchange rates, liberalization of the tourism and visa regimes, removal of price controls in many sectors, an overhaul of the tax system to improve its efficiency and reach, lowering of import tariffs and strengthening of trade facilitation.

2. **Uzbekistan’s working-age population has been increasing over time, but formal job creation has been slow resulting in high informality and inactivity rates.** The working-age population has increased by around 50 percent since 2000, from 14 million to more than 22 million. The population at the age of 0–9 is about 1.3 million, which means that Uzbekistan will have a significantly larger share of youth in the next decades. Unemployment and inactivity rates are high, especially for youth, women, and people in the two poorest quintiles. In 2020, official statistics estimated unemployment at 10.5 percent of the active labor force, while another 34 percent of working-age people were inactive (i.e., not working or looking for work). The State Statistics Committee estimates that there were about 1.1 million jobs available in 2018 including informal and small-scale agricultural work, falling short of growth in the labor force by more than 200,000 places.¹ Official employment estimates also include labor migrants working abroad (adding 2.6 million to the total in 2018). In 2019, about 59 percent of total employment was informal.²

¹ This includes about 152,500 job vacancies, 188,000 vacancies owing to death or illness, 169,500 seasonal or part-time job vacancies, 48,000 jobs reserved for socially vulnerable workers, and 155,800 opportunities for self-employment in small-holder land plots and dehqan farms.

² These data are from Uzbekistan’s Ministry of Employment and Labor Relations.



3. **A high share of youth struggle to enter the labor force or obtain further education.** Unemployment rates are higher among youth and employment outcomes for this group are worse in terms of job security, social insurance, protection, and pay. Youth who are not in employment and not in education or in training (commonly referred as “NEETs”) represent 24 percent of the group between the ages of 16 and 24, and 26.4 percent among those between the ages of 16 and 29. The NEET rate among young women was as high as 38.2 percent in 2017, compared to only 9.4 percent of men in the same age group—a gap of 29 percentage points. The increase in the youth population is expected to peak in the coming 15-20 years, making the question of helping youth transition into productive employment a particularly timely issue. The main employment challenges reported by youth are the scarcity of jobs and weak labor demand in rural areas, high informality, and low wages.³

4. **Achieving Uzbekistan’s 2030 ambitions will require the acceleration of an already bold reform agenda: more private sector–led, inclusive, and sustainable growth is essential to the success of Uzbekistan’s transition.** The GoU’s new Development Strategy of New Uzbekistan for 2022-2026 (National Development Strategy, NDS)⁴ builds on the successful completion of the Actions Strategy on further development of Uzbekistan in 2017-2021⁵ and renews the GoU’s commitment to the economic transition. With 2022-2026 NDS the GoU has committed to cutting poverty in half by 2026 (the poverty rate stood at 14 percent in 2022⁶) and becoming an upper-middle-income country by 2030. Reducing the poverty rate by half will require more rapid job creation and less exclusion from economic opportunity, especially among youth, women, and people with disabilities.

Sectoral and Institutional Context

5. **By recognizing the critical role of digital development in Uzbekistan’s economic growth and job creation, the GoU has put digital transformation high on its strategic agenda.** During the last five years, US\$2 billion was invested in ICT sector development, including foreign direct investments (FDI) of US\$700 million. Since 2020, which was entitled the Year of the Development of Science, Enlightenment, and the Digital Economy; the GoU made a large number of decisions on digitalization, including the adoption of the Digital Uzbekistan 2030 Strategy, thus initiating a new phase of the country’s digital development. The Strategy sets general directions for digital transformation till 2030 and focuses on five priority areas: (1) Digital infrastructure; (2) e-Government; (3) Digital economy; (4) Digital technologies national market; and (5) IT education. Under this Strategy, the GoU implemented ambitious plans to modernize the telecom infrastructure by substantially increasing the length of fiber optic networks, to increase the bandwidth of the international gateways and the number of mobile base stations, to connect social facilities such as schools, preschools, and healthcare facilities with high-speed Internet, and mobilized US\$2.5 billion for the development of digital infrastructure during 2021-2022. While Uzbekistan is making progress in this sector, the digital economy’s contribution to GDP is still low (1.9 percent as of 2021)⁷, and the share of ICT services in GDP is also low (1.6 percent as of 2021)⁸ of which 90 percent are provided in Tashkent, making this market uneven across regions with the worst situation being in the Karakalpakstan, Andijan, and Surkhandarya regions. In this context, the GoU has placed a strong emphasis on

