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Report No: PADHI00391

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF US\$100 MILLION

AND CO-FINANCED BY A GRANT

IN THE AMOUNT OF US\$2 MILLION FROM THE EARLY LEARNING PARTNERSHIP MDTF

TO THE

REPUBLIC OF UZBEKISTAN

FOR AN

INNOVATIVE SOCIAL PROTECTION SYSTEM FOR INCLUSION OF VULNERABLE PEOPLE PROJECT
(P504420)

MAY 2, 2024

Social Protection and Jobs
Europe and Central Asia

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2024)

Currency Unit = Uzbekistan Som (UZS)

UZS 12,620 = US\$1

US\$ 0.08 = UZS 1,000

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

ADL	Activity of Daily Living
ALMP	Active Labor Market Program
AM	Accountability Mechanism
APA	Alternative Procurement Arrangements
ASP	Adaptive Social Protection
CEBU	Clean Energy for Buildings in Uzbekistan Project
CERC	Contingent Emergency Response Component
CPF	Country Partnership Framework
CRI	Corporate Results Indicator
CRPD	Convention on the Rights of Persons with Disabilities
CSO	Civil Society Organization
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
DPO	Development Policy Operation
DRM	Disaster Risk Management
E&S	Environmental and Social
ELP	Early Learning Partnership
ESC	Employment Support Center
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standards
FA	Financing Agreement
FM	Financial Management
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GoU	Government of Uzbekistan
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HBS	Household Budget Survey
IADL	Instrumental Activities of Daily Living
ICF	International Classification of Functioning, Disability and Health
IFI	International Financial Institution
IFR	Interim Financial Report
ILO	International Labor Organization
IPF	Investment Project Financing
IT	Information and Technology
L2CU	Listening to Citizens of Uzbekistan
LIFA	Low-Income Family Allowance
LMP	Labor Management Procedures
M&E	Monitoring and evaluation
MDTF	Multi-Donor Trust Fund
MEF	Ministry of Economy and Finance

MFD	Maximizing Financing for Development
MHESI	Ministry of Higher Education, Science and Innovation
MOF	Ministry of Finance
MOH	Ministry of Health
MPRE	Ministry of Poverty Reduction and Employment
MPSE	Ministry of Preschool and School Education
NAPD	National Association of Persons with Disabilities
NASP	National Agency for Social Protection of the Republic of Uzbekistan
NDC	Nationally Determined Contribution
NDS	National Development Strategy
NGO	Nongovernmental Organization
PDO	Project Development Objective
PIT	Project Implementation Team
PIU	Project Implementation Unit
POM	Project Operations Manual
PPP	Public-Private Partnership
PPSD	Project Procurement Strategy for Development
SCM	Social Case Management
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SOE	State-Owned Enterprise
SP Strategy	Strategy for Social Protection of the Population of the Republic of Uzbekistan until 2030
SR	Social Registry
STEP	Systematic Tracking of Exchanges in Procurement
SVR	Social and Vocational Rehabilitation
ToT	Training of Trainers
TOR	Terms of Reference
TSSC	Territorial Social Service Center
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNSP	Unified National Social Protection platform
VAWG	Violence against Women and Girls
VET	Vocational Education and Training
WG-SS	Washington Group Short Set on Functioning
WHO	World Health Organization
WMP	Waste Management Plan



TABLE OF CONTENTS

DATASHEET.....	2
I. STRATEGIC CONTEXT	7
A. Country Context	7
B. Sectoral and Institutional Context	8
C. Relevance to Higher Level Objectives	12
II. PROJECT DESCRIPTION.....	13
A. Project Development Objective	13
B. Project Components	14
C. Project Beneficiaries	19
D. Results Chain.....	19
E. Rationale for Bank Involvement and Role of Partners.....	20
F. Lessons Learned and Reflected in the Project Design.....	20
III. IMPLEMENTATION ARRANGEMENTS	22
A. Institutional and Implementation Arrangements.....	22
B. Results Monitoring and Evaluation Arrangements	22
C. Sustainability	23
IV. PROJECT APPRAISAL SUMMARY	24
A. Technical, Economic and Financial Analysis (if applicable).....	24
B. Fiduciary	25
C. Legal Operational Policies	26
D. Environmental and Social	26
E. Contributions to Corporate Priorities.....	27
V. GRIEVANCE REDRESS SERVICES.....	28
VI. KEY RISKS	29
VII. RESULTS FRAMEWORK AND MONITORING.....	31
ANNEX 1: Implementation Arrangements and Support Plan.....	42
ANNEX 2: Sectoral Analysis and Detailed Project Description	49
ANNEX 3: Economic Analysis.....	58



DATASHEET

BASIC INFORMATION

Project Beneficiary(ies) Uzbekistan	Operation Name INnovative SOcial Protection System for inclusiON of Vulnerable People Project		
Operation ID P504420	Financing Instrument Investment Project Financing (IPF)	Environmental and Social Risk Classification Moderate	

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date 24-May-2024	Expected Closing Date 30-Jun-2029
Bank/IFC Collaboration No	

Proposed Development Objective(s)

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

Components

Component Name	Cost (US\$)
Component 1. Strengthening the Integration and Shock Responsiveness of the Social Protection System	12,000,000.00



Component 2. Improving the Access and Quality of Social Services for Vulnerable People	81,700,000.00
Component 3. Project Management, Monitoring and Evaluation	8,300,000.00
Component 4. Contingent Emergency Response Component (CERC)	0.00

Organizations

Borrower: Republic of Uzbekistan
 Implementing Agency: National Agency for Social Protection

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? Yes
 Is this project Private Capital Enabling (PCE)? No

SUMMARY

Total Operation Cost	102.00
Total Financing	102.00
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	100.00
IDA Credit	100.00

Non-World Bank Group Financing

Trust Funds	2.00
Early Learning Partnership	2.00

IDA Resources (US\$, Millions)



	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
National Performance-Based Allocations (PBA)	100.00	0.00	0.00	0.00	100.00
Total	100.00	0.00	0.00	0.00	100.00

Expected Disbursements (US\$, Millions)

WB Fiscal Year	2024	2025	2026	2027	2028	2029	2030
Annual	0.00	5.00	24.00	34.00	26.00	12.00	1.00
Cumulative	0.00	5.00	29.00	63.00	89.00	101.00	102.00

PRACTICE AREA(S)

Practice Area (Lead)

Social Protection & Jobs

Contributing Practice Areas

Health, Nutrition & Population; Poverty and Equity; Social Sustainability and Inclusion; Education

CLIMATE

Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category

Rating

1. Political and Governance

● Moderate

2. Macroeconomic

● Moderate

3. Sector Strategies and Policies

● Low



4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Moderate
8. Stakeholders	● Low
9. Overall	● Substantial

POLICY COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

ENVIRONMENTAL AND SOCIAL

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8: Cultural Heritage	Not Currently Relevant
ESS 9: Financial Intermediaries	Not Currently Relevant



NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

LEGAL

Legal Covenants

Sections and Description

FA, Schedule 2, Section I. A. 1(b).The Recipient, through NASP, shall, no later than two (2) months after the Effective Date hire a health and safety specialist, a social and environmental specialist, a monitoring and evaluation specialist, and a rehabilitation specialist, all with qualifications, experience and terms of reference satisfactory to the Association.

FA. Schedule 2, Section IV. The Recipient, through NASP, shall, no later than ninety (90) days from the Effective Date install, and thereafter maintain throughout Project implementation, accounting software for the Project acceptable to the Association.

Conditions

Type	Citation	Description	Financing Source
Effectiveness	FA. Article V, 5.01(a)	The Recipient, through NASP, has established the PIU satisfactory to the Association and hired a project coordinator, a procurement specialist and a financial management specialist for the PIU, all with qualifications, experience and terms of reference satisfactory to the Association.	IBRD/IDA
Effectiveness	FA. Article V, 5.01(b)	(b) The Recipient, through NASP, has adopted the Project Operations Manual in accordance with Section I.B of Schedule 2 to this Agreement.	IBRD/IDA
Effectiveness	GA. Article V. 5.01.(a)	The Recipient, through NASP, has established the PIU satisfactory to the Bank and hired a project coordinator, a procurement specialist and a financial management	Trust Funds



		specialist for the PIU, all with qualifications, experience and terms of reference satisfactory to the Bank.	
Effectiveness	GA. Article V. 5.01.(b)	The Recipient, through NASP, has adopted the Project Operations Manual in accordance with Article II, Section 2.03, paragraph b of the Annex to this Agreement.	Trust Funds
Effectiveness	GA. Article V. 5.01.(c)	The Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.	Trust Funds

I. STRATEGIC CONTEXT

A. Country Context

1. **Uzbekistan, a lower-middle-income country with a rapidly growing population of about 36 million, has become one of the world’s top reformers over the past few years.** Since 2017, Uzbekistan has embarked on an ambitious program of economic and social reforms. The World Bank’s IDA resource allocation index, a measure of country policy and institutional quality, shows Uzbekistan has been the fourth strongest reformer over this period.¹ The Government of Uzbekistan (GoU) has liberalized the exchange rate and removed price controls, launched a major state-owned enterprise (SOE) reform program, raised fiscal transparency, ended forced and child labor, set up the building blocks of a modern social protection system, strengthened labor laws, and taken steps to liberalize the agriculture and energy sectors, among numerous other important reforms. The GoU’s 2022–2026 National Development Strategy (NDS) renews the Government’s commitment to the economic transition.

2. **The post-COVID-19 pandemic economic growth contributed only to moderate job creation, while it continued to reduce poverty mostly through labor income growth, remittances, and the expansion of targeted social assistance.** Uzbekistan’s economy rebounded strongly in 2021 from the effects of the COVID-19 pandemic with a real gross domestic product (GDP) growth of 7.4 percent. In 2022, the country’s economic activities were tempered by Russia’s invasion of Ukraine, which slowed down the growth and reduced consumption in Uzbekistan. However, remittance inflows remained

¹ <https://ida.worldbank.org/en/financing/resource-management/ida-resource-allocation-index>



strong, likely due to the ruble appreciation and the precautionary repatriation of savings by migrant workers.² Poverty declined to 14 percent in 2022 from 17 percent in 2021 (based on the national poverty line),³ supported by remittances, targeted social assistance, and labor income growth despite the income losses due to the pandemic. With a Gini inequality coefficient of 32.7 in 2022, Uzbekistan's income inequality is among the highest in Europe and Central Asia region after Bulgaria, Romania, and Serbia.⁴ The NDS sets the ambitious goal of halving the poverty rate by 2026 and supporting Uzbekistan's transition to upper-middle-income country status by 2030. The pandemic caused job and income losses, leading to an increase in the unemployment rate from 8.8 percent in 2019 to 15 percent in 2020. The rebound in economic activity reversed the pandemic effect, causing the unemployment rate to decline to 9.6 percent in 2021 and to the pre-pandemic level of 8.8 percent in 2022.

3. Uzbekistan is highly exposed to geographical hazards, including earthquakes and climate change risks such as floods, heatwaves, droughts, and water scarcity. Damages caused by natural hazards are estimated to result in a 10-percent decrease in GDP by 2050. Climate change is expected to have a particularly negative impact on the agricultural sector, reducing the yields of major crops by 25–63 percent by the 2050s, as the temperatures are expected to rise in the next 40 years resulting in droughts in some areas and a decline in production. Changes in rainfall are projected to be more uncertain, but the higher expected frequency of heavy rainfall events would increase flood risks. The GoU is committed to reducing the impacts of climate shocks, especially for the most vulnerable segments of the population, as shown in its Program and Plan of Action for Transitioning to a Green Economy and Ensuring Green Growth until 2030 and its revised Nationally Determined Contributions (NDCs).⁵ Climate actions such as the removal of subsidies leading to increasing energy prices are expected to affect the poor disproportionately.

B. Sectoral and Institutional Context

4. Social protection played a key role in the context of the broader reform agenda since 2017, by protecting the most vulnerable and ensuring that the benefits of the economic transformation are shared. As part of the reforms launched in September 2017,⁶ the Government mandate included the “implementation of comprehensive targeted social support measures to minimize the negative effects of monetary policy on the living standard of socially vulnerable groups of the population.” Major reforms have been adopted to modernize the social protection delivery system, expand the coverage of poverty-targeted social assistance and vocational skills training, and improve the adequacy of social benefits. The coverage of means-tested low-income family allowances (LIFAs)⁷ more than tripled from 0.4 million families in 2017 to 2.2 million in 2023 (around 26 percent of households).⁸ The transparency of operational procedures and accountability of the LIFA improved through the nationwide implementation of an electronic on-demand Social Registry (SR)⁹ and the increased digitalization of payment and eligibility verification processes. These reforms proved to be key in supporting vulnerable groups during the economic transition since 2017, in response to the COVID-19 pandemic and to build citizens' support to the broader economic reform agenda.¹⁰ The GoU developed and adopted in July 2022 the first National Strategy

² The share of Uzbek households receiving any remittance transfer fell from 7.8 percent in January 2022 to 2.7 percent in March 2022, but by July 2022 it rebounded to 9.4 percent according to data from the Listening to Citizens of Uzbekistan (L2CU) survey.

³ A national poverty line based on per capita income has been defined based on the Household Budget Survey (HBS) with the World Bank support and adopted in 2022. Social benefit amounts and eligibility rules have been adjusted according to the official poverty line. The poverty line has been increased to UZS 621,000 (around US\$50 per person per month) in January 2024.

⁴ World Bank Poverty and Inequality Platform, between 2019 and 2022.

⁵ World Bank. 2023. *Uzbekistan: Country Climate and Development Report*. Washington, DC: World Bank Group.

⁶ President Decree No. UP-4947 “On Strategic Actions of the Republic of Uzbekistan 2017–2021” dated February 7, 2017.

⁷ The LIFA program aims at supporting vulnerable households through monthly cash benefits over 12 months, renewable after assessment. It is the largest social benefits scheme in the country.

⁸ About 21 percent of people based on 2022 HBS.

⁹ The SR was piloted in Syrdarya in 2019 and rolled out nationally in 2020. The SR allows the management of the application, eligibility verification, and beneficiary selection processes, automatically leveraging the interoperability with other relevant government databases (State Tax Committee, cadaster, civil registry, the MPRE, MOH, and MHESI systems, among others).

¹⁰ Based on L2CU survey.



for Social Protection of the Population of the Republic of Uzbekistan until 2030 ('SP Strategy'), aiming to provide a minimum floor of social protection for all.

5. **As part of the SP Strategy implementation, the President announced the creation of the National Agency for Social Protection (NASP) in June 2023 to define the priorities of social protection policy, coordinate its implementation, and oversee its monitoring and evaluation (M&E).** Until the establishment of NASP, the implementation of social protection was fragmented across different ministries: the Ministry of Finance (MOF) was responsible for social assistance and pensions; the Ministry of Poverty Reduction and Employment (MPREE) for passive and active labor market programs (ALMPs); the previous Ministry of Economy for economic inclusion and entrepreneurship support programs; and the Ministry of Health (MOH) for social care services, long-term care, and disability assessment. NASP is now responsible for policy design and implementation regarding social assistance, social care services, disability inclusion agenda and accessibility, and digitalization in the area of social protection and for implementing the SP Strategy.¹¹ NASP is tasked to coordinate and oversee the work of several line ministries in cross-cutting areas such as the Ministry of Preschool and School Education (MPSE)(inclusive education), the Ministry of Higher Education, Science and Innovation (MHESI), the MPREE (employment of vulnerable groups), and the Women's Committee (gender-based violence [GBV]). The current NASP roadmap outlines the gradual acquisition of existing responsibilities over the next two years. NASP is also tasked with developing the Social Insurance Law.

6. **However, the expansion of social protection came with inefficiencies due to the fragmented provision of social protection benefits and services and outdated targeting rules.** The provision of social protection benefits and services (LIFA, noncontributory social pensions, social services, and locally managed benefits) is fragmented in Uzbekistan, sometimes resulting in duplications and higher burden for applicants to enroll in different programs with different application and assessment processes, hence leading to inefficiencies for both beneficiaries and program administrators. Social work for the integrated assessment of vulnerabilities and integrated referral to services is nascent and a draft law is under preparation. Finally, while LIFA is one of the poverty-targeted programs with the largest coverage of the poorest quintile (38 percent) in Europe and Central Asia region (partly because its total coverage of 21 percent of people is twice as large as the average last resort social assistance program in other comparator countries in the region, which on average covers 10 percent of the population), there is scope to improve its efficiency by improving the targeting rules. Based on the 2022 Household Budget Survey (HBS), less than half (38 percent) of the total LIFA benefits went to people in the poorest quintile, compared to 67 percent of the Targeted Social Assistance budget in Georgia, 59 percent of the Family Benefit Program budget in Armenia, and 53 percent of Ndhime Ekonomike budget in Albania.

7. **The social protection system's capacity to adapt and respond to shocks is still limited and ad hoc.** Features of an adaptive social protection (ASP) system are already in place in Uzbekistan, such as the large coverage of poor households by the LIFA program, an interconnected and up-to-date SR, and an effective benefit payment system. However, existing social protection programs remain focused on traditional risks (that is, chronic poverty, unemployment deprivation), without introducing detailed provisions aimed to enhance resilience in preparation for emergency situations or slow onset shocks (climate change).¹² Predefined response mechanisms and operational procedures to activate the social benefits response in a timely manner during and after climate-related shocks are inexistent, nor are there information systems to strengthen crisis preparedness. Currently, the GoU responds to crises with ad hoc support, making one-off decisions to provide benefits and services after disasters or adjust delivery processes (payment and benefit amount) following a disaster event.¹³ The experience of the COVID-19 pandemic has shown that adaptive changes to programs can be made but that these are often made through the piecemeal adoption of temporary decisions by separate regulations and ad hoc arrangements, leaving the core legal foundations unchanged.

