



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 03/28/2024 | Report No: ESRSA03399



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P504420	Investment Project Financing (IPF)	INSON Project	2024
Operation Name	Uzbekistan INnovative SOcial Protection System for inclusiON of Vulnerable People Project		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Uzbekistan	Uzbekistan	EUROPE AND CENTRAL ASIA	Social Protection & Jobs
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Republic of Uzbekistan	National Agency for Social Protection	06-Mar-2024	24-May-2024
Estimated Decision Review Date	Total Project Cost		
27-Feb-2024	102,000,000.00		

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Proposed Development Objective

To improve the access to and quality of social services and benefits for vulnerable people in Uzbekistan.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

[Description imported from the PAD Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The proposed project consists of three inter-related components aiming to strengthen Uzbekistan's social protection delivery system and improve the coverage and quality of social services and benefits. Component 1 will contribute to improving the integrated provision of social protection by (1) supporting development of the NASP's social protection IT platform, operations of INSON centers, the methodology and business procedures for social case management; and (2) enhancing the capacity of the social protection system to respond to shocks, which includes development of Adaptive



Social Protection (ASP) policy and legislation, improvement of the targeting system and needs assessment for the Low Income Family Allowance (LIFA) Program, and expansion of the functions of the social registry and the broader IT platform to make them more responsive to shocks. Component 2 will contribute to improving coverage and quality of social services through (1) developing some concepts of care services, providing community-based social services; supporting survivors of gender-based violence; and (2) designing and piloting activation and economic inclusion services for vulnerable people. Component 3 will focus on strengthening the NASP capacity through improving its management information system (MIS), M&E functions, and communication. The project includes a Contingent Emergency Response Component (CERC) to help the Government quickly deploy the project's uncommitted funds to respond should a crisis occur.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation's environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 10,000]

The project aims to improve access to and quality of social services and benefits for vulnerable people in Uzbekistan. The project is part of the country's broader economic and social reform agenda, with a focus on modernizing the social protection system and expanding coverage of poverty-targeted social assistance. The project is nationwide in scope, with activities planned to be implemented across various regions of Uzbekistan, addressing the needs of both urban and rural populations.

The project specifically targets vulnerable populations, including persons with disabilities, survivors of gender-based violence (GBV), women, children, and those vulnerable to climate change impacts. The project will support the piloting and scale-up of community-based Territorial Social Service Centers (TSSCs) to provide a range of social services, including home-based, community-based, and rehabilitation services for vulnerable groups. Pilot TSSCs can be multifunctional (mix different target groups) or provide separate services for adults (persons with disabilities and older persons) and for families, children, and youth (including children with disabilities). It is advised to include a unit for home care and support in the experimentation, considering the revision of scope that needs to be adopted by this type of service. After the experimentation these new methods of work can be rolled out for other units of homecare.

The project is also focused on strengthening the integration and shock responsiveness of the social protection system, with a focus on improving the inclusiveness, efficiency, and quality of social services. The project aims to increase the employability and earnings potential of persons with disabilities through professional training, orientation, and activation services in vocational education and training (VET) centers and TSSCs. It is expected that 50 percent of the 6,400 persons with disabilities engaged in these services will find long-term employment. The project aims to create jobs in the social service sector, with about 30 professionals, formal caregivers, and administrative staff expected to be recruited in each pilot TSSC.

The project does not operate in a fragility, conflict, and violence (FCV) context and does not specifically mention the presence of Indigenous Peoples or other minorities. It does not involve associated facilities or high-biodiversity settings. Overall, the project presents opportunities to enhance social services, support vulnerable populations, and improve the efficiency of social protection spending in Uzbekistan.



D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

[Description of Borrower’s capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 10,000]

The Borrower, the Republic of Uzbekistan, has demonstrated a strong commitment to improving its institutional capacity for managing environmental and social risks and impacts. This is evidenced by its ambitious program of economic and social reforms, including the liberalization of the exchange rate, state-owned enterprise reform, and strengthening of labor laws. The government has also developed the first Strategy for Social Protection of the Population of the Republic of Uzbekistan until 2030, showing its dedication to improving social protection. Additionally, the Borrower has shown a commitment to promoting the integration of persons with disabilities into mainstream education institutions and providing day care services for vulnerable children. The Borrower has also collaborated closely with development partners to support the provision of social services to vulnerable populations and to develop national social protection strategies.