³ World Bank report “Youth Employment in Uzbekistan: Opportunities and Challenges”, September 2021

⁴ The Presidential Decree #UP-60 “About the Development Strategy of New Uzbekistan for 2022-2026” (dated as of January 28, 2022), <https://lex.uz/ru/docs/5841077>

⁵ The Presidential Decree #UP-4947 “On the Strategy of Actions for the further Development of the Republic of Uzbekistan” (dated as of February 7, 2017), <https://lex.uz/ru/docs/3107042>

⁶ uzdaily.uz/ru/post/75118

⁷ Open Data on Digital Economy from the State Statistics Committee of the Republic of Uzbekistan, <https://stat.uz/ru/ofitsialnaya-statistika/tsifrovaya-ekonomika>

⁸ The Report of State Statistics Committee of the Republic of Uzbekistan “The production of the GDP (January – April 2021)”



digitalization in the NDS with plans to increase the size of the digital economy at least 2.5 times, making it the main "driver" sector, including achieving a 10-fold increase in software outsourcing up to US\$500 million, increasing the share of digital public services to 100 percent (20 percent of which would be transferred to the private sector), and bringing the digitalization of workflow and work processes of government institutions to 90 percent.

6. **Uzbekistan has made progress over the past decade in improving the quality and access to Internet connectivity.** With the Digital Uzbekistan 2030 Strategy, the GoU has set challenging targets, including deployment of more than 220,000 km of fiber optic cables across the country by 2025. By end-2021, Uzbekistan deployed 122,000 km and had increased its international Internet bandwidth to 3200 Gbps (93 kbps per person)⁹. Uzbekistan's fixed broadband household penetration reached 25 percent as of December 2022 (from 9.6 percent in 2016)¹⁰ and the telecom market has experienced continuing price decreases for international Internet access (around US\$2.7/Mbps in September 2022 vs US\$91.5 in 2016), in retail prices for the data-only mobile-broadband basket (US\$1.42 in 2021 vs US\$30 in 2016)¹¹, and Uzbekistan was among 4 new countries that met the UN's two percent affordability target¹². The majority of 35,000 social facilities (schools, preschools, healthcare facilities, and makhalla citizens' assemblies) have been connected to high-speed Internet. In November 2021, the GoU updated key targets on telecom infrastructure development¹³. Specifically, GoU set the target of raising international data transmission channel capacity 3.5 times and building extra 150,000 km of national fiber-optic lines by 2023 with the eventual aim of reaching all settlements, 80 percent of which should be able to connect to fixed broadband, while 100 percent of settlements should have mobile broadband connectivity by 2024. With this in mind, the GoU introduced further incentives for telecom operators (e.g., tax, customs), especially for those deploying infrastructure in rural areas and made efforts in simplifications on issuance of permits.

7. **Despite this progress, Uzbekistan's Internet adoption remains low, while Internet connectivity is insufficiently diversified due to its reliance on terrestrial transit bandwidth and dependence on neighboring countries.** Uzbekistan's Internet adoption remains low due in part to market constraints affecting affordability. Uzbekistan's fixed broadband household penetration was more than triple the average for countries with a similar GDP per capita, while compared to the Central Asia neighbors Uzbekistan is behind Kazakhstan (37 percent), narrowly surpasses Kyrgyzstan and Turkmenistan (20.2 percent and 20.8 percent, respectively) and far outpaces Tajikistan (5.5 percent)¹. Uzbekistan is considered to be one of the lower-level mobile penetration countries in the Asian continent with overall mobile penetration at 93.9 percent as of December 2022, remaining the lowest in the Europe and Central Asia (ECA) region after Tajikistan (80.2 percent)¹⁴. In January 2023, Uzbekistan ranked 122th (out of 138) globally for mobile broadband speed and 92th (out of 179) for fixed broadband speed.¹⁵

8. **The GoU is paying significant attention to promoting and supporting the creation of IT-enabled jobs, including by supporting startups and young professionals, but the current ecosystem is still at an early stage.**

⁹ <https://mitc.uz/ru/news/4272>

¹⁰ TeleGeography data, December 2022

¹¹ ITU, ICT Price Baskets 2021. The definition of "data-only mobile-broadband basket" is provided at <https://www.itu.int/en/ITU-D/Statistics/Dashboards/Pages/IPB.aspx>.