¹¹ Employment programs and regulation remained under the MPRE, while pensions are still under the Pension Fund under the MOF but might be moved to NASP in 2025.

¹² World Bank. Forthcoming. *Uzbekistan Adaptive Social Protection System Assessment*. Washington, DC.

¹³ World Bank. Forthcoming. *Uzbekistan: Country Climate and Development Report*. Washington, DC: World Bank.



8. **The provision of social care and rehabilitation services has limited coverage and is mainly concentrated in institutional facilities.** The provision of formal social care for persons with disabilities and older people is ensured almost exclusively by public providers mostly through Social Support Centers (former ‘Sahovat’¹⁴ and ‘Muruvvat’) that host about 7,465 people.¹⁵ Other types of residential social care services include centers for children with disabilities, hosting about 2,038 children, temporary residence for youth and children at risk (up to 30 days), sanatoriums, and temporary centers for women survivors of violence. Home-based care services are provided free of charge to less than 20,000 people¹⁶ compared to an estimated 130,000 people above the age of 60 and in the poorest quintile, who live alone and may need home-based care.¹⁷ It is difficult to find home care for older people and persons with disabilities who do not fall into this category even on a paid basis. Similarly for children and families, home-based and family-based social services and support for the foster families are scant. Day care services for children with disabilities are also not available. Care responsibilities as well as social norms preventing the take-up of care services represent barriers to economic participation of caretakers.

9. **With respect to rehabilitation services, key challenges include the inconsistent understanding of rehabilitation services, unclear governance, limited territorial coverage, and the lack of functional outcome measurements.** Residual Soviet systems and the current lack of clarity in the governance of rehabilitation services between MOH and NASP present challenges to the development of the rehabilitation sector (in addition to the limited financing and weak human resources). Although there are many presidential resolutions or decrees that support rehabilitation, there is no strategy nor action plan to support a system-level change (one such proposed plan is under preparation by the World Health Organization [WHO] and expected by mid-2024). The rehabilitation-related terminology is not clear and does not align with contemporary norms more focused on functioning and with the prevalence of passive treatment techniques.¹⁸ There are 12 regional rehabilitation centers in the country (reporting to NASP) providing only inpatient facilities for a limited number of beds.¹⁹ None of the centers provide ambulatory services despite the high and increasing demand for them.²⁰ Persons with disabilities and older people have limited access to appropriate, affordable, and high-quality assistive devices.²¹ Out of the total 15,000 persons with disabilities identified as needing assistive devices based on the administrative data of NASP, only half of them received subsidized devices.²² Similarly, only half of older people in need of such devices received them. In light of these challenges, the proposed project will focus only on ‘social rehabilitation’ services, not medical rehabilitation, based on international norms and definitions.

10. **Social and vocational rehabilitation (SVR) services as well as employment services for persons with disability are almost inexistent.** The existing 12 regional rehabilitation centers only provide medical and occupational therapy, with rare involvement of nonspecialized psychologists. Employment support centers (ESCs) operating at the district level and reporting to the MPRE have the mandate to provide job search assistance, intermediation, and job matching services to the registered unemployed. However, they lack the capacity and tools to provide tailored and individualized activation

¹⁴ <https://lex.uz/uz/docs/-6725077?otherlang=1>

¹⁵ The value is for December 2021. Services include medical examination and treatment and the provision of prosthetic and orthopedic products, free food, clothing, hygiene products, and education services.

¹⁶ Currently in Uzbekistan publicly financed home-based services are provided free of charge only to mostly older people with functional disorders and no relatives/informal caregivers and a limited number of persons with disabilities. Moreover, there is limited awareness of entitlement to and availability of services: 85 percent of older people living alone are not informed about social services they are eligible for, based on a survey conducted by NASP.

¹⁷ The number of older people (above 60 years old) in nuclear households comprising only one or more people above the age of 60, who could be potentially in need of care services, based on the 2022 HBS.

¹⁸ Passive treatment implies lack of participation from the individual receiving the therapy intervention. WHO. Forthcoming. *Systematic Assessment of the Rehabilitation Situation*.

¹⁹ Orders are issued according to the average yearly capacity of the rehabilitation centers and cover one-off inpatient admissions. They are distributed among medico-social expert commissions that refer persons with disabilities. The regional centers issue only 26,500 ‘rehabilitation orders’ yearly.

²⁰ Approximately 37,000 people need inpatient rehabilitation services and 157,000 need ambulatory services annually according to NASP estimates.

²¹ In Uzbekistan, the procedure for providing assistive devices is regulated by CMD No. 411 “On the approval of the Situation on the procedure for providing needy persons with prosthetic and orthopedic devices and technical means of rehabilitation.”

²² The state list of subsidized prosthetic and orthopedic products and assistive devices includes only 18 items, which should be provided at the expense of the state budget.



services to persons with disabilities who, in some cases, require SVR, strengthening of independent living skills, and supported employment services, which are not provided by ESCs.²³ Lastly, there are four specialized vocational education and training (VET) residential schools hosting about 1,500 secondary (grade 9–12) students with disabilities. The VET schools offer only few courses for professions not matching the occupational demand and based on outdated curricula; they do not provide orientation and employment support to graduates, neither through intermediation services nor through dual training. As a result, graduates of these schools have poor labor market prospects. In Uzbekistan in 2019, there were 346,000 people with a disability certificate of working age, of which only 5 percent were employed.²⁴

11. Private provision of social services in Uzbekistan is low, owing to regulatory barriers and the limited capacity of civil society organizations (CSOs) and nongovernmental organizations (NGOs) to operate at scale and low utilization of their services by local authorities. At the same time, there are a few examples of CSOs providing innovative services for various vulnerable groups but at a limited scale (such as the Youth Social and Legal Rehabilitation Center for Persons with Disabilities in Tashkent ‘Millennium’). The Law on Social Partnership²⁵ was adopted in 2014, but its implementation remains limited, especially in the area of social service provision, because of low utilization of their services by local authorities. Regulatory barriers that prevent potential providers of social services to register as NGOs make them seek other forms of becoming established legal entities (such as for-profit entities). This, in turn, limits the ability of local authorities to work with them.²⁶ Overall, information about private provision of social services is limited and a comprehensive database of providers does not exist.

12. The quality of social services is generally low because of lack of specialized staff and outdated protocols and devices. A number of factors explain the poor quality of social care and rehabilitation services, notably (a) the lack of proper quality and cost standards for inpatient, outpatient, home-based services and for assistive devices for persons with disabilities; (b) the absence of accreditation and licensing procedures for services providers at the national level; (c) outdated equipment; (d) scarcity of staff specialized, lack of staff for SVR; (e) the lack of possibility for a co-payment modality in case of dissatisfaction with services and assistive devices publicly provided and guaranteed by legislation; and (f) the lack of clear procedures on how the social services and assistive devices should be provided and lack of an information system that would record all the implementation steps.

13. While GBV is a serious challenge in Uzbekistan, both the quality and coverage of dedicated services for survivors are not adequate compared to the needs. The prevalence of GBV in Uzbekistan is unknown due to a lack of administrative and nationally representative survey data. Uzbekistan is one of the few countries without official statistics on GBV—and the only one in Central Asia. However, based on qualitative evidence,²⁷ the incidence of GBV is high in Uzbekistan and mostly relates to social norms, illiteracy among women, and a limited understanding of women and girls of their rights and how to reach out for specialized support if needed. Uzbekistan has recently made important progress in passing laws and signing conventions that protect women and girls from GBV, including the 2019 Law on Protection of Women from Harassment and Abuse and its most recent amendments (supported by the World Bank through two development policy operations [DPOs])²⁸ to guarantee access to justice for survivors of GBV and eventually reduce the prevalence of GBV. NASP has the responsibility of coordinating the multisectoral²⁹ response to GBV survivors, while GBV prevention and the

²³ While the market for private employment agencies is emerging, very few providers focus on people who are hard to employ, and only a couple of NGOs specialize in providing employment services to persons with disabilities, and they also face gaps in capacity to respond to needs and longer-term support.

²⁴ Of those working, only 7 percent were in full-time employment, compared to 31 percent among persons without disabilities. United Nations Uzbekistan. 2019. [Situation Analysis on Children and Adults with Disabilities in Uzbekistan](#). Tashkent: United Nations.

²⁵ ZRU-376.

²⁶ The problem is illustrated by a case of rehabilitation service providers who supply services to persons with disabilities on a paid basis and homecare workers hired on a private basis, which are only affordable to the wealthiest population.

²⁷ United Nations Population Fund (UNFPA), UN Women.

²⁸ First Inclusive and Resilient Market Economy Development Policy Operation (P180470), approved by the World Bank Board of Executive Directors on December 7, 2023, and Second Inclusive and Second First Inclusive and Resilient Market Economy Development Policy Operation (P501037), expected to be approved in December 2024.

²⁹ Several government agencies are involved including the Ministry of Justice, MOH, Ministry of Interior-Prosecutor Office, and the Committee for Women and Families under the MPRE.



promotion of gender equality remain responsibility of the Committee for Women and Families. The provision of services for GBV survivors includes 29 temporary women adaptation and rehabilitation centers for GBV survivors (for one-month stay) now reporting to NASP, two NGOs in Bukhara and Samarkand, and a few CSO initiatives. The 29 women adaptation and rehabilitation centers have about 403 beds in total, therefore a full capacity to host about 4,800 women and children per year. In 2023, 1,304 women were hosted in the women adaptation centers³⁰. The centers are not equipped to address needs on a long-term basis and do not provide quality services as they lack specialists such as psychologists or legal specialists to support the recovery and reintegration of women and children.³¹ Other implementation challenges include the limited financing, the lack of a monitoring system, and the weak referral system.³²

14. In light of the broader country economic context and sectoral challenges, this project contributes to a transformational change in the sector by setting the legal, regulatory, and governance foundations for the social services market and for the integrated delivery of social benefits, including to adapt and respond to shocks. NASP is committed to developing a system for the integrated provision of social benefits and services through the introduction of social work, INSON district-level centers, and a Unified National Social Protection platform (UNSP). INSON ('human') centers are being piloted in 28 districts starting October 2023 with the plan to roll them out nationally in 2024. Operating at both the regional and district levels, INSON centers will also coordinate the social protection services currently provided at the *mahalla* level by women activists, Khokim's assistants, and youth activists. About 5,000 social workers will be recruited and should be trained to perform social work and case management for complex cases providing social services and assistance to individuals and families in difficult life situations. The concept of social work and social case management are both new in Uzbekistan. A draft law on social work is under preparation and expected to be approved by the end of 2024. NASP has launched a new information system, the UNSP, which is meant to integrate the existing SR, and other social protection beneficiary registries. The UNSP is expected to enable a more complete human-centric approach, support the introduction of social case management by social workers, and reduce duplications. The UNSP has the potential to be an integrated gateway for numerous social benefits and services, including benefits in response to climate shocks.

15. Complementing INSON centers, new people-centered territorial social service centers (TSSCs) will be launched with support of this project and gradually scaled up across the country. Alternative models of TSSCs will be implemented to provide more accessible on-demand social services that are currently under-provided, such as day care, temporary care, social rehabilitation, and employment support for vulnerable people. The vision is that INSON centers will gradually subcontract the provision to external services providers (both for profit and not for profit) once the regulatory framework is adopted and the market for the private provision of social services is more developed. NASP will be responsible for the accreditation of service providers at the national level. Under this configuration, INSON will be responsible for the vulnerability assessment, eligibility determination, coordination, monitoring functions, and the provision of social benefits and some services (social work, psychological support, legal and administrative advice), while the TSSCs will be responsible for the provision of specialized services. Depending on the specific needs of each community, different services may be piloted in different locations, with variations in service capacity.

C. Relevance to Higher Level Objectives

16. The proposed project is aligned with the World Bank Group's twin goals of eliminating extreme poverty and boosting shared prosperity on a livable planet as well as with the current Country Partnership Framework (CPF) 2022–2026.³³ The project will contribute to the achievements of the World Bank Group goals in Uzbekistan by contributing to develop effective ASP system, inclusive and higher-quality social services for the neediest and the most vulnerable. The project supports Higher Objective 2 "Improve Human Capital" of the current CPF and specifically, Objective 2.3 "Expand

³⁰ In 2023, there were about 4,600 women and 1,300 children in need according to NASP's estimates and 59,000 protection orders were issued.

³¹ There are only 14 psychologists for the in the 29 centers. The number of women receiving psychological services is not monitored. The number of women receiving other types of services (legal and health) is also not monitored.

³² Two GBV hotlines have been available since 2022, but call volumes are low despite advertisements on social media, TV series, and cinema.

³³ Country Partnership Framework for the Republic of Uzbekistan for the Period FY2022–FY2026, Report No. 170931-UZ, discussed by the World Bank Board of Executive Directors on May 24, 2022.



the coverage of social protection and inclusive labor market policies.” The proposed activities to prevent and respond to cases of GBV are aligned with the 2024 World Bank Gender Strategy.

17. **The proposed project is consistent with the country’s NDC goals and national climate action strategies and plans.** The 2021 updated NDC states that Uzbekistan aims to reduce CO₂ emissions per unit of GDP by 35 percent below 2010 levels by 2030. As for adaptation, the most likely climate impacts are associated with water and land resources. It further stipulates that the most disadvantaged segments of the population live in the most arid regions of the country and face increasing vulnerability to the impacts of climate change such as flood, drought, and heatwaves. Additionally, the Country Climate Development Report³⁴ states that a large share of the rural poor is engaged in agricultural work and poverty is highly associated with access to water, fertile land, and natural resources in Uzbekistan. The project is consistent with the NDC and national climate priorities as it aims to increase resilience of vulnerable groups at risk to climate change-exacerbated floods, drought, and heatwave by enhancing the social protection system.

18. The project is consistent with the World Bank Group’s approach to maximizing financing for development (MFD). It is classified as an ‘MFD-enabling’ project on the basis that the creation of quality and cost standards for social services and the increased demand for social service outsourcing may boost the potential for privately financed or privately co-financed social service delivery models.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

19. **The Project Development Objective (PDO) is to improve access to and quality of social services and benefits for vulnerable people in Uzbekistan.**

- ‘Vulnerable people’ include applicants and beneficiaries of LIFAs, persons with disabilities (including children) and their caregivers, children deprived of parental care, women and children at risk of GBV, survivors of domestic violence, older persons with functional decline, single-parent families, minor mothers and fathers, and people vulnerable to climate shocks/change and people in difficult life situations.
- ‘Quality’ refers to compliance with at least minimum quality standards for social services and assistive devices and with the licensing and accreditation framework for social service providers.

PDO Level Indicators

20. The key results that will measure progress toward the PDO are as follows:

- Share of LIFA applicants assessed and referred to services through the case management system
- CRI: Beneficiaries of social safety net programs (*Number of vulnerable people receiving social services through TSSCs*)
- Number of authorized private social service providers
- CRI: New or better jobs (*Number of persons with disabilities receiving supported employment services who find and maintain employment for 3 months from hiring*)
- Share of survivors of domestic violence receiving legal, health, psychosocial, and referral services in women adaptation and rehabilitation centers.

³⁴ World Bank. 2023. [Uzbekistan’s Country Climate Development Report](#). Washington, DC: World Bank.



B. Project Components

21. **The proposed project aims to improve access of vulnerable people to better quality social protection services and benefits.** The project consists of four interrelated components, each providing technical assistance and financing support to implement innovative, more inclusive, and better quality social protection services and benefits in alignment with the national SP Strategy and international best practice.

Table 1. Project Components and Costs

Component Name	Cost (US\$, Million)	
	IDA	ELP MDTF
Component 1. Strengthening the Integration and Shock Responsiveness of the Social Protection System	12.0	-
<i>Subcomponent 1.1. Supporting the development of a case management system for beneficiaries of social protection services and benefits</i>	5.0	-
<i>Subcomponent 1.2: Enhancing the capacity of the social protection system to adapt and respond to shocks</i>	7.0	-
Component 2. Improving the Access and Quality of Social Services for Vulnerable People	80.0	1.7
<i>Subcomponent 2.1: Improving the quality of social services for vulnerable people, including survivors of GBV</i>	13.0	0.2
<i>Subcomponent 2.2: Expanding access to social services through the establishment and operation of TSSCs</i>	57.0	1.5
<i>Subcomponent 2.3: Transforming specialized VET schools for secondary students with disabilities into resource hubs and activation centers</i>	10.0	-
Component 3. Project Management and Monitoring and Evaluation	8.0	0.3
<i>Subcomponent 3.1: Project management</i>	4.0	0.3
<i>Subcomponent 3.2: Strengthening the M&E capacity for evidence-based policy making</i>	4.0	-
Component 4. Contingent Emergency Response Component (CERC)	0.0	0.0
Total Project Costs	100.0	2.0

22. **Component 1: Strengthening the Integration and Shock Responsiveness of the Social Protection System (US\$12 million).** The objective of this component is to improve the inclusion and resilience of the poor and vulnerable people through INSON centers’ improved capacity to assess needs, coordinate emergency support, and integrate the provision of social benefits and services. It will do so by supporting the introduction of (a) ‘social work’ for vulnerable people (LIFA applicants and generally INSON clients) and ‘social case management services’ for complex cases (older people, persons with disabilities, survivors of GBV) to best respond to multidimensional needs and (b) climate adaptation elements to increase the vulnerable people’ resilience to climate shocks (flood, heatwaves, and drought) and mechanisms to make the social protection delivery system more responsive to other covariate shocks.