The primary implementing agency for the proposed project, the National Agency for Social Protection (NASP), was established in June 2023 to centralize social protection policy, implementation, monitoring, and evaluation. The NASP is responsible for policy design and implementation regarding social assistance, social care services, disability inclusion, and accessibility, as well as developing the Social Insurance Law. However, the Borrower, represented by the National Agency for Social Protection (NASP), has not prior experience with World Bank-financed projects and may have a low level of familiarity with World Bank fiduciary systems. To address this, the NASP will need to strengthen its technical, managerial, and fiduciary capacity to effectively manage environmental and social risks and impacts associated with the project.

A Project Implementation Team (PIT) will be established in NASP under the direct supervision of the Project Director. The PIT will be responsible for performing key management functions for the project, including social and environmental standards and issues, coordination, fiduciary, monitoring and evaluation (M&E), management, and reporting functions. The PIT will also include consultants hired under the project to carry out the environmental and social functions.

The NASP, with the support of the Bank, has prepared an appraisal of the relevant ESF instruments, such as the Environmental and Social Commitment Plan (ESCP) and the Stakeholder Engagement Plan (SEP) based on the Environmental and Social Standards (ESSs) that have been triggered. In addition, the NASP will prepare the remaining instruments associated with the ESF, such as the Environmental and Social Management Framework (ESMF), Labor Management Plan (LMP), and Waste Management Plan (WMP), prior to negotiations. Social dimensions and risks related to the project will be embedded in the project's activities, particularly labor management, stakeholder engagement, grievance management (including managing exclusion errors), and measures to promote inclusion of vulnerable groups.

The Bank suggests the Borrower to consider the following areas during the preparation and revision of ESF instruments:

- Stakeholder engagement
- Grievance management (as part of the broader system)



- Social inclusion, including registration processes
- Provision of appropriate services, especially those made available to people with disability, survivors of GBV, children, etc.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate

A.1 Environmental Risk Rating

Low

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The environmental risk rating for the Project is assessed as Low. The project primarily focuses on social aspects, including the enhancement of social protection services and benefits for vulnerable populations nationwide in Uzbekistan, encompassing both urban and rural areas within a non-Fragile and Conflict-Affected Situation (FCAS) context. While the project's activities, such as social work, case management, and community-based care, are not inherently high-risk from an environmental perspective, there may be indirect environmental impacts, such as increased energy and resource demand due to expanded services. However, there is no foreseen construction of emissive infrastructure or energy-intensive activities. Uzbekistan's diverse ecosystems are not directly impacted, but climate change adaptation measures will be integrated to mitigate climate-related risks. The project Implementation Team (PIT) will monitor alignment with environmental and social priorities, and comprehensive safeguards will be developed to ensure compliance with Uzbekistan's environmental regulations and World Bank standards, mitigating any identified environmental risks.

A.2 Social Risk Rating

Moderate

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The social risk associated with the project is classified as Moderate. Anticipated social benefits are largely positive, with the project's primary objective being to enhance the social protection system's efficacy, as well as to expand and refine the provision of social services for those most in need. However, potential social challenges may arise due to insufficient involvement with vulnerable communities, particularly regarding certain policy reforms and alterations to the benefits package. Additional risks may emerge from the potential mismatch of support services for vulnerable demographics, such as survivors of gender-based violence (GBV), individuals with disabilities, and others. There is a possibility of residual adverse risks if the necessary measures are not implemented effectively. To address these concerns, a Stakeholder Engagement Plan (SEP) has been devised, reflecting the input and feedback from stakeholder consultations, and an Environmental and Social Commitment Plan (ESCP) has been established to guide the development of mitigation strategies. Furthermore, to minimize social risks and foster robust participation from project beneficiaries, essential instruments like the Labor Management Procedures (LMP) and Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) prevention and response plan will be developed within the framework of the Environmental and Social Management Framework (ESMF).