¹² In 2018, the UN Broadband Commission for Sustainable Development set its updated affordability target: to bring prices for entry-level broadband services below 2 percent of monthly GNI per capita by 2025.

¹³ <https://lex.uz/uz/docs/5735282>

¹⁴ TeleGeography data, December 2022

¹⁵ Speedtest Global Index, January 2023, <https://www.speedtest.net/global-index>



The GoU made good efforts in the last four years, including the establishment of techno parks such as the Technology Park of Software and IT “IT-Park” (with various tax and customs incentives and other benefits for its residents until January 1, 2028) and the Yashnabod” Innovation Technopark, and the launch of various venture funds and associations. The venture market is slowly growing with several projects recently receiving good investments, including a startup with Uzbek roots "Ami" that raised an investment of US\$3 million from Meta (Facebook), a startup BILLZ that received US\$650,000, and an educational platform Mohirdev that received US\$500,000. The GoU made progress through a number of initiatives to address the limited digital talent pool, including through the establishment of 205 IT centers (one in each district one), the launch of IT Nation and One Million Uzbek Coders program (as of June 2022, about 1.2 million Uzbeks have completed the training), establishment of branches of foreign IT institutions and digital universities with the IT-Park’s own University, and the launch of a program to provide up to 50 percent compensation for the costs of obtaining international IT-certificates. As of now, there are 58 universities that have specialized IT courses (with 20 of them fully focused on IT) and over 20,000 highly qualified IT specialists, and the GoU is targeting to increase the pool by at least 10,000 annually.

9. **The GoU has now extended its digital agenda further with a focus on strengthening broader digital skills and increasing IT-enabled business process outsourcing (BPO)¹⁶ and knowledge process outsourcing (KPO)¹⁷ services in order to create more high-paying jobs, especially in more remote regions of Uzbekistan.** During the COVID-19 lockdowns, the volumes of production and services rendered at 196,000 enterprises were significantly reduced, and, as a result, the number of unemployed naturally increased. At the same time, since 2017, the country has experienced a 76-fold increase of IT products and services exports, whose worth jumped from US\$600,000 to US\$46 million in 2021 and US\$130 million in 2022 (of which 50 percent were related to BPO and 46 percent to software development activities), with a corresponding increase in the number of tech companies and high-paying jobs in the country. Based on its assessment of significant untapped opportunities in the IT-enabled outsourcing market, and to create more and better jobs, the GoU established IT outsourcing centers (17 centers in all regions, except Surkhondarya, and Tashkent city in 2022, and in each city/district level during 2023-2026), and BPO centers, and BPO schools in all regions and districts to initiate skills development activities (e.g., digital skills and soft skills, including English foreign language and marketing/communication skills, among others) for the population, particularly youth, to be able to expand digitally deliverable services (e.g., services that can be provided online, such as dispatch, call center, finance and accounting, digital marketing, data entry, and procurement services). The GoU is planning to achieve US\$500 million in IT products and services exports by 2026 and US\$1 billion by 2028. To provide further support to IT and BPO companies, in early 2022, the IT Park under the Ministry of Digital Technologies (MDT) launched various programs, including expedited work visas (ITVisa)¹⁸ for foreign investors, IT specialists and foreign founders specialized in the IT and BPO sectors, and assisting with activities such as launching a business, recruitment/selection of personnel, office spaces with equipment and preferential rent for the first 6 months, as well as concessional loans for training specialists.

¹⁶ Business process outsourcing (BPO) is the delegation of one or more IT-intensive business processes to an external provider that, in turn, owns, administrates and manages the selected processes based on defined and measurable performance metrics. (Source: [Gartner](#)).

¹⁷ Knowledge process outsourcing (KPO) is the outsourcing of core, information-related business activities. KPO contracts out knowledge-based work to qualified subject matter experts. Companies utilize KPO when they are looking for specialized knowledge and expertise and when they have a shortage of skilled professionals on staff. (Source: [Investopedia](#)).