23. **Subcomponent 1.1: Supporting the development of a case management system for beneficiaries of social protection services and benefits (US\$5 million).** The objective of this subcomponent is to enhance the capacity of NASP and INSON centers to establish well-functioning case management system building on existing processes and infrastructure, including the upgrade of the UNSP to include a single case file for each person in need of social services and benefits. The 5,000 social workers recently hired by INSON centers need to be trained and equipped with the right skills and tools to conduct the entry-level vulnerability assessment, provide information on available benefits and services, determine eligibility to LIFA, and identify and manage more complex cases that require an in-depth assessment and more intense management.

24. The activities under this subcomponent are as follows:



- (a) Development and piloting of the procedures and tools (social work and case management manual including for function for SVR, initial and in-depth needs assessment, update of local service supply mapping, referral systems) for social workers and case managers to better respond to vulnerable people demand for social protection based on needs;
- (b) Adaptations of good practice IT solutions for single case files and their monitoring/follow-up to support social case management processes and integrate them in the UNSP (that is, adapting the WB COMPASS prototype to local needs);
- (c) Support for the UNSP upgrade and adoption by users (INSON staff, social workers and service providers) by expanding the functionalities (complaint management and business analytics)³⁵ and the coverage in terms of the number of social protection programs and the socially vulnerable served with a focus on climate-vulnerable households in areas prone to floods, heatwaves, and drought, and the survivors of GBV;
- (d) Technical assistance to support the evaluation of the pilot of the revised targeting formula to better identify the extreme poor, its finalization, and preparatory activities for the national rollout;
- (e) Capacity building of the NASP in-service training center, including equipment for a simulation center and technical assistance to establish partnership with university and VET institutes for social workers;
- (f) Support for the development of training material for the continuous training of social workers, assistant social workers, and INSON and NASP technical and administrative staff for the continuous supervision of case management implementation; and
- (g) Study tours to countries with well-established social protection information management systems and social case management systems.

25. The Department of Human Resource Development and Social Work Methodology and the Department of Digital Technology Implementation will be responsible for implementing this subcomponent.

26. **Subcomponent 1.2: Enhancing the capacity of the social protection system to adapt and respond to shocks (US\$7 million).** The objective of this subcomponent is to improve the resilience and adaptation capacity of vulnerable people to the ever more pressing climate impacts (flood, droughts, mudflows, extreme heat, rainfall volatility) by supporting the development and implementation of the key building blocks for ASP and the implementation of a new climate risk and ASP training program for poor families in climate risk districts.

27. This subcomponent will be implemented under the leadership of the Social Benefits Department and the Department of Strategic Analysis, Design, and Development of Social Protection Policies and will support the following activities:

- (a) A risk assessment and needs assessment of vulnerable households to identify what type of climate risks different regions of Uzbekistan are exposed to and how social protection program design and delivery can be adapted to the type of climate risks (floods, heatwaves, and drought) vulnerable people living in different areas face;
- (b) Development of an ASP strategy coordinated with other relevant ministries and agencies (setting objectives, interagency arrangements, budget procedures, M&E);
- (c) Design of regulations, procedures, and operational guidelines to adapt social protection programs and administrative tools (including the climate vulnerability needs assessment and the UNSP)³⁶ to climate change-exacerbated floods, droughts, and heatwaves as well as socioeconomic vulnerabilities, in a multisectoral and integrated manner. The implementation of these regulations and procedures could be

³⁵ Including the integration in the UNSP of beneficiary registries administered by *mahallas* as for example the iron book, women and youth books which are registries of often one-time benefits established during the pandemic to complement existing social protection programs managed by the MOF and MPRE.

³⁶ For example, by defining specific climate events and indicators triggering social protection response and through the integration with other disaster risk management (DRM) information systems, such as the proposed 'seismic early warning system'.



financed through the Contingent Emergency Response Component (CERC, Component 4) should this be triggered in the case of a large-scale emergency;

- (d) Development of IT technical solutions to enhance the ‘adaptation’ potential of the UNSP and its use by actors involved in the response to emergencies and expand its coverage to disaster prone areas covered;
- (e) Training for INSON and NASP staff on the implementation of the newly developed procedures for emergency response, adaptation strategies to improve families’ resilience as well as capacity-building activities for the other relevant government stakeholders, local authorities, and communities involved in managing ASP programs for enhanced emergency responses during climate change-exacerbated floods/extreme heat events; and
- (f) The operating and evaluation costs for the pilot of a climate risk management and ASP training program for about 5,000 climate-vulnerable people. This program will comprise a package of in-kind assets for improved climate-smart agriculture practices (that is, seeds for climate-resistant crops tools for crop yielding and farming) and training (financial literacy and training on climate adaptation practices). Based on the conclusion of the evaluation, the ASP program will be scaled up nationally to reach other 95,000 beneficiaries by the end of the project. The project will finance investment costs of the scale-up (such as training of trainers [ToT]).

28. **Component 2: Improving the Access and Quality of Social Services for Vulnerable People (US\$80 million IDA and US\$1.7 million ELP MDTF³⁷).** The objective of this component is to (a) improve the quality of social services³⁸ for vulnerable children and adults by developing minimum quality and cost standards for social services, setting up a coordinated governance for multisectoral services for survivors of GBV, and transforming specialized VET schools for students with disabilities into resource hubs for inclusive education and (b) expand the access to social services for vulnerable people, including those who are vulnerable to climate change-exacerbated floods, drought, and extreme heat by piloting and gradually scaling up community-based TSSCs (now inexistent). Currently, the majority of social services in Uzbekistan are provided by public institutions. This component will contribute to set the legal, regulatory, and governance background for gradual subcontracting of social services to private providers (both for profit and non-for profit).

29. **Subcomponent 2.1: Improving the quality of social services for vulnerable people, including survivors of GBV (US\$13 million IDA + US\$0.2 million ELP MDTF).** The objective of this subcomponent is to support NASP in developing the legal and regulatory framework to improve the quality of social services delivered at home, community centers, and residential centers. This subcomponent will finance:

- (a) Technical assistance activities to strengthen (i) the legal and regulatory framework for quality assurance by developing the quality and cost standards for social services, (ii) the legislation for the licensing and accreditation of social services providers, (iii) quality management mechanisms, (iv) the concept for alternative financing models for private service provider delivery and for co-payments, and (v) the guidelines for the adaptation of home spaces to the needs of low-mobile groups and persons with disabilities;
- (b) Technical assistance to support the shift from a medical to a ‘social’ model of disability assessment, aligned with WHO International Classification of Functioning, Disability and Health (ICF);
- (c) Technical assistance to strengthen the high-level policy coordination role of NASP with relevant central and local government stakeholders to establish a national, multisectoral action plan to tackle GBV and to develop M&E tools and IT solutions for the collection, analysis, and integration in the UNSP of standardized data on social services (including GBV support services) to monitor demand, service take-up, and follow-up actions;
- (d) Operating costs for the provision of legal, health, psychosocial, and referral services in women adaptation

³⁷ ELP = Early Learning Partnership; MDTF = Multi-Donor Trust Fund.

³⁸ Social services under this component include social care (home-based care, day care, and temporary care), SVR, some light medical rehabilitation services, supported employment for persons with disabilities, and services dedicated to survivors of GBV. The scope of services under Subcomponent 2.2 is restricted to social care, SVR, and light medical rehabilitation. The list of potential social services offered by TSSCs is provided in annex 2 in more detail. It includes day care services for vulnerable children before their integration in the mainstream education system.



and rehabilitation centers;

- (e) Training of INSON staff (administrative and social workers) to monitor, report, and manage the cases of the survivors of GBV and the GBV multisectoral task force;
- (f) Procurement of assistive devices compliant with the new technical specifications;
- (g) Operating costs for the provision of professional skills, digital skills, and financial literacy training for women in the women adaptation and rehabilitation centers and after they leave the centers; and
- (h) Provision of awareness-raising activities in communities with higher GBV incidence on women's rights to a life free of violence and on available support services for survivors of GBV.

30. This subcomponent will be implemented under the leadership of the Department for Developments for the Development and Monitoring of Social Services for Children and Adults, and the Department of Human Resource Development and Social Work Methodology.

31. **Subcomponent 2.2: Expanding access to social services through the establishment and operation of TSSCs (US\$57 million IDA + US\$1.5 million ELP MDTF).** The main objective of this subcomponent is to expand access to social services for vulnerable children and adults through innovative district-level centers providing social services closer to the population. Other objectives include the contribution to the deinstitutionalization process and the introduction of public-private partnerships (PPPs) in social service provision. The subcomponent will finance:

- (a) Technical assistance for (i) local needs assessments of different vulnerable categories (including children and adults with disabilities, older persons and their caregivers); (ii) assessments of local markets for social service provision; (iii) the development of alternative concepts of district-level TSSCs (including childcare to enable caregivers to engage in economic or other activities, adult day care, temporary residence for respite purposes and other forms of caregiver support) based on (i) and (ii); and (iv) support of the TSSC national rollout and a funds allocation strategy;
- (b) Technical assistance to develop procedures for subcontracting social services provision (including through performance-based contracts);
- (c) Training of staff involved in delivering services in TSSCs (therapists, rehabilitation specialists, medical staff, and other professionals appointed by NASP as well as staff of private providers who will deliver subcontracted services);
- (d) Operating costs of social service provision by third-party providers;
- (e) Furniture and rehabilitation equipment to support the establishment and gradual scale-up of at least 55 TSSCs (US\$24 million); and
- (f) Process, performance, and energy efficiency audits of TSSCs to verify the quality of services functioning under the centers, including whether they are staffed with adequate personnel and are operational as per needs assessment.

32. This subcomponent will be under the leadership of the Department for Development and Monitoring of Social Services for Senior Citizens.

33. **Community-based TSSCs aim to fill a gap in the provision of social services underdeveloped in Uzbekistan such as child and adult day care and temporary care for vulnerable people (including victims of climate change-exacerbated floods or heatwaves), SVR, supported employment for persons with disabilities, and functional rehabilitation services.** Separate TSSCs are envisioned to provide social services for vulnerable adults and children (including children with disabilities and their families). A detailed list of possible services, including a basic package, is presented in annex 2. The project will provide the technical assistance to select the menu of services provided in the TSSCs based on an assessment of local needs and the market for social service provision. The process and performance audits supported by the project will have the objective of ensuring that (a) the staff and providers are qualified and operating, (b) minimum quality standards are met among the service providers in the TSSCs (both staff and third-party providers hired by NASP), and (c)



there is demand for the selected services provided in TSSCs. INSON centers will be responsible for the eligibility determination and monitoring of publicly financed social services and for referrals to existing service providers including the TSSCs, while the TSSCs will be responsible for the actual provision of a selected menu of social care, supported employment, and rehabilitation services. This subcomponent will be under the leadership of the Department for Functional Assessment of Disability, the Department for Development and Monitoring of Services for Children and Adults, and the Department of Human Resource Development and Social Work Methodology.

34. **Subcomponent 2.3: Transforming specialized VET schools for secondary students with disabilities into resource hubs and activation centers (US\$10 million IDA).** The aim of this subcomponent is to support NASP to gradually transform the existing four specialized VET schools for secondary students with disabilities into resource hubs to support the integration of persons with disabilities into the mainstream education system and centers for the provision of training and activation services. The subcomponent will finance technical assistance, equipment, and the provision of activation services and supported employment for persons with disabilities. Specifically, activities will include (a) an assessment of the role and impact of the existing four specialized VET schools with recommendations for NASP and the MHESI toward the development of an inclusive mainstream education system; (b) technical assistance to support NASP to coordinate the design and implementation of inclusive education for VET students with disabilities and training of VET center staff; (c) the development of special teaching and learning materials for students with various disabilities; (d) the provision of orientation services and demand-driven professional training tailored to facilitate the access to jobs for graduates with disabilities; and (e) the operating costs of supported employment services, including work readiness, outreach, and awareness raising among employers, and post-employment monitoring. This subcomponent will be under the leadership of the Departments for the Development and Monitoring of Social Services for Children and Adults.

35. **Component 3: Project Management and Monitoring and Evaluation (US\$8 million IDA + US\$0.3 million ELP MDTF).** This component will support the day-to-day management of project implementation, the M&E of its objectives and outcomes, and the capacity of the NASP.

36. **Subcomponent 3.1: Project management (US\$4 million IDA + US\$0.3 million ELP MDTF).** The objective of this subcomponent is to strengthen the capacity of NASP to implement the activities under the four project components to ensure the effective administration and implementation of the project. Specifically, this subcomponent will finance the following activities: (a) establishment and operation of a Project Implementation Unit (PIU), including operating costs; (b) the development and implementation of an M&E system for the project, including a beneficiary project satisfaction survey, a tracer study for beneficiaries of supported employment services, a survey of service providers in the pilot centers, and an impact evaluation to assess the effectiveness of TSSCs on the well-being of beneficiaries (including children) and informal caregivers' economic outcomes; (c) project communication activities (in addition to specific activities under each subcomponent); and (d) training and sensitization on issues related to violence against women for the PIU, NASP staff responsible for project implementation, and other key project implementers, particularly those who come into direct contact with project beneficiaries.³⁹

37. **Subcomponent 3.2: Strengthening the M&E capacity for evidence-based policy making (US\$4 million IDA).** The objective of this subcomponent is to strengthen the M&E capacity of the NASP⁴⁰ to assess the effectiveness of social protection programs and their potential implementation bottlenecks to inform policy and programming decisions. The subcomponent will finance (a) training of the Research Institute staff on research and analytical methodologies; (b) operational costs to collect, process, and analyze qualitative and quantitative data, including for two impact evaluations; (c) subscriptions to scientific journals and online libraries to create a social protection resource library; (d) software licenses to conduct qualitative and quantitative research; and (e) tablets and other IT equipment to support data collection. This subcomponent will be implemented by the Department of Strategic Analysis, Design, and Development of

³⁹ This will include the establishment of codes of conduct for project personnel such as prevention of all forms of violence against women and girls (VAWG) in the workplace and within the project. In addition to receiving training on preventing and responding to VAWG and on the expected behavior, staff should be required to formally sign the code of conduct and abide by its rules during their engagement with the project.

⁴⁰ Fourteen staff have been hired to work in the Research Institute, three for every social protection area, mirroring the structure of NASP.



Social Protection Policies together with the Research Institute.

38. **Component 4: Contingent Emergency Response Component (CERC) (US\$0 million).** This component aims at providing rapid access to noncommitted resources of the project to support response to an eligible crisis or emergency, including natural disaster and climate change driven events, as needed. The component would have a zero fund allocation. The operational manual for this CERC will specifically reference activities to be financed related to addressing emergencies, including emergency cash transfers.

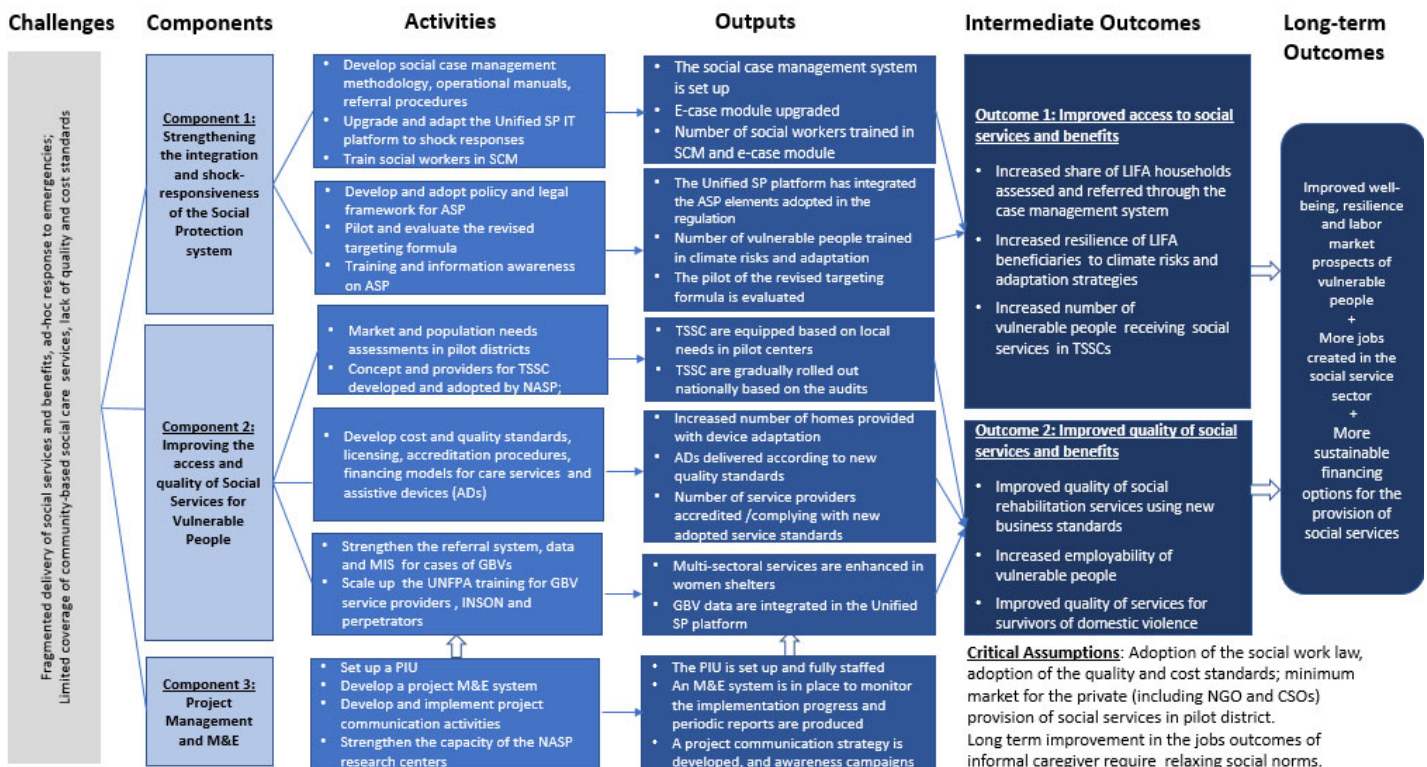
C. Project Beneficiaries

39. The project beneficiaries are (a) those of social services delivered in the TSSC financed by the project and by other service providers regulated and licensed based on the legislation, procedures, and standards developed by the project; (b) survivors of GBV; (c) victims of climate change-exacerbated floods or heatwaves; (d) vulnerable people and families registered in the UNSP, including those in areas exposed to climate risks and LIFA beneficiaries; (e) students and graduates of the specialized VET centers; (f) caregivers, specialized staff, and professionals in INSON centers, TSSCs, and VET centers; and (f) INSON and NASP staff.