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 8,000]

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B. Environment and Social Standards (ESS) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

[Explanation - Max. character limit 10,000]

ESS 1 is relevant for assessing, managing, and monitoring environmental and social risks and impacts associated with the project towards ensuring that the operation is environmentally and socially sustainable. Environmental risks associated with this project are assessed as low, and social risks are considered moderate, with the overall risk rated as Moderate. Potential environmental risks have been screened and are predictable, expected to be temporary, low in magnitude, and site-specific. Key social risks and impacts include limited accessibility for disabled persons during the project design and implementation, exclusion risks during the hiring of social workers, impacts on worker and community health and safety during the rehabilitation of centers, absence of inclusive grievance mechanism for workers and beneficiaries, especially persons with disabilities, and risks of SEA-SH in various project covered establishments, particularly affecting vulnerable women and children with disabilities. Prior to the project's negotiation phase, the Borrower will prepare the Environmental and Social Management Framework (ESMF), the Waste Management Plan (WMP), and the Labor Management Procedures (LMP) as part of the ESMF to identify, mitigate, and monitor the environmental and social risks and impacts.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

[Explanation - Max. character limit 10,000]

Prior to appraisal, the NASP carried out stakeholder engagement activities including (i) identifying the Project stakeholders, making a distinction between those directly affected by the project and other interested parties; (ii) carrying out consultations with key stakeholders on project activities; (iii) broaden the Grievance Mechanism (GM). During the meetings, the Borrower met and got feedback from NGOs, vulnerable groups, and their representatives. Separate GM for Project workers under ESS2 will also be established. During implementation, NASP/PIT will hold an annual public consultation with stakeholders on the implementation of the project and produce and publish an accessible annual report on the progress of the project. The above measures have been included in the project's stand-alone SEP and ESCP which were disclosed on the NASP website. This initial SEP has been developed and disclosed before project appraisal as the starting point of an iterative process, to develop a more comprehensive stakeholder engagement strategy and plan. The amendments to this document will be introduced, as necessary. NASP will conduct further consultations with the public and project-affected stakeholders before project appraisal completion. An action plan for further consultations is currently being prepared.

ESS2 - Labor and Working Conditions

Relevant

[Explanation - Max. character limit 10,000]

The project will encompass direct and contracted workers. The direct workers could be either government civil servants or those deployed as 'technical consultants' by the project. While a set of civil services code governs the



former, the latter will be by a set of mutually agreed contracts. Employees of implementing partners are considered contracted workers under ESS 2. The project will not involve any civil works. However, some IT equipment installation works might be performed by contractors. These contracts will incorporate social and environmental mitigation measures such as ESMF and other referenced plans, e.g., Labor Management Plan (LMP), Waste management Plan (WMP), Stakeholder Engagement Plan (SEP), Codes of Conduct that include measures to prevent Gender Based Violence/ Sexual Exploitation and Abuse (GBV/SEA) and to avoid of the forced and child labor. A locally based project-specific GRM, proportionate to the potential risks and impacts of the project, will be established. The GRM will be formally established on project effectiveness.

ESS3 - Resource Efficiency and Pollution Prevention and Management Relevant

[Explanation - Max. character limit 10,000]

While the project does not explicitly mention civil works, resource-intensive activities, or pollution generation, it should consider resource-efficient practices and pollution prevention measures wherever applicable. This includes: - Promoting sustainable resource management in the delivery of social services. - Minimizing waste generation and pollution associated with project activities to reduce the environmental footprint.

ESS4 - Community Health and Safety Relevant

[Explanation - Max. character limit 10,000]

The project's central focus on improving social protection services for vulnerable populations necessitates a solid commitment to community health and safety. Detailed steps should include: - Implementing robust safety measures to protect vulnerable communities while delivering services and benefits. - Ensuring that project activities do not pose health risks to vulnerable populations, including families, children, persons with disabilities, and older persons, and that the provisions of tailored and appropriate services to these groups are based on their specific needs, challenges, and risks. These measures will be consulted as part of the stakeholder engagement activities with these groups and their representatives.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement Not Currently Relevant

[Explanation - Max. character limit 10,000]

ESS 5 is not currently relevant to the Project since all project activities will be implemented in the existing rehabilitation centers.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources Not Currently Relevant

[Explanation - Max. character limit 10,000]

ESS6 is not currently relevant to the Project since the project's activities do not involve infrastructure development with potential biodiversity impact, given the frequent human presence and modifications at project sites.

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ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities Not Currently Relevant

[Explanation - Max. character limit 10,000]

Not relevant as there are no IP/SSAHUTLCs in Uzbekistan as per standard definition of ESS7.

ESS8 - Cultural Heritage Not Currently Relevant

[Explanation - Max. character limit 10,000]

ESS8 is not currently relevant to the Project since all project activities will be implemented in the existing rehabilitation centers.