¹⁸ <https://itvisa.uz>: Special IT-Visa program that provides a visa with a multiple-entry for investors, founders of IT companies, and IT professionals for up to 3 years with the possibility of extension for an indefinite period, which allows the visa holder to receive education and medical services on the same conditions as citizens of Uzbekistan, frees the holder from the obligation to re-register when traveling around the country's regions, and enables the holder to obtain a residence permit in a simplified manner, subject to the acquisition of residential real estate of any value.



C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

10. The Project Development Objective (PDO) is to expand access to skills and to employment opportunities in the digital economy.

Key Results

11. **Key results of the Uzbekistan Digital Inclusion Project will be measured in terms of the areas identified in the PDO.** The proposed PDO-level indicators are:

Expand access to skills

- Beneficiaries who have completed digital and soft skills training (obtained a certificate) under the project (number), of which women and persons with disabilities (number).

Expand access to employment opportunities in the digital economy

- Beneficiaries who have been employed by IT-enabled services (ITES)¹⁹ companies (number), of which women and persons with disabilities (number).
- Beneficiaries who have increased earnings as a result of the digital and soft skills training received (percentage), of which women and persons with disabilities (percentage).

12. **The Project will include a range of intermediate results indicators:** (i) strategic framework for the ITES industry is strengthened; (ii) ITES Strategy adopted, (iii) number of ITES Centers in the regions established and operational; (iv) number of business promotion representative offices set up, (v) percentage of Project beneficiaries who are satisfied with the digital and soft skills training received; (vi) number of ITES companies that entered the market.

13. The beneficiaries for the purposes of the PDO definition include the youth (defined as young people between 18 and 30 years old, in line with the national definition) vulnerable to unemployment and at risk of being left out of the digital economy. A strong focus will be made on involving beneficiaries residing in the regional and district capitals of Uzbekistan. Digital economy is defined for the purposes of the PDO definition as the use of digital technologies to create or adapt, market or consume goods and services.

D. Project Description

14. **Uzbekistan Digital Inclusion Project is the first operation to support the development of the digital economy in Uzbekistan in line with the GoU's "Digital Uzbekistan 2030 Strategy" and "Development Strategy of New Uzbekistan for 2022-2026".** The Project will focus on the fundamentals for digital inclusion, including

¹⁹ ITES industry includes export-oriented IT firms such as BPO, KPO and ITO (IT outsourcing).



digital jobs creation for youth, including women and persons with disabilities. The priority for the Project is the creation of new digital jobs in the ITES segments, particularly targeting regional areas. The proposed Project would contribute to the larger goal of building greater economic opportunities, creating more and better jobs, and facilitating private sector-led economic growth as indicated in the NDS. The Project will include gender-disaggregated indicators in the results framework with a target of 50 percent of the project beneficiaries being women.

15. The proposed Uzbekistan Digital Inclusion Project is articulated around three main areas for intervention: policy, infrastructure, and skills. These components seek to (i) enhance the enabling legal, regulatory, and institutional environment for a vibrant and inclusive ITES industry and for the broader digital economy; (ii) develop digital and language skills among youth, women, and other vulnerable groups necessary for employment in digitally enabled service sectors (iii) expand infrastructure for ITES industry in the regions of Uzbekistan; and (iv) support mechanisms for promoting Uzbekistan as an outsourcing destination.

Component 1: Digital Inclusion and Enabling Environment (up to US\$5 million)

16. Under Component 1, the Project will mainly focus on the establishment of a solid foundation, such as regulatory frameworks and skills for the development of the ITES industry in Uzbekistan. The component will finance capacity building activities to produce a large pool of qualified labor equipped with necessary digital and soft skills, particularly targeting women and youth in NEET (aiming for a participation level of 50 percent women) as beneficiaries. It will support development of legal and regulatory frameworks to support ITES industry growth in the country and set to develop a country strategy for attraction of investments.