D. Results Chain

40. The proposed project aims to improve access to and quality of social care, activation, and GBV services by strengthening NASP’s capacity for the integrated provision of social services and benefits, including to better respond to shocks as detailed in figure 1. The introduction of alternative community-based modality to deliver social and activation services (the district-level TSSCs) and social service quality standards, along with the improved integration of the social protection delivery system, is expected to enhance the inclusion of vulnerable groups, increase their resilience to shocks (climate induced and others), and improve their well-being and labor market prospects.

Figure 1. Project Results Chain



Note: MIS = Management information system; SCM = Social case management; SP = Social protection



E. Rationale for Bank Involvement and Role of Partners

41. **The World Bank has been supporting the GoU in the area of social protection through a combination of operational and analytical work.** The proposed project builds on and further strengthens the existing engagement and on areas where the World Bank has gained a distinct comparative advantage and can offer customized support based on pertinent international best practices. The Strengthening the Social Protection System Project (P166447) is supporting the MPRE in equipping vocational training centers, organizing entrepreneurship courses, and building the foundations for stronger employment services in the country; it has also been supporting the Ministry of Economy and Finance (MEF) in establishment and rolling out the SR nationally. The World Bank's relevant analytical work included a targeting assessment of the social assistance system and engagement on the Convention on the Rights of Persons with Disabilities (CRPD) through Roadmap and Building Blocks towards the Implementation of CRPD in Uzbekistan (P178352) and the Implementation of the CRPD (P501025), which directly fed into the design of the proposed project.

The World Bank collaborates closely with the development partners in the area of social protection, notably with the United Nations Children's Fund (UNICEF), UNFPA, the UN Women, and the WHO on the provision of social services to children with disabilities, services for cases of GBV, care and rehabilitation services for vulnerable people, and support for the broader implementation of the CRPD. The design of the project is informed by consultations with development partners and their engagement with NASP. In fact, in addition to the World Bank's technical and financial support, NASP is benefiting from the technical assistance of UNICEF and the German Agency for International Cooperation (*Deutsche Gesellschaft für Internationale Zusammenarbeit*) on the disability assessment reform, the protection of children with disabilities, and the child protection system monitoring. The WHO had assisted NASP and MOH by recently conducting a Systematic Assessment of the Rehabilitation Services. UNFPA and UN Women supported NASP to develop the 2023–2030 roadmap to secure violence-free life for every woman, girl, and boy in the Republic of Uzbekistan and the new GBV legislation currently under the Cabinet of Ministries' approval.⁴¹ Jointly with the International Labor Organization (ILO), UNICEF, and United Nations Development Programme, the World Bank has supported the GoU in developing the SP Strategy, drawing on the recommendations of the Social Protection System Assessment conducted with UNICEF and ILO. Close collaboration with UNICEF, UNFPA, and the WHO is envisioned for the implementation of the project.

F. Lessons Learned and Reflected in the Project Design

42. **International experience in countries adopting reforms to integrate the provision of social services and benefits points to the importance of interventions to strengthen both the service supply and demand sides as well as integrated information systems.** If investment in any of the three parts is lacking, chances of success are smaller. The design of the project is centered around this concept, by gradually supporting the expansion and diversification of the social service supply available in communities, while simultaneously strengthening the capacity to assess more complex needs/vulnerabilities, inform, refer, and monitor vulnerable people to social services through social case workers. Key features for successful social case management intervention from countries with similar maturity of social assistance systems (that is, Armenia, Nicaragua, Jamaica, or Jordan) that are reflected in the project design include (a) the introduction of case management as a complementary intervention of another key program (in Uzbekistan, the LIFA), focused on a selected group of beneficiaries (in the project it is on families with older people and persons with disabilities); (b) a well-designed management information system (a module of the UNSP) as an administrative tool for case managers, which the project will support by leveraging the World Bank COMPASS resources and prototype piloted in several countries; (c) setting up of referral systems for INSON/social workers with service providers, including those co-located in TSSCs; and (d) optimization of human resources by developing a training ecosystem in partnership with universities.

43. **The adaptive approach integrates social protection interventions with DRM and climate change adaptation measures to better anticipate and respond to shocks.** ASP helps build the resilience of poor and vulnerable households by investing in their capacity to prepare for, cope with, and adapt to shocks, ensuring that they do not fall (deeper) into

⁴¹ GBV is one of the three major priorities for UNFPA, which has been playing a leading role in consolidating and streamlining the support offered by development partners for the past four years and ensuring that it is well coordinated.



poverty. The effectiveness of ASP systems in quickly reaching those affected by shocks critically depends on the underlying social protection delivery systems, but specific and additional investments are needed to make the system adaptive and enhance resilience outcomes on the most vulnerable. International experience highlights some of these investments: there is a need to modify traditional targeting methods to factor in household vulnerability to shocks; integrate and layer programming among poor and vulnerable households in ‘hot-spot’ areas of recurrent shocks; invest in delivery systems and contingency planning to enable the increased responsiveness of programs after a shock hits; expand coverage of SRs, with a focus on the inclusion of high-risk households; prepose risk financing to ensure funding is readily available to finance response programs in a timely manner; and invest in fostering collaboration and coordination with nontraditional but essential partners across government as well as nongovernment, humanitarian actors.⁴²

44. Ensuring a continuum of social care and rehabilitation delivery modalities is key to ensuring efficient and inclusive social service provision. Global evidence indicates that community-based social services and temporary residences help prevent unnecessary placement into institutions.⁴³ To expand the provision of community-based social services, the project will finance the piloting, evaluation, and gradual scale-up of multifunctional TSSCs following international good practices from Romania, Armenia, and China. International experience shows that efficient and effective social service provision relies on (a) the adequacy of meeting local needs; (b) the geographical proximity to beneficiaries and their communities; (c) sustainable financing mechanisms, including harnessing the power of private provision and public financing; and (d) a multisectoral governance approach. Technical assistance will be provided to support the development of alternative options for provider payments, including through the introduction of co-payment mechanisms absent in Uzbekistan. To reinforce the multisectoral approach, the project will ensure that INSON centers (where eligibility for social services and disability allowances are verified and referrals are made through social work) are developing coordination procedures with different stakeholders including MOH, MPSE, MHESI, the Ministry of Interior, the 12 regional rehabilitation centers, shelters for survivors of domestic violence, and early childhood intervention practices for children.

45. The proposed interventions to prevent and respond to cases of GBV are tailored to the local context and based on lessons learned from countries with similar social norms. Given the mandate of NASP to coordinate and provide ‘response measures’ to cases of GBV, the proposed interventions are focused on strengthening the NASP coordination role for high-level multisectoral response, improving the access to higher-quality survivor-centered services in the existing women rehabilitation and adaptation centers, and improving the monitoring and follow-up of cases and the collection of new data for accountability and national official reporting. Other lessons reflected in the project design and implementation arrangements—and aligned with the World Bank Gender Strategy—include the engagement with local, women-led, and women’s rights organizations, community influencers, and men and boys to achieve transformational change. The design of the project’s gender-sensitive activities is the product of joint consultations with NASP and UNFPA, leading development partners coordinating the international financial institution (IFI) support to NASP on GBV, therefore reflecting the lessons from the qualitative assessments conducted by UNFPA and UN Women, and interviews with relevant NGOs and CSOs during project preparation.

46. Guarantee mainstreaming education solutions for persons with disabilities in line with the international best practices and the CRPD. Uzbekistan has inherited specialized VET institutions from the Soviet era with a segregated approach to vocational education of persons with disabilities. Under the social protection reform, these four specialized VET schools are under NASP, which is responsible for the development and implementation of all policies related to persons with disabilities. Even though similar institutions still exist in other countries, the common vision is to promote as much as possible the integration of persons with disabilities into mainstreaming education institutions. Also, the day care services for vulnerable children offered in TSSCs will be organized as a bridge toward mainstreamed education and will help prepare younger children to join mainstream schools. The CRPD was ratified by Uzbekistan in 2021 and the

⁴² Bowen, Thomas Vaughan, Carlo Del Ninno, Colin Andrews, Sarah Coll-Black, Ugo Gentilini, Kelly Johnson, Yasuhiro Kawasoe, et al. 2020. Adaptive Social Protection: Building Resilience to Shocks (English). International Development in Focus Washington, DC.

⁴³ Šiška, Jan, and Julie Beadle-Brown 2020. *Report on the Transition from Institutional Care to Community-Based Services in 27 EU Member States*; Goldman et al. 2020. *Institutionalization and Deinstitutionalization of Children 2: Policy and Practice Recommendations for Global, National, and Local Actors*; UN CRPD Committee. 2022. *Guidelines on Deinstitutionalization, Including in Emergencies*.



implementation plan aims at mainstreaming disability rights into national policies. The project will support NASP in (a) transforming specialized VET institutions into resources hubs and activation centers supporting inclusive education and economic inclusion of persons with disabilities and (b) offering appropriate day care services for vulnerable children (including children with disabilities) toward their inclusion into mainstream schools. Close coordination with the MHESI and alignment with its agenda on inclusive education are essential for the success of these activities.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

47. **NASP will be the implementing agency of the proposed project.** All project components are expected to be implemented by NASP, which is ultimately responsible for the direct implementation of social assistance programs as well as the expansion and implementation of the social care services through INSON centers (at the district and local levels) and the regional branches on NASP, the regional rehabilitation centers, the residential centers for older people and children with disabilities, and the women shelters. NASP also oversees the Social Inspectorate, the State Social Protection Fund, and regional departments in Karakalpakstan and Tashkent City. The technical leadership of each component will be led by NASP technical teams (deputy directors or head of departments). NASP's commitment to accountability and transparency is notably high, facilitated by its direct accountability to the President's office (the NASP Director serves as Advisor to the President on issues relating to social protection). This combination of factors positions NASP as a strong and reliable candidate for implementing the proposed project. As NASP was recently established, it has not previously implemented World Bank-funded projects, but the Project Director and some of the NASP technical staff who come from various ministries have experience with the preparation and implementation of several World Bank-financed projects.

48. **To support NASP in the implementation process and ensure alignment with the World Bank procedures, a Project Implementation Team (PIT) will be established in NASP under the direct supervision of the Project Director.** The PIT will include selected NASP technical staff appointed through an NASP internal order to perform specific project-related tasks and leading technical aspects of project activities as well as consultants hired under the project to carry out the coordination, fiduciary, social, and M&E reporting functions in the PIU. Specifically, the PIU members to be hired under the project include a project coordinator, a procurement specialist, a financial management (FM) specialist, a health and safety specialist, a social and environmental specialist, an M&E specialist, and a rehabilitation specialist to strengthen NASP capacity in this area. The PIU will be responsible for performing key management functions for the project, including coordination, fiduciary, M&E, environmental and social standards (ESSs), management, and reporting. In addition, external technical specialists will be recruited to work under relevant NASP departments to support the project implementation. Detailed implementation arrangements as well as institutional roles and responsibilities are provided in annex 1.

B. Results Monitoring and Evaluation Arrangements

49. **The project implementation and progress to achieve the PDO will be regularly monitored through the project M&E Results Framework drawing on both administrative and survey-based data.** The regular reporting of the status of intermediate and PDO indicators will be the responsibility of the PIU but closely integrated in the broader NASP M&E responsibilities.⁴⁴ M&E activities will be used to better inform the project implementation and management. The main data sources include individual-level administrative data from the different modules of the UNSP, including individual data in the vulnerability assessment in the SR for means-tested benefits, the disability medical and social assessments, the e-case management module and from the new modules that will be developed with the support of the project to monitor (a) demand, take-up, and status of services for survivors of GBV and (b) the demand, take-up, and outcomes of social service beneficiaries of TSSCs. The UNSP administrative data will be complemented by new survey data collected with

⁴⁴ Department of Strategic Analysis and Development of Social Protection Policy with the support from the NASP Research Institute and the M&E specialist in the PIU are expected to perform M&E tasks under the project.



both project beneficiaries and service providers with support of the project, including (a) a project beneficiary satisfaction survey; (b) a tracer study for beneficiaries of supported employment services; (c) a survey of service providers in the pilot TSSCs to assess the quality of provision but also the impact on new jobs created in the service sector, by gender; and (d) two rounds (baseline and follow-up) of a household survey representative of the pilot districts, where TSSCs will be operational to assess labor market outcomes and indicators of well-being and time use of members of beneficiary households. The two rounds of the household survey will be designed to enable a rigorous impact evaluation of the childcare services piloted delivered in the TSSC on children's development, informal caregivers' economic participation and other outcomes. The annual HBS collected by the Statistical Agency will be used to report progress on the performance of social protection benefits that are captured in the survey design. Finally, audit and quality inspection data with service providers will be used to track compliance with cost and quality standards once they are adopted.

50. **The results of the M&E activities supported by the project would go beyond the reporting needed for the Results Framework, through the increased capacity of the NASP Research Institute for evidence-based policy making.** Component 3 of the project is investing in equipment, software licenses, training, and data collection to enhance the research capacity of the NASP Research Institute, the capacity to analyze traditional and big data and conduct rigorous impact evaluation, and to establish partnerships with the Institute for Social Protection Development for key social protection issues. The Research Institute will be a key implementation partner for the implementation of M&E activities conducive to informed policy making by NASP.

C. Sustainability

51. **The GoU is highly committed to social protection system development since the outset of the economic reforms.** Strengthening social protection was one of the main pillars of the comprehensive reforms launched by the GoU in 2016, which also translated in increasing the budget allocated to LIFAs (tripled since 2016), rapid expansion of the ALMPs, and significant investment in digitalization of both spheres. The adoption of the SP Strategy in 2022 and the establishment of NASP provide the sector with a strong foundation and momentum to improve the internal coherence and efficiency of the sector. From the policy perspective, the sustainability of the project is guaranteed by the political commitment to further advancing the social protection sector. The activities supported by the project are well aligned with the national priorities, which suggests that the project objectives are sustainable.

52. **From the institutional and operational perspectives, the project will focus on legislative and regulatory reforms and system-level investments that are the foundations for sustained gains over time.** First, technical assistance will be provided to design critical reforms on social service quality standards and financing as well as on social work that are expected to remain in force beyond the life of the project. Second, the project will finance the piloting of alternative models of community-based social services that are meant to be scaled up under NASP budget after project closure. And third, the project will focus on strengthening the social protection IT and operating systems, particularly the UNSP, including for improved shock responsiveness and the establishment of a case management system. The capacity building of social workers, which will result in their improved functioning and skills, will have a positive effect beyond the lifetime of the program. Critically, the combination of various stakeholders in this project (local government, *mahallas*, CSOs, NGOs, private providers) will help scale up the culture of cooperation between state and non-state agencies, in areas where public provision is limited.

53. **From the fiscal and financial perspective, the proposed project will also support enhancing the efficiency of social benefits by improving targeting and minimizing administrative costs through social work and interoperable IT systems.** Funding of social benefits is already fully financed by the state budget, so sustainability is ensured. By better targeting the poor, financing is more efficient, and more funds will be available to expand to more poor people by reducing inclusion of the non-poor. The establishment of TSSCs is expected to reduce demand for institutional-based care which is more expensive and to stimulate the market for the private provision of social services. Even though the implementation of the TSSCs implies a start-up cost, the financial sustainability is ensured by NASP's commitment to finance the staff and operating costs in non-pilot TSSCs and the support of the project to the development and adoption of alternative financing mechanisms based on beneficiary co-payments and revised funding formula based on revised cost standards.



IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis (if applicable)

54. **The proposed project aims to improve access of vulnerable people to better quality social protection services and benefits.** The PDO will be achieved by strengthening the building blocks for the integrated and more efficient delivery of social benefits and services supporting NASP with advancing critical reforms such as setting the quality standards and the regulatory framework for social services, including for survivors of GBV and supported employment for persons with disabilities, and piloting alternative models of community-based day care centers for vulnerable people. The project will serve as a proof of concept for the national scale-up and as an initial capital investment to stimulate the demand for community-based social services, hence the market for the private provision of social services. The project-level development outcomes include the improved access to and quality of social services for vulnerable people. Long-term outcomes include the improved well-being and quality of life that social service beneficiaries and their families will gain, new job creation in the social service sector, better jobs outcomes for informal caregivers, the improved resilience of poor and vulnerable people to climate-related shocks, and the adoption of more sustainable financing options for the provision of social services by the Government.

55. **The economic analysis relies on the expected gains in terms of efficiency of social protection public expenditures and improved jobs outcomes for vulnerable people.** The short-term outcomes of the improved access and quality of social care and rehabilitation services (Component 2) in terms of improved quality and healthy life and satisfaction with service quality could not be quantified based on the available data. These outcomes will nonetheless be measured as part of the beneficiary feedback survey and the impact evaluation collected through the project (Component 3). The economic analysis is therefore centered around two long-term outcomes: (a) the improved efficiency and allocation of total social protection expenditure and (b) the expected labor market impacts (see annex 3 for more details). The primary data source for the quantitative analysis is the HBS collected by the National Statistical Agency.

56. **Improved social protection expenditure efficiency will result from reduced 'inclusion errors' in poverty-targeted programs, savings from social protection program duplications, and the gradual social services deinstitutionalization process.** Component 1 is expected to improve the equity and efficiency of social assistance expenditures through the integration of the UNSP, the establishment of a case management system, the adoption of a revised targeting system for poverty-targeted benefits, and the introduction of ASP in programming and delivery. Higher efficiency of LIFA budget will result from the reduced inclusion errors: the LIFA inclusion error (benefits going to beneficiaries in the richest two quintiles) accounts for 16 percent of total program budget. Assuming that the targeting methodology revision is successful and reduces the share of inclusion error to 10 percent, it would free up almost US\$30 million. In addition, the integration of registration, assessment, and beneficiary selection processes⁴⁵ has the potential to offer significant administrative benefits in terms of simplified processes and reduced cost (in both time and money) for both applicants and administrators.

57. **The interoperable UNSP is expected to function as an integrated reporting system to inform decision-making, correct duplications, and inefficiencies.** The existing UNSP does not have some capabilities for tracking beneficiaries across social benefits and services it manages. The upgrade and interoperability of IT systems under Component 1 would allow the UNSP to be both an administrative tool for social workers (e-case module) and a powerful policy tool for NASP by enabling the integrated reporting for social protection. The integrated reporting would allow the NASP Research Institute to conduct sophisticated policy analysis including (a) profiling of the specific needs and conditions of various groups of the population based on the input data ('demand side analysis'); (b) coordination of the provision across programs, including detecting of intended or unintended duplications ('supply-side analysis'); and (c) analysis of potential 'gaps' in coverage of key bundles of benefits and services that could be tailored to the typical needs of these profiled groups (combining the demand- and supply-side analytics). This gap analysis could allow for simulations of fiscal resources

⁴⁵ While the application process and vulnerability assessment to access separate benefits and services are similar, they are separate processes now.



needed to extend key benefits and services to underserved groups, with clear identification of the potential additional beneficiaries that could be added.

58. **Initially, the administrative and fixed start-up costs of the proposed TSSCs will exceed the benefits.** In the long term the gradual shift to community-based social services is expected to contribute to more sustainable and inclusive modalities of social service delivery. The start-up investment the project will support to establish and launch community-based social services in the TSSCs is expected to reduce the demand for institution-based social service delivery (and gradually also the supply) and pay off in the medium to long term. With about 1,000 expected beneficiaries per year per TSSC and the scale-down of some institutes over time as the market for community-based services will pick up, it will take about 10 years for the investment to break even, without accounting for the nonmonetary benefits associated with a better quality of life for those older persons, children, and adults with disabilities who can benefit from social services provided TSSCs rather than being institutionalized.

59. **Labor market impacts are expected through three main channels.** First, Component 2 of the project is expected to stimulate the demand for social services and an expansion of the market for social service provision (in compliance with the regulation and standard developed through the project). Higher job creation in the social sector, including through private providers, will be an indirect impact not quantifiable. In terms of direct job creation, about 30 professionals, formal caregivers, and administrative staff are expected to be recruited in each pilot TSSC at the local level. Second, the expansion of employment support services for persons with disabilities will increase their employability and earnings potential. It is expected that a total of 1,500 students with disabilities will be engaged in enhanced professional training and orientation services in the four VET schools, 600 VET schools graduates will receive supported employment services, and 600 beneficiaries will receive supported employment services in the TSSCs throughout the project. And the third channel of the impact is through the potential increased labor supply of informal caregivers under the assumption that employability barriers due to social norm (dominant barrier in Uzbekistan) are also relaxed particularly through childcare and adult day care services.

B. Fiduciary

60. **Financial management (FM).** In February 2024, the FM arrangements of the project (such as budgeting, planning, accounting, financial reporting, internal controls, and audit) at NASP were assessed to be generally acceptable. The project's proposed FM arrangements were assessed to be Moderately Satisfactory, and the FM risk was assessed as Substantial. NASP will be directly responsible for day-to-day project administration and fiduciary tasks and thus will have to develop further capacity to ensure alignment with World Bank FM requirements. This includes the adoption of the Project Operations Manual (POM) and the establishment of the PIU on the terms of reference (TOR), staff composition and qualifications acceptable to the Association (effectiveness conditions). NASP will also install separate accounting software to account for project transactions, financial accounting, and reporting. The POM will define the key policies and procedures relevant to project implementation to be followed for ensuring due management and administration of project implementation as well as management of project resources. Financial reporting, auditing, and disbursement arrangements are described in detail in annex 1.

61. **Procurement.** The project's procurement implementation will be governed by the World Bank Procurement Regulations for IPF Borrowers (September 2023 version). This includes compliance with the provisions of the Financing Agreement and the project's Procurement Plans. The World Bank's Systematic Tracking of Exchanges in Procurement (STEP) tool will be utilized for preparing, clearing, and updating Procurement Plans, managing all procurement transactions. NASP, the project implementing agency, will establish a dedicated PIU with procurement resources to support implementation of procurement activities. The initial Procurement Plan for the first 18 months of implementation has been prepared. A procurement risk assessment acknowledges NASP's limited experience with World Bank procurement policies (discussed further in section VI), and the procurement risk is assessed as Substantial. Additional details on the project's procurement arrangements and strategy can be found in annex 1.



C. Legal Operational Policies

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

D. Environmental and Social

62. **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 is to improve the access 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, and so on) will be generated. Additionally, during the operation of the TSSCs, some solid waste and office waste is 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.

63. **NASP has developed and presented to the World 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 SEP and the ESCP were disclosed on NASP’s website on March 28, 2024. The World Bank also publicly disclosed the ESCP and SEP on March 28. The World Bank will also require the adoption of adequate work-related occupational health and safety issues during the project implementation for the office workers. 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 subprojects, mitigation measures, implementation arrangements, and environmental and social (E&S) impacts that will be managed during project implementation following the ESMF. The ESMF checklist, which includes LMP, a WMP, and a sexual exploitation and abuse/sexual harassment (SEA/SH) prevention and response plan, is an annex to the ESMF. The ESMF checklist will be applied for the components and activities where reconstruction work is envisaged. 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. Toward this, the client will undertake an E&S 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 abovementioned risks and mitigation measures shall be incorporated with relevant guidelines into the POM.

64. Overall, World Bank Environmental and Social Framework (ESF) ESS 1, ESS 2, ESS 3, ESS 4, and ESS 10 are triggered by project interventions.



E. Contributions to Corporate Priorities

65. **Gender.** The proposed project seeks to address gender-related challenges through a multifaceted approach. Complementing the last two DPOs (P180470, P501037) and the broader country portfolio efforts, this project provides implementation support to improve the access and the quality of services for survivors of GBV through activities described in Subcomponent 2.2. These activities include sensitization activities to present GBV cases in areas with high prevalence, the integration of domestic GBV cases into social work and case management, and the development of case monitoring tools. Critically, the project will strengthen the capacity of NASP to establish a clear mandate for its multisector coordination. The piloting and scaling up of the TSSCs are expected to create more jobs in the social service sector most likely benefiting women. The skills of 5,000 social workers (mostly women) will be upgraded and expanded through the continuous training and short-term learning courses delivered in partnership with universities. The supply of day care services in TSSCs may also benefit caregivers of older people and individuals with disabilities, predominantly women in Uzbekistan, by providing them with more opportunities to participate in the workforce while ensuring quality care for their families. By creating employment opportunities and specialized services, the project aims to empower persons with disabilities, particularly women, to lead more independent lives.

66. **Disability inclusion.** Activities related to disability inclusion are treated as cross-cutting issues in this project. Meaningful engagement with persons with disabilities was organized by NASP on February 23, 2024, in partnership with the National Association of Persons with Disabilities (NAPD). Uzbekistan has ratified the CRPD in 2021, and NASP was designated as focal point for its implementation. This means NASP has the responsibility to coordinate with all institutional bodies that are responsible for implementing policies or measures relevant to persons with disabilities. NASP is also tasked to enable the meaningful formal participation of persons with disabilities in all design, implementation, and monitoring of such policies and measures. The project supports the development of guidelines aiming at improving access of persons with disabilities to social and rehabilitation services. Furthermore, the project will explore the possibility to introduce the Washington group short set on functioning (WG-SS) in the registration form of the SR to improve data on the incidence of vulnerable and poor persons with functional disabilities. Additional efforts can be made to improve the functional evaluation of persons with disabilities in line with the ICF. PDO indicators are disability disaggregated to allow the measurement of project impacts on persons with disabilities.

67. **Citizen engagement.** Under the proposed project, a series of citizen engagement activities will be conducted. These initiatives are intentionally designed to be human rights oriented, disability inclusive, and gender sensitive, ensuring that vulnerable groups actively participate in the project design, implementation, and monitoring and fully benefit from its results. Information (materials and events) on project progress and achievements will be developed to both promote and engage people in project-supported services. Considering the specificity of the project, direct contact with a high number of people is expected to help finetune activities, for needs assessment, service delivery, or information and overall consultation activities. Beneficiary surveys will be conducted to assess feedback about the project and inform subsequent developments after project closure. A grievance redress mechanism (GRM) of the project will enable citizens to submit complaints, and transparency will be ensured on how these will be addressed, while all services designed under the project have an embedded component focused on client feedback to continuously enhance quality of provision.

68. **Climate change and climate action.** With irrigated agriculture accounting for 90 percent of water use, crop and food production systems are highly water intensive in an increasingly water-stressed environment. With rising temperatures, reduced precipitation, and retreating glaciers, Uzbekistan is projected to be among the most water-stressed countries in the world. These climatic stresses already give rise to prolonged droughts, resulting in loss of livestock, reduced agricultural production, and decreased groundwater, thus threatening water supplies, food security, energy grids, and even the livability of some regions. Despite the severity of the stresses already experienced by the population, fewer than half of the respondents to a recent survey⁴⁶ had heard about climate change. This project supports the Government's

⁴⁶ The Rural Infrastructural Development Survey was administered in 2021 to 4,000 households in 100 villages across five regions of Uzbekistan.



climate and environmental policy objectives by supporting NASP to strengthen social protection policies and delivery system to better adapt to climate change and mitigate the impacts of climate action (decarbonization) on poor people.

69. **Climate co-benefits.** The project will contribute to climate adaptation co-benefits by enhancing the resilience of vulnerable people to climate change and by strengthening the adaptive elements of the social protection system achieved under Subcomponent 1.2 (US\$7 million). Specifically, the project supports the pilot and scale-up of a climate adaptation program including agriculture inputs and training on adaptation strategies for LIFA families as well as on typical measures of energy efficiency at home as a part of the World Bank engagement on the energy subsidy reform. The capacity of INSON centers to respond to extreme weather conditions and climate-related shock will be increased through training and the adoption of an ASP strategy, the adaptation of programming rules, and the integration of the UNSP with the weather and disaster warning database which are expected to quickly identify climate-vulnerable household and provide a timely response. The project will contribute to climate mitigation co-benefits by investing in (a) energy-saving rehabilitation equipment in 55 newly established TSSCs and (b) energy-efficient kitchen, appliances, lighting equipment, and furniture (valued at US\$24 million). While relevant energy-efficient standards are not widespread in Uzbekistan, the project procurement of rehabilitation equipment and other goods under Subcomponent 2.2 will be designed to comply with international best practice and recognized standards and include only new energy-saving equipment. In addition, Subcomponent 2.2 will support energy audits for some TSSCs (US\$15,000). The results of the energy audits will enable NASP to apply for Clean Energy for Buildings in Uzbekistan Project (CEBU, P176060)⁴⁷ financing and implement building-related energy-efficient measures, including replacement of windows, rehabilitation of basement/roof, and installation of energy-efficient heating equipment and renewable energy sources such as solar photovoltaic panels and hot water collectors.⁴⁸

70. **The operation is aligned with the goals of the Paris Agreement for both mitigation and adaptation.**

71. **Assessment and reduction of mitigation risks.** Uzbekistan's mitigation ambition, as stipulated in its updated NDC, is to reduce by 2030 specific greenhouse gas (GHG) emissions per unit of GDP by 35 percent from the level of 2010. Since this is a social protection and jobs project, the activities are primarily meant to alleviate poverty and inequality by enhancing the ability of individuals and households to withstand shocks and improve their access to economic opportunity. Activities undertaken to achieve these objectives do not have any negative impact on Uzbekistan's low GHG emission development pathways. For instance, there is no foreseen construction of emissive infrastructure or energy-intensive activities.

72. **Assessment and reduction of adaptation risks.** The main climate risks likely to affect the project are floods, drought, and extreme heat. The project aligns with the NDC which reiterates the governments recognition that urgent adaptation measures are needed to boost climate resiliency for the most disadvantaged layers of the population who face increasing vulnerability to the impacts of climate change such as flood, drought, and water scarcity. The project addresses these risks by increasing climate resilience through (a) supporting the establishment of a well-functioning case management system by expanding services to households that are vulnerable to climate change-exacerbated floods; (b) enhancing the capacity of the social protection system to adapt and respond to climate shocks through anticipatory cash transfers in the event of floods and the provision of information awareness and training on climate-related risks for about 5,000 climate-vulnerable LIFA beneficiaries in rural areas; and (c) improving access to and quality of social services for those at risk to climate change-exacerbated floods.

V. GRIEVANCE REDRESS SERVICES

73. **Grievance redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's

⁴⁷ CEBU promotes energy efficiency measures for the buildings and a revolving mechanism to introduce energy efficiency measures based on energy savings.

⁴⁸ If not applicable, the centers will be in close contact with CEBU to get knowledge on typical energy efficiency measures/renewable energy installations and implement them based on the own financing/grant funds currently considered by the team/from local funds.



Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, visit <https://accountability.worldbank.org>.

VI. KEY RISKS

74. **The proposed operation's overall risk is assessed as Substantial.** The overall rating reflects the substantial residual risks for the technical design of the project, institutional capacity for implementation and sustainability, and fiduciary management; moderate political and governance, macroeconomic, and E&S risks; and low sector strategies and policies and stakeholder risks. Specific mitigation measures for the substantial risks are discussed below.

75. **The technical design of the project risk is rated Substantial.** The project supports a complex set of reforms ranging from developing community-based social services to the introduction of social work and case management, which are rather new or limited in Uzbekistan. Given that the project would include a wide range of interventions that still lack some legal framework and service standards to be effectively carried out and need to be piloted before being scaled up, there might be a risk of implementation delays that would jeopardize the PDO achievement within the projected time frame. To mitigate the risk, the World Bank will consider the activity sequencing and carefully select project locations and beneficiaries before implementation. Extensive capacity building and technical assistance included in all project components would also contribute to mitigating the risk. In addition, procurement of rehabilitation equipment and other goods for the establishment of TSSCs under Subcomponent 2.2 without qualified staff providing rehabilitation and other social services would pose another risk of implementation delays. To mitigate the risk, the project will include a number of 'soft conditions' related to the identification of the operating model and staffing of each TSSC as well as other technical requirements such as (a) completion of local needs assessment relative to each specific TSSC, (b) the recruitment of qualified TSSC staff either hired by NASP or subcontracted to external providers, (c) verification of the accessibility of the TSSCs, and (d) the compliance with international best practice and standards for energy-saving equipment. Detailed verification protocols for the disbursement of the procurement of goods (Subcomponent 2.2) will be defined in the POM and subject to the World Bank's no-objection.