ESS9 - Financial Intermediaries Not Currently Relevant

[Explanation - Max. character limit 10,000]

No involvement of Financial Intermediaries (FI) is proposed or envisaged in the project.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways No

OP 7.60 Operations in Disputed Areas No

B.3 Other Salient Features

Use of Borrower Framework No

[Explanation including areas where "Use of Borrower Framework" is being considered - Max. character limit 10,000]

Use of Borrower Framework has not been considered. The World Bank's Environment and Social Framework (ESF) will apply to the project.

Use of Common Approach No

[Explanation including list of possible financing partners – Max. character limit 4,000]

n/a

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Appraisal Stage PID and PAD – Max. character limit 10,000]

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Environmental risks associated with this project are assessed as low, and social risks are considered moderate, with the overall risk rated as Moderate.

Implementation of project activities under its three components are to improve the access, efficiency, and quality of social services and benefits for vulnerable people and implement a monitoring system. Potential environmental risks have been screened and are predictable, expected to be temporary, low in magnitude, and site-specific. The project will not involve any civil works. However, some IT equipment installation works might be performed by contractors. As a result of these activities, it is expected that waste such as packaging materials (cardboard, plastic, etc.) will be generated. Additionally, during the operation of the TSSCs, some solid waste and office waste are also expected to be generated. Therefore, it is important to consider the development and implementation of proper handling of these wastes during the preparation of the waste management plan.

The NASP has developed and presented to the Bank a comprehensive Stakeholder Engagement Plan (SEP) that incorporates the insights and feedback obtained from stakeholder engagement sessions. Additionally, the Environmental and Social Commitment Plan (ESCP) has been submitted, which encompasses formulating subsequent mitigation strategies that have been mutually agreed upon. Both the Stakeholder Engagement Plan (SEP) and the ESCP were disclosed on the NASP's website on March 28th. Following this, the World Bank disclosed the ESCP and SEP on its internal system on March 28th.

The NASP is preparing a Waste Management Plan (WMP) and Labor Management Procedures (LMP) as part of the Environmental and Social Management Framework (ESMF). The ESMF establishes procedures for screening sub-projects, mitigation measures, implementation arrangements, and environmental and social (E&S) impacts that will be managed during project implementation following the ESMF. The ESMF, which includes LMP, WMP, Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) prevention and response plan, is an annex.

Initial screening of social risks and impacts at the project preparation stage reveals that the interventions, by design, may not result in any adverse impacts. However, key social risks and impacts include limited accessibility for persons with disability during the project design and implementation, exclusion risks during the hiring of social workers, impacts on worker and community health and safety during the rehabilitation of centers, absence of an inclusive grievance mechanism for workers and beneficiaries, especially persons with disabilities, and risks of SEA/SH in various project-covered establishments, particularly affecting vulnerable women and children with disabilities. Mitigatory measures for the above risks are at the bottom of the hierarchy – anticipation and avoidance. Towards this, the client will undertake an environmental and social assessment, including initial stakeholder engagement activities, and the outcomes of this assessment will be incorporated into the design. The documents will be disclosed in Uzbek and English languages both locally and at the World Bank. All above-mentioned risks and mitigation measures shall be incorporated with relevant guidelines into the POM.

Overall, World Bank Environmental and Social Framework ESS1, ESS2, ESS3, ESS4, and ESS10 are triggered by project interventions.



C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

[Description of expectations in terms of documents to be prepared to assess and manage the project’s environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 10,000]

The Stakeholder Engagement Plan (SEP) and Environmental and Social Commitment Plan (ESCP) have been prepared for the appraisal. In addition, the following documents/actions will be prepared:

Prior to negotiation:

- 1) Environment and Social Management Framework (ESMF);
- 2) Labor Management Procedure (LMP) as part of the ESMF;
- 3) Waste Management Plan (WMP) as part of the ESMF;
- 4) SEA/SH prevention and response plan as a part of the ESMF;

The above documents are to be disclosed in Uzbek and English, per the requirements outlined in the World Bank policies on Disclosure.

Prior to Effectiveness:

- 1) Environmental and Social Safeguards management to be incorporated into the Project Operational Manual (POM).

During implementation:

- 1. Implement the SEP during the preparation and implementation stages as agreed with the Bank in terms of content and time framework.
- 2. Implement mitigation measures set in the ESMF, including LMP, WMP and SEA/SH prevention and response plans.
- 3. Monitor the progress made on implementing the agreed measures for mitigating social risks and report to the Bank.
- 4. Implement the agreed capacity-building plans per ESCP.

III. CONTACT POINT

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V. APPROVAL

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