Sub-component 1.1: Skills Development

17. This sub-component will support activities aimed at improving the digital and soft skills of unemployed youth including women, as well as persons with disabilities with the aim of expanding the pool of human resources eligible to apply for newly created jobs. Trainings will be provided in the three main skill areas such as communications skills, computer skills and languages. The intent is to initially deliver English language trainings and potentially add other languages based on the emerging demand from ITES companies. More advanced skills development, linked to ITES technical skills requirements, will take place under Component 2. Hybrid delivery of the trainings (both on-site and online) will be enabled to account to accommodate the needs of the targeted disadvantaged groups and to account for the situations when travel to the training sites is not possible. due to climate-related disasters such as heat waves or floods.

Sub-component 1.2: Modernization of Legal, Regulatory and Institutional Frameworks

18. Under this sub-component, the Project will further improve the institutional, legal, and regulatory framework to enable a favorable business environment for private investment in ITES industry. It will also provide broader support for the development and modernization of the legal and regulatory framework for the digital economy, with a specific emphasis on inclusion and focus on making it climate-informed and ensuring modern enablers and safeguards for data management, IP protection, company registration, data protection, and cybersecurity to engender a stronger trust in digital transactions.

Component 2: Development of regional infrastructure and incentives for ITES (up to US\$35 million)



19. This component will finance incentives to private companies with legal entities in Uzbekistan to encourage creation of employment in ITES among youth and specifically employment of women and persons with disabilities. The component will also establish regional ITES Centers by refurbishing at least 13 buildings to be repurposed for the use by ITES companies.

Sub-component 2.1: ITES Incentives Program

20. Sub-component 2.1 will finance ITES incentives schemes that will make Uzbekistan more attractive from the perspective of available labor market to prospective investors. The Project will support demand generation through financing of a program of incentives and preparing necessary office spaces in the regions for the incoming ITES companies with the objective of creating jobs in the regions of Uzbekistan. Specifically, the incentive package will include output-based financing of ITES companies to contribute towards professional training and other costs incurred by the ITES companies in expanding export-oriented operations and creating new jobs. The ITES companies eligible for output-based financing would need to meet the following criteria: (i) be registered as a legal entity in Uzbekistan, (ii) be a resident of IT Park, (iii) have presence in the regions. Selection of eligible companies will be undertaken by the expert commission established by the Ministry and facilitated by the IT Park. These efforts coupled with activities under Component 3, will stimulate more global service companies to choose Uzbekistan as a location.

Sub-component 2.2: ITES Infrastructure Development

21. Sub-component 2.2 will finance upgrading of physical infrastructure in the regions necessary to host the ITES companies. It is planned to refurbish total 13 ITES Centers. During the first phase, the Project will finance refurbishment of not less than 5 existing Uzbektelecom facilities and based on the demand, the second phase will finance the remaining Centers. The Centers will be established in at least 13 regions of Uzbekistan. A facility management company will be recruited to address all maintenance issues of the refurbished Centers.

Component 3: Location Attractiveness Promotion (up to US\$10 million)

22. The Project will support enhancement of the digital brand of Uzbekistan, including cooperation with a foreign industry promotion company and creation of a network of international representation agencies with the aim to attract global ITES companies and private entrepreneurs into the ITES market in Uzbekistan. This component will also finance in-depth global market analysis and development of the ITES strategy that will guide strategic decisions around selection of target sectors and regions as well as fine-tuning of the incentives package and development of promotion materials. IT will also further advise on the needed skills and alignment of trainings under sub-component 1.1. This strategy will also define climate mitigation, and adaptation measures and standards for refurbishment and construction of ITES Centers. Besides, this component will support IT Park capacity in handling ITES transactions and negotiations with potential investors. Also, it will further advise on the needed skills and alignment of trainings under sub-component 1.1.

Sub-component 3.1: ITES Industry Promotion and Location Attractiveness

23. This subcomponent will finance establishing institutional capacity for working with both local ITES and investor companies and positioning Uzbekistan as an attractive location on a global ITES map. The envisioned



modalities would include the following: (i) an ITES marketing and negotiations team within the IT Park, and a (ii) ITES Representation offices abroad in a select number of countries (3-5). The Representation offices will be critical for promoting ITES brand of Uzbekistan, they will be operating under direct oversight of the IT Park and will work closely with the IT Park’s ITES team.