76. **Institutional capacity for implementation and sustainability risk is rated Substantial.** NASP was newly established, and thus it is still setting up its internal functions and systems and building its institutional capacity to effectively implement the Government's social protection agenda and coordinate with other agencies. NASP also lacks experience in implementing World Bank-financed projects and will require some time to learn and meet the World Bank's operational requirements, which might cause delays to the project implementation. To mitigate the risk, the project includes a PIU with operational staff, who will receive intensive training and hands-on support from the World Bank team throughout the project. The World Bank team will also share international best practices with PIU staff, in coordination with other development partners working on social protection issues in Uzbekistan. In addition, the World Bank team will also support NASP in building capacity to (i) screen for early warning signals of fraud, collusion, and corruption during implementation; (ii) undertake proactive actions to address potential issues before they become more serious; and (iii) work with the World Bank Preventive Services if such integrity violation signals are found.

77. **Fiduciary risks are rated Substantial.** NASP has a short track record of FM and procurement implementation. While NASP and its staff possess experience in executing FM and procurement activities funded by the government budget, they lack prior exposure to projects financed by the World Bank or other IFIs. The low level of familiarity with the World Bank's fiduciary systems and lack of familiarity with the World Bank's Procurement Regulations coupled with extended government internal procedures, a preference for national regulations over those of the World Bank, and a



shortage of technical experts for complex procurement activities present several potential risks that may lead to implementation delays and unsatisfactory quality of contract deliverables. Considering these risks and the broader procurement landscape in the country, the procurement risk rating for the project is deemed Substantial. To address these challenges, the project will take several proactive measures: (a) incorporating a qualified procurement specialist into the PIU to oversee procurement activities, (b) conducting comprehensive procurement training, (c) dedicating a section to procurement in the POM, (d) enhancing publicity of bidding opportunities to foster increased market participation and engaging the international market approach for major activities, and (e) implementing advanced procurement planning to account for anticipated delays in goods delivery and consultant mobilization.



VII. RESULTS FRAMEWORK AND MONITORING

PDO Indicators by PDO Outcomes

Baseline	Closing Period
Improved access to social services for vulnerable people	
Share of LIFA applicants assessed and referred to services through the case management system (Percentage)	
Mar/2024	Jun/2029
0	75
Beneficiaries of social safety net programs (Number of people) ^{CR1}	
Mar/2024	Jun/2029
0	57300
➤ Beneficiaries of social safety net programs – Youth (Number of people) ^{CR1}	
Mar/2024	Jun/2029
0	11,500
➤ Beneficiaries of social safety net programs – Female (Number of people) ^{CR1}	
Mar/2024	Jun/2029
0	27000
Improved quality of social services for vulnerable people	
Number of authorized private social service providers (Number)	
Mar/2024	Jun/2029
0	80
New or better jobs (Number of people) ^{CR1}	
Mar/2024	Jun/2029
0	1,200
➤ New or better jobs for youth (Number of people) ^{CR1}	
Mar/2024	Jun/2029
0	600
➤ New or better jobs for women (Number of people) ^{CR1}	
Mar/2024	Jun/2029
0	600
Share of survivors of domestic violence receiving legal, health, psychosocial, and referral services in women adaptation and rehabilitation centers (Percentage)	



Mar/2024	Jun/2029
0	100

Intermediate Indicators by Components

Baseline	Closing Period
Component 1. Strengthening the Integration and Shock Responsiveness of the Social Protection System	
The social case management system is set up and operational (Yes/No)	
Mar/2024	Jun/2029
No	Yes
The E-case module has been upgraded based on the revised methodology and operational (Yes/No)	
Mar/2024	Jun/2029
No	Yes
Number of Social workers trained in SCM and in the updated e-case module (Number)	
Mar/2024	Jun/2029
0	3,000
Share of LIFA beneficiaries in the two poorest income quintiles (Percentage)	
Mar/2024	Jun/2029
63	70
The ASP strategy and action plans are developed and adopted (Yes/No)	
Mar/2024	Jun/2029
No	Yes
Coordinated decision-making protocols for shock-responsive social assistance are established (Yes/No)	
Mar/2024	Jun/2029
No	Yes
Number of staff of INSON centers trained in climate risk and ASP (Number)	
Mar/2024	Jun/2029
0	600
Share of people residing in climate-risk areas who are registered in the USPP (Percentage)	
Mar/2024	Jun/2029
15	30
The family needs assessment toolkit is updated to take into consideration climate vulnerability (Yes/No)	
Mar/2024	Jun/2029
No	Yes



People with enhanced resilience to climate risks (Number of people) ^{CRI}	
Mar/2024	Jun/2029
0	100,000
➤ People with enhanced resilience to climate risks – Youth (Number of people) ^{CRI}	
Mar/2024	Jun/2029
0	20000
➤ People with enhanced resilience to climate risks – Female (Number of people) ^{CRI}	
Mar/2024	Jun/2029
0	50000
Component 2. Improving the Access and Quality of Social Services for Vulnerable People	
Number of social services for which the quality and cost standards developed through the project are adopted (Number)	
Mar/2024	Jun/2029
0	5
Quality management mechanisms for social services are developed and adopted by NASP (Yes/No)	
Mar/2024	Jun/2029
No	Yes
An outsourcing strategy for social service provision is developed (Yes/No)	
Mar/2024	Jun/2029
No	Yes
Number of operational new territorial social service centers (TSSCs) (Number)	
Mar/2024	Jun/2029
0	55
Number of vulnerable children receiving social services in TSSCs by type of service, sex, age, and disability status (Number)	
Mar/2024	Jun/2029
0	7,000
Increased economic participation of informal caregivers of Vulnerable children benefiting from childcare services in TSSCs (Percentage)	
May/2027	Jun/2029
n.a	10
Number of vulnerable adults receiving social services in TSSCs, by type of service, sex, age, and disability status (Number)	
Mar/2024	Jun/2029
0	16,000
Number of persons with disabilities who received rehabilitation services using the new equipment (disaggregated by sex, children / adults, and disability status) (Number)	
Mar/2024	Jun/2029
0	20,000



Number of persons with disabilities who use assistive devices aligned with the new standards (Number)	
Mar/2024	Jun/2029
0	10,000
Number of people participating in campaigns raising awareness on women’s rights and available services for GBV survivors (Number)	
Mar/2024	Jun/2029
0	30,000
People benefiting from greater gender equality (Number of people) ^{CRI}	
Mar/2024	Jun/2029
0	200
➤ People benefiting from greater gender equality – Youth (Number of people) ^{CRI}	
Mar/2024	Jun/2029
0	50
➤ People benefiting from greater gender equality – Female (Number of people) ^{CRI}	
Mar/2024	Jun/2029
0	200
Number of Women Rehabilitation and Adaptation centers enhanced with new professional staff and services (Number)	
Mar/2024	Jun/2029
0	20
INSON staff (administrative and social workers) trained to identify, monitor, report, and manage the cases of the survivors of GBV (Percentage)	
Mar/2024	Jun/2029
0	80
Component 3. Project Management, Monitoring and Evaluation	
Number of social protection evaluation reports (including impact evaluations) published by the NASP Research Center (Number)	
Mar/2024	Jun/2029
0	10
Share of project beneficiaries satisfied with the community-based social services (Percentage)	
Mar/2024	Jun/2029
0	80
Share of project beneficiaries satisfied with the NASP grievance redress mechanism (Percentage)	
Mar/2024	Jun/2029
0	80
Component 4. Contingent Emergency Response Component (CERC)	



Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes

Improved access to social services for vulnerable people	
Share of LIFA applicants assessed and referred to services through the case management system (Percentage)	
Description	The indicator will measure the proportion of LIFA families who apply to the LIFA program through the case management system and whose case is closed, meaning all measures and services the families needed based on the needs assessment have been provided
Frequency	Bi-annually
Data source	UNSP
Methodology for Data Collection	Monitoring reports
Responsibility for Data Collection	NASP
CRI: Beneficiaries of Social Safety Net Programs (Number of people)	
Description	The indicator measures the number of eligible vulnerable people actually benefiting from social services provided through TSSCs
Frequency	Bi-annually starting year 2
Data source	UNSP, monitoring module for TSSCs
Methodology for Data Collection	No ID duplication; counting people, not visits. Total number at the end of each period
Responsibility for Data Collection	NASP
Improved quality of social services for vulnerable people	
Number of authorized private social service providers (Number)	
Description	The indicator will measure the number of private social service providers that are authorized d by NASP and comply with the service standards developed through the project and adopted during project implementation.
Frequency	Annually
Data source	NASP.
Methodology for Data Collection	“Authorized” social service provider means a provider that is either licensed or accredited by NASP and/or other independent bodies according to approved regulation. The appropriate regulation will be developed through the project support in coordination with existing licensing and accreditation mechanisms in Uzbekistan. The list of private social service providers authorized to provide social services to vulnerable groups of population will be administered by NASP.
Responsibility for Data Collection	NASP
CRI: New or Better Jobs (Number of people)	
Description	The indicator measures the number of persons with disabilities, beneficiaries of supported employment services, who became employed and maintained employment (including self-employment) for 3 months from hiring. It is disaggregated by access point (TSSC/specialized VET institution).
Frequency	Annual



Data source	Beneficiarie tracer study
Methodology for Data Collection	Cumulative numbers starting year 3 of implementation will be reported, estimated to be 400 per year. The indicator includes both graduates of VET and beneficiarias receiving supported employment services in TSSCs
Responsibility for Data Collection	NASP
Share of survivors of domestic violence receiving legal, health, psychosocial, and referral services in the Women Adaptation and Rehabilitation centers (Percentage)	
Description	The proportion of women in the centers who receive quality legal, health, and other services for survivors of domestic violence thanks to the projects. The baseline is set as zero as no monitoring information is available on the number of women in the adaptation centers actually receiving legal, health, psychosocial services from professional staff.
Frequency	Bi-annual
Data source	UNSP
Methodology for Data Collection	Each of the 29 Women Adaptation and Rehabilitation centers will report on the number of professionals ether subcontracted or hired by NASP to provide legal, health, psychosocial services in the centers and number of women using those services. Total number at the end of each period.
Responsibility for Data Collection	NASP

Monitoring & Evaluation Plan: Intermediate Results Indicators by Components

Component 1. Strengthening the Integration and Shock Responsiveness of the Social Protection System	
The social case management system is set up and operational (Text)	
Description	The indicator will measure the set up and operationalization of the social case management system. This include the i)development of the needs assessment methodology, ii) an update of the local service supply mapping, iii) the development of referral system protocols, iv) the use of the updated e-case module in the UNSP by all INSON centers. This indicator will capture the progress in the development and adoption of the above mentioned elements.
Frequency	Once
Data source	Documents and UNSP
Methodology for Data Collection	Adoption through an internal order of the SCM manual and referral protocols
Responsibility for Data Collection	NASP
The E-case module has been upgraded based on the revised methodology and operational (Yes/No)	
Description	The module has been updated and covers all types of response to requests from individuals and families in need of social protection, including redirection to other services (referral) and closure of the request, counseling and providing recommendations, complex assessment, and crisis response
Frequency	Once
Data source	External review / audit
Methodology for Data Collection	Audit
Responsibility for Data Collection	NASP
Number of social workers trained in SCM and in the updated e-case module (Number)	



Description	The indicator will measure the number of social workers who have completed the training on SCM and on the use of the updated e-case module as defined in the training curricula. Only social workers who completed the training in both areas will be counted.
Frequency	Bi-annual
Data source	NASP Training Center
Methodology for Data Collection	Total number at the end of each period. The number is cumulative.
Responsibility for Data Collection	NASP
Share of LIFA beneficiaries in the two poorest income quintiles (Percentage)	
Description	The indicator will measure the proportion of LIFA beneficiaries who belong to the two poorest income quintiles (pre-transfer) after the revised targeting formula is rolled out nationally
Frequency	Annual , starting the year of the implementation of the pilot
Data source	HBS
Methodology for Data Collection	The poorest two quintiles are defined on the income aggregate net of all social assistance benefits collected in the HBS as per the World Bank SPEED methodology;
Responsibility for Data Collection	National Statistics Agency
The ASP strategy and action plans are developed and adopted (Yes/No)	
Description	The indicator will measure the adoption of the ASP strategy and implementation plans by the relevant authorities
Frequency	Once
Data source	Official documents
Methodology for Data Collection	Submission of relevant documentation
Responsibility for Data Collection	NASP
Coordinated decision-making protocols for shock-responsive social assistance are established (Yes/No)	
Description	The indicator will measure the adoption of the coordinated decision-making protocols for shock-responsive social assistance and the use of the said decision-making protocols by the relevant authorities
Frequency	Once
Data source	Documents and process evaluation
Methodology for Data Collection	Submission of relevant documentation
Responsibility for Data Collection	NASP
Number of staff of INSON centers trained in climate risk and ASP procedures (Number)	
Description	The indicator will measure the number of INSON staff who completed the training on climate risk and ASP measures as per the defined curricula. It includes the training on the new ASP tools and procedures following the adoption of the ASP strategy, the updated family assessment toolkit, the update in the UNSP to capture climate-related risk, and the ASP regulations.
Frequency	Bi-annually
Data source	Training records from the NASP Training Centre
Methodology for Data Collection	Total number, cumulative.
Responsibility for Data Collection	Center for Training of Social Protection workers of NASP
Share of people residing in climate risk areas who are registered in the UNSP (Percentage)	



Description	The indicator will measure the proportion of people living in climate risk areas whose data on individual and households characteristics and personal contacts are registered in the UNSP
Frequency	Annual
Data source	UNSP
Methodology for Data Collection	Share at the end of each period
Responsibility for Data Collection	NASP
The family needs assessment toolkit is updated to take into consideration climate vulnerability (Yes/No)	
Description	The indicator will measure the update of the needs assesment toolkit. The indicator will be met once the needs assessment toolkit includes the methodology to consider the climate vulnerability of the family or household.
Frequency	Once
Data source	Document
Methodology for Data Collection	Submission of documentation
Responsibility for Data Collection	NASP
CRI: People with Enhanced Resilience to Climate Risks (Number of people)	
Description	This indicator will measure the number of vulnerable people who will benefit from the climate risk and ASP training program. The climate risk and ASP training program refers to the package of activities that will include different combinations of the following activities: financial inclusion training, climate adaptation practices, climate-resistant crops, advanced planting, growing, harvesting, irrigation and water management tools for crop yielding and farming. The exact content will be defined before the pilot and revised after the evaluation of the pilot.
Frequency	Bi- annual
Data source	Training provider
Methodology for Data Collection	Number, cumulative. This indicator will capture both the 5000 target beneficiaries from the pilot (for the first 2 years of the project) and the remaining 95,000 for the last 3 years of the project.
Component 2. Improving the Access to and Quality of Social Services for Vulnerable People	
Number of social services for which the quality and cost standards developed through the project are adopted (Number)	
Description	The indicator will measure the number of standards adopted in pursuance of secondary legislation for different social services in accordance with the Law on Standardization and the methodology for calculating the costs of social services to be approved (by a Cabinet resolution or an NASP order)
Frequency	Annual
Data source	Official documents
Methodology for Data Collection	Submission of relevant legally binding documentation
Responsibility for Data Collection	NASP
Quality management mechanisms for social services are developed and adopted by NASP (Yes/No)	
Description	The quality management mechanism for social services (a system for M&E of social services) represents a comprehensive regulation approved by a Cabinet resolution or an NASP order.
Frequency	Once
Data source	Official documents



Methodology for Data Collection	Submission of relevant documentation
Responsibility for Data Collection	NASP
An outsourcing strategy for social service provision is developed (Yes/No)	
Description	A strategy to outsource specialized social services to private providers in TSSCs and elsewhere is developed and adopted. The outsourcing strategy means a strategic plan or provisions to attract private sector companies and NGOs to render social services on different models including PPP, licensing and/or accreditation, certification, a state social order (procurement), or a grant mechanism.
Frequency	Once
Data source	Official documents
Methodology for Data Collection	Submission of relevant documentation
Responsibility for Data Collection	NASP
Number of operational new TSSCs (Number)	
Description	The indicator will measure the number of fully equipped and staffed TSSCs that are operational
Frequency	Bi-Annual
Data source	Project Audit
Methodology for Data Collection	Process and performance audits
Responsibility for Data Collection	NASP
Number of vulnerable children receiving social services in TSSCs by type of service, gender, age, and disability status (Number)	
Description	Number of vulnerable children receiving social services in TSSC by type of service (including social support, childcare, inclusive education support, early detection and intervention, independent living training and respite), gender, age and disability status
Frequency	Bi-annual
Data source	UNSP
Methodology for Data Collection	End of period value , cumulative by type of service, gender, age, and disability status
Responsibility for Data Collection	NASP
Increased economic participation of informal caregivers of vulnerable children benefiting from childcare services in TSSCs (Percentage)	
Description	Increase in the share of informal caregivers either employed for other or self-employed
Frequency	Once
Data source	Household survey collected through the project
Methodology for Data Collection	Impact evaluation
Responsibility for Data Collection	NASP
Number of vulnerable adults receiving social services in TSSCs, by type of service, sex, age, and disability status (Number)	
Description	Number of vulnerable adults receiving social services in TSSCs including day care and temporary care, respite, nursing courses for informal caregivers, adaptation of living condition services (does not include rehabilitation services and supported employment tracked through separate indicators)
Frequency	Bi-annual
Data source	UNSP
Methodology for Data Collection	End of period value , cumulative ; by type of service, gender, age, and disability status