Sub-component 3.2: ITES Strategy and Institutional Development

24. This sub-component will finance multistakeholder ITES Strategy development activities that will undertake a comprehensive Strength, Weakness, Opportunity and Threat (SWOT) analysis and guide strategic decisions on target countries, ITES segments (e.g., logistics, finance, data entry and processing, etc.) and needed adjustments to existing incentives and skills development initiatives. The Strategy will also advise on needed institutional structures, capacity, and research capabilities within the IT Park in order to support effective industry development and promotion as well as operational aspects of managing relations with the potential investors.

Sub-component 3.3: PIU Support

25. This subcomponent will support hiring of PIU core personnel on term-based contracts, including project manager, procurement specialist, financial management specialist at the IT Park as well as additional specialists and staff, including project coordinators for each project component with relevant technical skills, procurement assistant, M&E specialist, accountant, office manager/translator and support staff. This team of specialists will be responsible for coordination and reporting on different activities under the Project.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

26. The project’s environmental and social risks are moderate at this stage. Environmental risks are associated with the activities proposed under Component 2 that will entail civil works for establishment of and equipping ITES Centers in regional and district capitals throughout Uzbekistan, for which existing buildings will be refurbished (including minor works and supply of IT equipment, such as servers, data storage equipment, power, and air conditioning/cooling systems), but no new construction will be required. All the risks and impacts are expected to be temporary and mitigable and are typical of those associated with small/medium scale construction works. Due to this project expect to apply IT equipment that can source of e-waste and harm the environment. In this perspective, an e-waste management plan should be developed, and training should be provided for involved stakeholders. As the project locations will not be known before project appraisal, the



environmental and social risks and impacts outlined will be addressed in the ESMF, SEP, LMP and will be prepared by the Borrower during project preparation. The ESMF will outline the guiding principles of environmental screening, assessment, review, management, and monitoring procedures for all envisaged activities. The ESMF, once acceptable to the WB, will be shared with all stakeholders and disclosed nationally and on the WB's external website. At this point, project activities are not expected to require the involuntary acquisition of land. As far as Component 2 is concerned no new buildings will be constructed, and existing buildings will require only repair and rehabilitation. Should, however, a need for land acquisition emerge during Preparation, a Resettlement Policy Framework (RPF) will be developed to enable the project to appropriately identify, address and mitigate adverse socioeconomic impacts. Beyond land acquisition other social risks include the exclusion of vulnerable and marginalized groups from employment opportunities with the BPO companies and potential incidents of SEA/SH (see below) during construction activities.

E. Implementation

Institutional and Implementation Arrangements

27. The Ministry of Digital Technologies (MDT,²⁰ www.mitc.uz) performs the function of the project initiator²¹, given the focus of the project on digitally enabled job creation. The IT Park (founded in 2019 by the MDT, which owns a 100 percent share) will serve as the implementing agency. MDT will coordinate the implementation of the Project at the national and local levels and will also act as the executive body to ensure the development of BPO industry and enhancing digital skills in Uzbekistan. The main role of the MDT will be the preparation of strategic and policy documents related to ITES industry and overall digital economy development, as well as the coordination of the ITES strategy implementation at the regional and local levels. Within the existing potential of knowledge and information resources, the MDT develops and implements a communication strategy for supporting the Project at the national, regional and local levels. In addition, the MDT provides financial control, organizational support in the organization of all project activities, the organization of the Project's annual results monitoring.

28. A Project Implementation Unit (PIU) will be established within the IT Park based on the GoU resolution upon project effectiveness. Project implementation will be led by the technical and fiduciary team at the IT Park. The PIU will provide overall project coordination and implementation support, including implementation planning, technical supervision, fiduciary management (financial management, procurement), environmental and social safeguards implementation and monitoring and evaluation.

CONTACT POINT

World Bank

²⁰ Formerly Ministry of Information Technology and Communications. The Ministry's name was changed in late 2022.

²¹ "Project initiator" is the term adopted in the Resolution of the President of the Republic of Uzbekistan "On measures to improve the efficiency of preparation and implementation of projects with the participation of international financial institutions and foreign governmental financial organizations" of July 16, 2018. It is used with reference to "state bodies, budget organizations, and other legal entities initiating the implementation of the project with the participation of IFIs/FGFOs" (<https://lex.uz/ru/docs/5698991>).



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