Responsibility for Data Collection	NASP
Number of persons with disabilities who received rehabilitation services using the new equipment (disaggregated by sex, children / adults, and disability status) (Number)	
Description	Number of PWD using the rehabilitation equipment in TSSCs procured through the project, disaggregated by sex, age, and disability status
Frequency	Bi-annual
Data source	UNSP
Methodology for Data Collection	End of period value , cumulative ; by type of service, gender, age, and disability status
Responsibility for Data Collection	NASP
Number of persons with disabilities who use assistive devices aligned with the new standards (Number)	
Description	Number of PWD who receive vouchers to procure assistive devices according to the new standards, by sex, age, and disability status. The indicator includes beneficiaries who rent assistive devices throughNASP vouchers.
Frequency	Bi-annual
Data source	UNSP
Methodology for Data Collection	End of period value , cumulative ;
Responsibility for Data Collection	NASP
Number of people participating in campaigns raising awareness on women’s rights and available services for GBV survivors (Number)	
Description	Number of people in communities with high prevalence of GBV participating in campaigns raising awareness on women’s rights and available services for GBV survivors
Frequency	Bi-annual starting year 2
Data source	Third-party provider hired through the project
Methodology for Data Collection	Total number at the end of the period, cumulative
Responsibility for Data Collection	Third-party provider hired through the project
CRI: People benefiting from greater gender equality (Number of people)	
Description	This indicator tracks the number of women in the Women Rehabilitation and Adaptation centers who receive training such as digital skills, financial literacy, and selected professional skills.
Frequency	Bi-annually
Data source	UNSP
Methodology for Data Collection	Total number at the end of the period, cumulative
Responsibility for Data Collection	NASP
Number of Women Rehabilitation and Adaptation centers enhanced with new professional staff and services (Number)	
Description	This indicator tracks the number of Women Rehabilitation and Adaptation centers with new professional staff hired to provide legal, health, psychosocial services to women in the adaptation centers through the project.
Frequency	Bi-annually
Data source	UNSP
Methodology for Data Collection	Total number at the end of the period, cumulative
Responsibility for Data Collection	NASP



INSON staff (administrative and social workers) trained to identify, monitor, report, and manage the cases of the survivors of GBV (Percentage)	
Description	This indicator is measured through the share of INSON staff, including administrative and social workers, who are trained in GBV-related issues and services. The outcome will be measured through a pre- and post-training test.
Frequency	Bi-annually
Data source	UNSP
Methodology for Data Collection	Total value at the end of the period, cumulative
Responsibility for Data Collection	NASP
Component 3. Project Management and M&E	
Number of social protection evaluation reports (including impact evaluations) published by the NASP Research Center (Number)	
Description	The indicator will measure the number of evaluation reports (qualitative or quantitative) produced by NASP Research Center and available on the NASP website. The indicator is cumulative.
Frequency	Annually
Data source	NASP website
Methodology for Data Collection	Total number at the end of the period, cumulative
Responsibility for Data Collection	NASP
Share of project beneficiaries satisfied with the community-based social services (Percentage)	
Description	The indicator will measure the share of project beneficiaries stastified with the services offered by TSSCs
Frequency	Once
Data source	Beneficiary feedback survey
Methodology for Data Collection	Share of all TSSCs beneficiaries satisfied with the quality of the services
Responsibility for Data Collection	NASP
Share of project beneficiaries satisfied with the NASP grievance redress mechanism (Percentage)	
Description	The indicator will measure the proportion of project beneficiaries satisfied with the NASP grivenance redress mechanism. This indicator will be a composite indicator averaging the share of NASP beneficiaries who know about the GRM system and the share of beneficiaries who used it and were satisfied with the way their complaint was handled (responsiveness, accuracy of the response)
Frequency	Annually
Data source	Representative phone survey
Methodology for Data Collection	Share of all project beneficiaries satisfied with the quality of the services
Responsibility for Data Collection	NASP



ANNEX 1: Implementation Arrangements and Support Plan

A. Project Implementation Arrangements

1. **The proposed project will be implemented by NASP under the President of the Republic of Uzbekistan.** Established in June 2023, NASP currently serves as the central agency responsible for various aspects of social protection policy design and implementation. This includes developing and managing social care services, social assistance programs, leading the inclusion agenda and accessibility, and digitalization in the sphere of social protection. Its responsibilities extend to collaborating with the work of several line ministries in areas such as inclusive education (MPSE), employment of vulnerable groups (MPRE), GBV prevention and support (Women’s Committee), certain rehabilitation services (MOH), and disaster response (Ministry of Emergency Situations). Since its establishment, NASP is at the core of various social protection reforms and has been actively evolving and increasing its regional presence. It is responsible for directly implementing social assistance programs and expanding and implementing social care services at the district and local levels through its regional branches as well as the already established INSON centers at the local level. Therefore, the implementation of all activities in the proposed project falls under the jurisdiction of NASP. Although NASP is a new entity and has not yet implemented a World Bank-financed project, its team, which consists of individuals transferred from various ministries, has experience with the preparation and implementation of several World Bank-financed projects.

2. **The NASP team will be leading the technical implementation of the project and has already put together an implementation plan for the project.** Project implementation will be supervised by the Advisor to the Director of NASP, who will have the role of the Project Director. The planning and implementation of each subcomponent will be led by the head of the relevant department or unit. As the implementation of each subcomponent involves several departments, working groups will be set up for each subcomponent to ensure that all relevant departments contribute to the implementation of activities. In case any of the institutional reorganization of the lead departments, the role of subcomponent leads will be defined by the department in charge of the SP Strategy as per the order assigning these functions by the director of NASP. Whenever needed, technical assistance will be procured by the project to support the technical departments in the implementation of activities. At the central level, an implementation team, PIT, will ensure coordination between components and subcomponents at the planning and implementation stage. The implementation team will consist of NASP staff, namely Project Director, technical subcomponent leads (heads of subcomponent working groups), and the hired PIU (see below) from the central level as well as the regional project implementation coordinators (one per region), who will be mapped from the staff of the regional branches of NASP. Regional coordinators would oversee the implementation of various project activities in a specific region, coordinate with the central team, facilitate feedback mechanisms, and support communication efforts. The constitution, roles and responsibilities, and other logistical information will be outlined in higher detail in the POM which will be adopted by NASP as part of its official internal order. Internal order will also be issues to officially appoint people responsible for various project implementation activities.

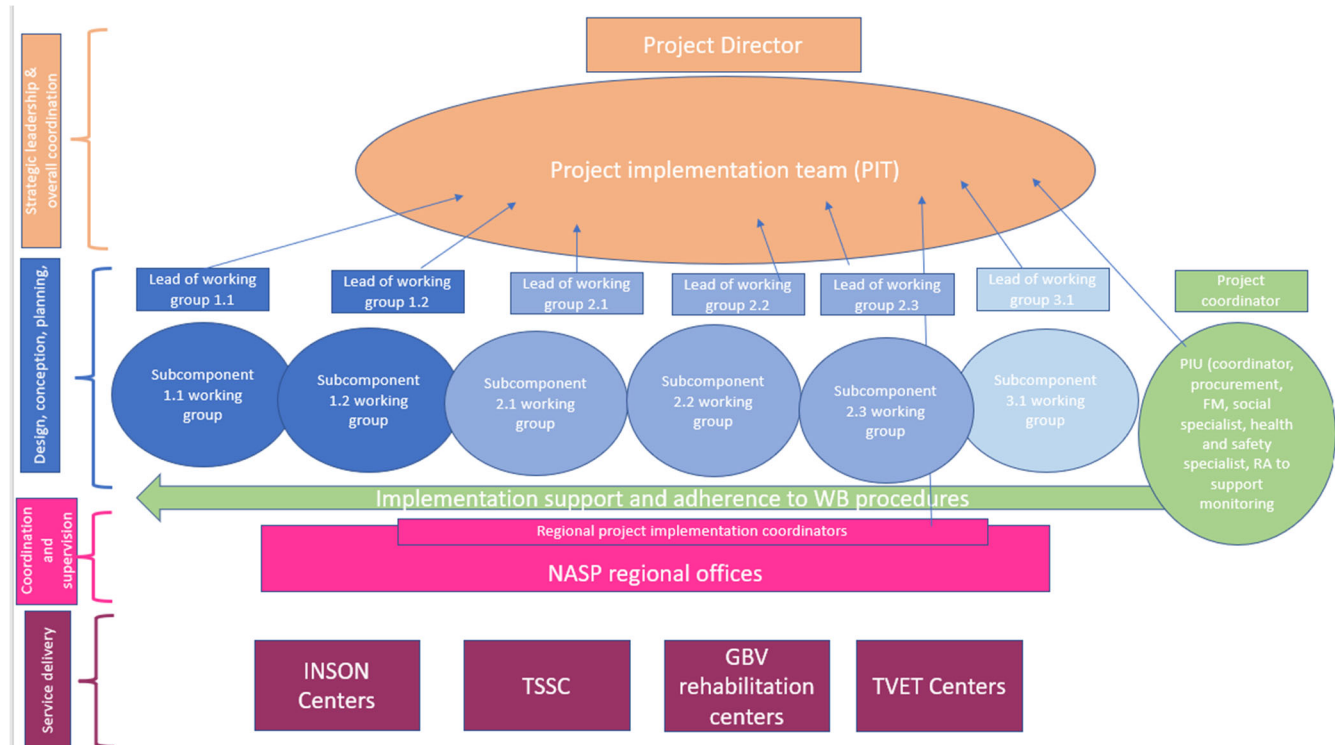
3. **NASP will collaborate closely with other government ministries for the implementation of the project to ensure coordination of key intersectoral activities.** NASP will have to establish a mechanism of intersectoral collaboration for specialists of respective government agencies and so on. It is envisioned that the representatives of other relevant ministries will participate in the corresponding subcomponent working groups: under Subcomponent 1.2: Ministry of Emergency Situations for the work on ASP; under Subcomponent 2.1: Agency of Statistics under the President of the Republic of Uzbekistan, MOH, MPSE, and other actors at the *mahalla* level to develop specific data exchange protocols; under Subcomponent 2.2: MOH for the implementation of rehabilitation services expansion in the TSSCs, MOH and MPSE for the definition and implementation of childcare services/units for inclusive education support, and MPRE and MPSE for activation support; and under Subcomponent 2.3: the MHESI and the MPRE for streamlining lessons learned from special technical and vocational education and training (TVET) to the mainstream TVET system. Furthermore, NASP will collaborate closely with representatives from Women Committee, Ministry of Justice and Interior as a part of the GBV task force to coordinate the implementation of the roadmap. An oversight committee will be established, composed of central government officials, local government representatives, self-representatives, and members of NGOs specializing in issues



related to the vulnerable groups targeted by this project, including NAPD. This committee’s mandate is to oversee the project’s progress and ensure that components implemented are fully in line with the needs of the groups that they represent.

4. To support the smooth implementation of the project and adherence to World Bank procedures, a PIU will be established to complement the work of the PIT. This unit will be directly supervised by the Project Director and its members will be a part of the implementation team. The primary role of the PIU will be to provide support and coordination functions. The PIU will consist of a project coordinator, a procurement specialist, and a FM specialist, who will be responsible for the relevant activities under the three project components. An additional procurement assistant might be hired to support the procurement specialist given the variety and volume of procurement activities in the project. A rehabilitation specialist will be hired to support and coordinate the implementation of rehabilitation activities and alignment with broader reforms in this area jointly with MOH. An M&E specialist will be hired in the PIU to carry out the project M&E responsibilities, and a social and environmental specialist will be hired to support the alignment of project activities with the ESF. There will also be a health and safety specialist hired in the PIU. Additionally, a communication specialist will be officially appointed from the NASP staff and be part of the PIU. The specific roles and responsibilities of the PIU positions will be outlined in the POM as part of the NASP internal order.

Figure 1.1. Representation of Institutional Arrangements



Implementation of Component 1 - Strengthening the integration and shock responsiveness of the social protection system

5. **Subcomponent 1.1: Supporting the development of a case management system for beneficiaries of social protection services and benefits.** The implementation of activities to establish case management under this subcomponent 1.1 will be implemented under the technical leadership of the Department of Social Work Methodology, while IT-related activities under this subcomponent will be performed by the Digital Technology Implementation Department. At the local level, the implementation of case management activities will be coordinated by the regional NASP office and implemented by the local INSON branches.



6. **Subcomponent 1.2: Enhancing the capacity of the social protection system to adapt and respond to shocks.** This subcomponent will be implemented under the technical leadership of the Department of Strategic Analysis, Design, and Development of Social Protection Policies (Department of Strategy), and the Department of Methodology of Social Work. Once defined, training activities for LIFA beneficiaries will be coordinated by the regional coordinators and either implemented or coordinated and monitored by the INSON local-level center in case of a third-party provider.

7. **Activities related to the improvement of the design and implementation of the LIFA targeting system will be implemented by the Department of Strategy and the Social Benefits Department, with the participation of the NASP Research Institute.** The World Bank is currently supporting NASP with technical assistance for developing a new targeting formula for the LIFA program, and project activities are expected to evaluate and support its rollout. Any required training, communication, and outreach activities as well as the GRM processes will be coordinated by the abovementioned departments and implemented at the local level with the support of the regional coordinator and the social workers mapped to INSON centers at the local level.

Implementation of Component 2 - Improving the access and quality of social services for vulnerable people

8. **Subcomponent 2.1: Improving the quality of social services for vulnerable people, including survivors of GBV.** This subcomponent aims at creating the legal and regulatory framework for social service provision. The implementation of this component is key to ensuring the parameters for providing quality services through subsequent subcomponents. Its implementation will require joint efforts of the Department for Standardization with participation of the Department for Functional Assessment of Disability, Departments for Development and Monitoring of Services for Children and Adults, Department of Methodology of Social Work, and consultative processes with disability groups' representatives, representatives of other relevant groups, parents' associations, private providers, and relevant sectoral ministries (like MOH or MPSE for childcare services). Quality and cost standards for every social service will be composed of national standards for social services in accordance with the Law "On Standardization" and methodology for calculating the cost of social services to be approved by Cabinet's resolution or NASP's internal order.

9. **Subcomponent 2.2: Expanding access to social services through the establishment and operation of TSSCs.** This subcomponent will have a phased implementation: first, the project will support the development of a concept of such centers, incorporating needs assessment; second, the project will support their pilot implementation; and third, it will support their further rollout. The activities needed to develop the concept of the center will be led by the Department of Strategy. A working group with the Department for Functional Assessment of Disability, Departments for Development and Monitoring of Social Services for Minors, Department for Development and Monitoring of Social Services for Adults, Department of Human Resource Development and Social Work Methodology, has been established to ensure interdepartmental coordination. The Department of Strategy would ensure that all the relevant departments provide timely inputs to the work plan, the technical assistance TORs, and the review and adoption of technical assistance outputs. The working groups will also ensure civil society participation in the concept development to be aligned with human rights principles, person-centered delivery, and perspectives of potential private providers. The procurement of furniture and equipment for the TSSCs will be the responsibility of the PIT. INSON centers will be responsible for the eligibility determination and monitoring of publicly financed social services and for referrals to existing service providers including the TSSCs, while the TSSCs will be responsible for the actual provision of a selected menu of social care, supported employment, and rehabilitation services. The selection and delivery of social services delivered in the TSSCs will be responsibility of INSON in an advisory process with the respective subcomponent working group and validation from NASP. Service provision (for both outsourced services and staff involved in the delivery of services in TSSC) will be funded by the NASP state budget.

10. **Subcomponent 2.3: Transforming specialized VET schools for secondary students with disabilities into resource hubs and activation centers.** This subcomponent will be implemented under the leadership of Department for Development and Monitoring of Social Services for Minors, Department for Development and Monitoring of Social Services for Adults, jointly with the Department of functional assessment of disability. An inter-ministerial working group will be created on the activation of vulnerable people, under the coordination of NASP consisting of MPRE and the MHESI,



with the participation of CSOs and employers or their associations. The working group would contribute to the TORs for the technical assistance component of the activation reform and then contribute to developing the draft concept of the improved TVET centers and how to streamline by transforming them into resource centers. The concepts will then be put out for consultations. The supported employment service design and implementation under Subcomponents 2.1 and 2.2 should be coordinated by the same working group to ensure the links with the TVET transformation and development of SVR.

Implementation of Component 3 – Project Management and Monitoring and Evaluation

11. **Project management and M&E activities under Component 3 will also be implemented by NASP through the PIU.** These activities will require additional procurement processes for technical assistance, communication campaigns activities to support various other components, training, and operational costs. They will be led by the Department of Information Service, while the PIU will support the implementation of these activities by carrying out all necessary procurement processes. Subcomponent 3.2 (Strengthening the M&E capacity for evidence-based policy making) will be under the leadership of the Department of Strategic Analysis, Design and Development of Social Protection Policies.

B. FM Arrangements

12. **The FM assessment for the proposed project was conducted in December 2023.** The FM arrangements of the proposed project are considered generally acceptable for implementation of this project provided risk mitigation measures are addressed before project effectiveness date. The FM risk is assessed as Substantial due to the following: (a) this is the first World Bank-financed project for NASP; (b) NASP may lack the related experience and have a low level of familiarity with World Bank fiduciary systems; (c) there are challenges associated with interacting with, aligning, and coordinating several state agencies and stakeholders (such as the MEF, Ministry of Investment and Foreign Trade, and others); and (d) the consistency and adequacy of FM arrangements will be challenged by the span of the project across the country.

13. **NASP will establish the PIU on the TOR and with resources and staff composition acceptable to the World Bank.** The PIU will be operationally and fiduciarily responsible for the daily FM arrangements over project implementation. The World Bank will provide available knowledge and learning support to the PIU staff via the World Bank’s learning and capacity development resources (workshops, seminars, and so on). In addition, ongoing support and guidance on FM will be provided throughout project implementation from the World Bank country-office authorized staff.

14. **The following FM actions shall be addressed by NASP:**

Measure	Condition Type
The Recipient, through NASP, has established the PIU satisfactory to the Association and hired a project coordinator, a procurement specialist and a financial management specialist for the PIU, all with qualifications, experience and terms of reference satisfactory to the Association	Effectiveness
The Recipient, through NASP, has adopted the Project Operations Manual in form and substance satisfactory to the Association, which shall contain detailed workflow, methods and procedures for the implementation of the project, including financial management guidelines and procedures (that is, detailed guidance and procedures on budgeting and planning, accounting, internal controls, funds flow, financial reporting and auditing, and disbursement).	Effectiveness
The Recipient, through NASP, shall, no later than ninety (90) days from the Effective Date install, and thereafter maintain throughout Project implementation, accounting software for the Project acceptable to the Association.	Dated covenant

15. The proposed project would be implemented by NASP. As NASP has no experience with implementing projects supported by the World Bank, the technical, managerial, and fiduciary capacity would need to be strengthened for NASP to play the role of the project implementing agency. With this purpose, the PIT will be set up at NASP with a required level



of mandate, resources, and functions. Since it is the first project for NASP, the PIT and related internal policies and procedures will need to be established from scratch. The POM will reflect the key policies and procedures required to guide and manage project implementation. The adoption of the POM acceptable to the World Bank will be an effectiveness condition.

16. **Staffing.** The PIU shall include the required level of specialists and experts to run the project. The exact staffing will be authorized by NASP, but as a minimum, the PIU shall include a PIU Director/Head of PIU, a project manager, an FM specialist (supported by the disbursement specialist if deemed necessary), a procurement specialist and procurement assistant (as needed), an M&E specialist, technical specialists, and others. In addition, the PIU will be allowed to hire as many individual consultants as needed to help with the implementation of specific project activities during the implementation. The FM staff will be trained on World Bank policies and procedures during World Bank-organized clinics and/or workshops (upon availability) and with additional implementation support after project effectiveness.

17. **Budgeting.** The PIU will prepare an annual budget, based on a Procurement Plan, operating expenses estimations, and so on, and will submit those to NASP and the MEF for approval. The PIU Director and the FM specialist will be responsible for the project budget preparation, execution procedures, and monitoring. The budget will form the basis for allocating the funds as per project activities and project periods. Based on the agreed budget, the PIU will be entitled to use funds from the PIU Designated Account (DA). The funds flow at the regional level will be managed via the regional PIU which will be adequately resourced and staffed.

18. **Accounting.** The PIU will be in charge of maintaining the project accounting records with the help of a fully functionable accounting system/software, which would be installed by the set deadline following the project effectiveness (dated covenant). The project accounting will be maintained in accordance with the International Public Sector Accounting Standards - Cash Basis Standard. The accounting records will be maintained in the currency of payment as well as in the US dollar equivalent, applying the actual exchange rate used at the currency conversion. The accounting records will capture all the necessary details and information of project transactions (beneficiary, invoice/PO information, currency, expenditure nature, and so on). At the same time, the PIU may apply local accounting standards for statutory reporting purposes to state agencies (MEF, Tax Committee, Statistics Committee, and so on). This accounting system would allow fully automated accounting and reporting, including automatic generation of Statements of Expenditure, interim financial reports (IFRs), and other reports required by national legislation. The system will have built-in controls to ensure data security, integrity, and reliability.

19. **Financial reporting.** The PIU will prepare and submit the IFR to the World Bank every calendar quarter, starting with the quarter in which the first disbursement occurs. The IFR will be prepared on a quarterly basis and will include information on the sources and uses of funds, detailed use of fund by each activity, as well as movements and balances in the Designated and Transit Accounts. The format of the IFR will consist of (a) Project Sources and Uses of Funds; (b) Uses of Funds by Project Activities; (c) Project Balance Sheet; (d) DA Statement; and (e) a Statement of Expenditure Withdrawal Schedule and will be agreed and annexed to the POM. These financial reports will be submitted to the World Bank within 45 days after the end of each calendar quarter.

20. **Internal controls.** The PIU will establish an internal control system capable of providing reliable and adequate controls over FM and disbursement processes and procedures. These include controls for safeguard of assets, segregation of duties, authorization of transactions, review and approval of invoices, and contract management, generation, and provision of the financial and other project information among others. The internal control procedures and the system to be used by the PIU will be specified in detail in the POM.

21. **External audit.** The borrower (through the PIU under NASP) will be responsible for arranging the annual audit of the project financial statements, which will be conducted by an independent private auditor firm acceptable to the World Bank, on TOR acceptable to the World Bank, and according to the International Standards on Auditing issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. The project audit will include (a) audit of financial statements and (b) review of the internal controls of the PIU with special attention to compliance with the requirements established in the Financing Agreement and World Bank guidelines and procedures



and the local legislation requirements. No entity audit will be required. The following table summarizes the audit requirements for this project.

Audit Report	Due Date
<p>Project Financial Statements</p> <p>The project financial statements will include the Project Balance Sheet, Sources and Uses of Funds, Uses of Funds by project activities, Statement of Expenditures Withdrawal Schedule, DA Statement, Notes to the financial statements, and Reconciliation Statement.</p> <p>No entity audit (that is, audit of NASP) will be required under the project.</p>	<p>Within 6 months of the end of each fiscal year and also at the closing of the project</p>

22. **The audited project financial statements will be disclosed to the public in a manner acceptable to the World Bank.** Following the World Bank’s formal receipt of these statements from the borrower, the World Bank will make them available to the public in accordance with the World Bank Policy on Access to Information. The audit of annual project financial statements will be financed from credit proceeds.

23. **Disbursements.** The PIU will be in charge of planning and managing project disbursements as well as preparation and submission of withdrawal applications to the World Bank. For this purpose, the PIU shall have access to the World Bank’s online Client Connection platform. The project would use four standard disbursement methods, including direct payments, reimbursements, advances, and special commitments. Project funds will be disbursed to the DA at a financial institution acceptable to the World Bank. Detailed guidance on the DA, DA maintenance and ceilings, costs allocations, and so on will be specified in the Disbursement and Financial Information Letter (DFIL). All the payments from the DAs will be executed centrally by the PIU, and the payments will be made for the eligible expenditures and will not be pooled with other funds not related to the project or placed for local bank deposits. Eligible project expenditures, consisting of regular goods, works, consulting services, non-consulting services, training, and operating costs, would be documented to the World Bank using Statements of Expenditure and full documentation as reflected in the DFIL.

C. Procurement

24. **Procurement Strategy.** The project’s procurement focus primarily involves consulting services, alongside procurements for goods and works, typically of modest value and not very complex in nature. The Project Procurement Strategy for Development (PPSD) underscores the local availability of most works’ contractors and goods suppliers. However, for consulting services demanding specialized expertise, an international market approach is advised. The PPSD recommends disseminating procurement opportunities through local media, local websites, and national platforms to ensure local and national providers can participate. Given the straightforward nature of civil works and goods, Request for Bids and Request for Quotations methods using an international or a national market approach will be utilized as appropriate depending on the size of the procurement. An international market approach will be used for large goods procurement to increase competition. Rated Criteria will be applied to help achieve value for money. Specialized and critical consulting services will follow an international procurement route using Quality and Cost-Based Selection. Lower-value consulting assignments will primarily employ the Consultant Qualifications Selection and Individual Consultant Selection methods, adapting to either national or international market considerations as needed.

25. **Procurement Plan.** The Procurement Plan, established in accordance with the PPSD, agreed at the negotiations, will undergo annual updates by the project implementing agency. These updates serve to (a) align with project implementation progress; (b) accommodate changes; and (c) incorporate new packages, as necessary. Any modifications to the Procurement Plan will undergo the World Bank’s prior review and require its no-objection.

26. **STEP.** The project will utilize the STEP system for procurement planning, monitoring, and transactions. The Procurement Plan, generated within STEP, will be regularly updated to mirror the evolving needs of project implementation. The application of STEP is mandatory, and failure to comply poses the risk of rendering contracts ineligible for World Bank financing.



27. **Procurement implementation support.** To further support procurement implementation, the World Bank team will conduct Implementation Support Missions at least twice yearly. Contracts not subject to prior review will undergo post review, with the World Bank conducting annual procurement post reviews on an appropriate sample of procurement activities.



ANNEX 2: Sectoral Analysis and Detailed Project Description

Detailed Project Description

1. Uzbekistan has a comprehensive social protection system in place that includes social assistance, social insurance, labor market interventions, and social care services, although there is still scope to improve its inclusiveness, efficiency, and quality. Progress has been made in several areas during the past five years: the coverage of means-tested LIFA⁴⁹ more than tripled from 0.4 million families in 2017 to 2.2 million in 2023 (around 26 percent of households),⁵⁰ in part also in response to the COVID-19 pandemic. The provision of short-term vocational skill training was enhanced and expanded, increasing its coverage from 20,000 unemployed in 2018 to 110,000 in 2022.⁵¹ The transparency of operational procedures and accountability of the LIFA improved through the nationwide implementation of an electronic on-demand SR⁵² and the increased digitalization of payment and eligibility verification processes. The SR mostly serves the LIFA and, since 2023, it has served as a beneficiary registry for the maternity benefits introduced in 2022. As of the end of 2023, the SR is interconnected with 16 administrative databases and includes data for 36 percent of the population. Finally, the benefit amounts of social pensions have been increased to be above the poverty line,⁵³ while the benefit amounts of LIFA have been defined on a per child basis (with a higher amount for children ages zero to two and decreasing amounts for subsequent children).

Component 1: Strengthening the Integration and Shock Responsiveness of the Social Protection System

2. INSON centers have the responsibility to accept applications for social benefits and services, assess vulnerabilities, and provide psychological, social, legal assistance. They will also provide referrals to social care and rehabilitation services, at home, community centers, or institutions, including the centers for survivors of domestic violence. Operating at both the regional and district levels, INSON centers will also coordinate the social protection services currently provided at the *mahalla* level by Women's Activists, Khokim's Assistants, and Youth Activists.

Subcomponent 1.1: Supporting the development of a case management system for beneficiaries of social protection services and benefits

3. The objective of this subcomponent is to enhance the capacity of NASP and INSON centers to establish well-functioning case management system building on existing processes and infrastructure, including the upgrade of the UNSP to include a single case file for each person in need of social services and benefits. The 5,000 social workers recently hired by INSON centers need to be trained and equipped with the right skills and tools to conduct the entry-level vulnerability assessment, provide information on available benefits and services, determine eligibility to LIFA, and identify cases that require an in-depth assessment and more intense management. More specialized social workers will be trained to manage more complex cases (older people, persons with disabilities, survivors of GBV), develop individual action plans, refer to available services based on eligibility, monitor, follow up, and close cases. The entry-level assessment will be done both at the *mahalla* level and in INSON centers, while the in-depth assessments will be conducted at INSON by the medico-social evaluation commission.

4. The subcomponent will support the development of all tools, the training, the equipment, and implementation costs needed for the establishment of a well-functioning case management system. The newly established district-level INSON centers will be the cornerstone of the envisaged social work and case management system in Uzbekistan. INSON

⁴⁹ The LIFA program aims at supporting vulnerable households through monthly cash benefits over 12 months, renewable after assessment. It is the largest social benefits scheme in the country.

⁵⁰ About 21 percent of people based on 2022 HBS.

⁵¹ Data from the MPRE. The numbers included graduates from both the regional monocenter and the district-level vocational training centers.

⁵² The SR was piloted in Syrdarya in 2019 and rolled out nationally in 2020. The SR allows the management of the application, eligibility verification, and beneficiary selection processes, automatically leveraging the inter-operability with other relevant government databases (State Tax Committee, cadaster, civil registry, MPRE, MOH, and MHE systems, among others).

⁵³ A new poverty line of UZS 498,000 (and increased to UZS 621,000 in January 2024) per person per month was developed by the State Statistics Committee following a basic needs approach as recommended and supported by the World Bank.



centers are represented at the *mahalla* level by social workers (who report to INSON centers) and have a team of professionals (social workers, psychologists, and others) as well as administrative staff working in the center. INSON centers are in charge of (a) providing information to the population on benefits and services; (b) receiving applications to benefits and services; (c) conducting in-depth vulnerability assessments; (d) verifying eligibility for social benefits, submitting payment orders, and managing complaints; (e) assessing medical and functional disability and verifying eligibility for persons with disabilities (including benefits, rehabilitation, services, homecare, assistive devices); (f) assessing and verifying eligibility for older persons in need of support (including homecare and other services); and (g) providing social case management services and some other social services (see description in Component 2 for details).

5. The LIFA program constitutes a great entry point for case management as more than 30 percent of the population applies to the program. The LIFA application process happens mostly at the *mahalla* level. It will be merged with the entry-level assessment step so that LIFA applicants with complex intertwined vulnerabilities can have their case referred to INSON centers and managed by professionally trained and skilled social workers. However, the LIFA program will not be the only entry point for case management, and all vulnerable people in need of support at INSON will go through the same entry-level assessment and will be referred to case managers if they need a more in-depth assessment.

6. The project will also pilot a newly introduced assessment and case management function for SVR. This will entail specific training of selected more qualified (psychologists) INSON social workers through transfer of international knowledge through ToT modules. These social workers will be trained to become SVR coordinators capacitated to offer specialized case management and person-centered support to individuals aiming to reintegrate into society or enter/re-enter the workforce. Access to SVR rehabilitation services will be facilitated through referrals from NASP-accredited physicians, members of or affiliated with the medical-social commission, using tools aligned with the ICF to be defined under the project. Holding a disability certificate will not be required for receipt of support, the focus being to ensure preventative intervention. SVR coordinators will have the role of (a) producing SVR plans in consultation with the applicant and relevant social and allied health professionals; (b) coordinating their access to required services and interventions including assistive technology and relevant services such as functional rehabilitation, counseling, independent skills units, foundational training, and supported employment; (c) monitoring and evaluating outcomes and reviewing the SVR plans based on progress; and (d) referring beneficiaries who require long-term disability support to the medico-social expert commission. A selected number of SVR units will be capacitated to function as centers of excellence in INSON centers and provide coordination and guidance to smaller units on a national scale.

Subcomponent 1.2: Enhancing the capacity of the social protection system to adapt and respond to shocks

7. In addition to the technical assistance that will support the analysis, strategy development, and design of programs, this subcomponent will support the piloting of activities to build resilience of vulnerable households and mitigate the impact of climate shocks in region vulnerable to heat waves, floods, and droughts through the climate risk and ASP training program. The program will be delivered to vulnerable households through a package of activities. In rural areas, the intervention will include seeds for climate-resistant crops, tools, and climate smart agriculture practices along with training on such practices, financial inclusion training, climate adaptation practices, climate-resistant crops, advanced planting, growing, harvesting, irrigation and water management tools for crop yielding and farming. The exact content will be defined before the pilot and will be based on the risk assessment and feasibility study as well as on international best practices. The pilot will take place in four districts of the country and will reach 5,000 beneficiaries. Different modalities of service provision might be tested, including the delivery through private service providers. The pilot will also test the model of a INSON mobile emergency support team (one team per district). Based on the pilot's results and the ASP strategy, the design and rollout plan of the program's national scale-up will be finalized. The project will finance the investment costs of the program's scale-up, including ToT. NASP is planning to reach a total of 100,000 beneficiaries before the end of the project through this climate risk and ASP training program.

Component 2: Improving the Access and Quality of Social Services for Vulnerable People

8. **Complementing INSON centers, the new people-centered TSSCs are meant to expand the community-based provision of social services.** At the same district level of INSON centers, the TSSCs would provide social services that are



on demand, underprovided, and more accessible to people, such as day care, temporary care, social rehabilitation, and supported employment for vulnerable people. The vision is that INSON centers will gradually subcontract the provision to external services providers (both for profit and not for profit) once the regulatory framework is adopted and the market for the private provision of social services is more developed. NASP will be responsible for the accreditation of service providers at the national level. Under this configuration, INSON will be responsible for the vulnerability assessment, eligibility determination, coordination, monitoring functions, and provision of social benefits and some services (social work, psychological support, legal and administrative advice), while the TSSCs will be responsible for provision of specialized services. Depending on the specific needs of each community, different services may be piloted in different locations, with variations in service capacity.

9. The introduction of the TSSCs is intended to improve the access and quality of social services provision in Uzbekistan by

- Improving coverage of population by social services in line with identified needs,
- Ensuring better coordination between social service provision and other social protection measures,
- Improving and monitoring quality of social services provision,
- Introducing person-centered approach in social services provision,
- Guaranteeing affordable access to social services for large population by introducing differential pricing of social services for different categories of population,
- Preventing unnecessary placement in institutions by enlargement of community-based services offer,
- Reinforcing the ability of population for independent living in the community, and
- Introducing PPPs in social services provision.

10. **Service providers should have legal identities and can be managed by public, municipal, or private organizations (both for profit and non for profit).** NASP will be responsible for accreditation of service providers at the national level in line with procedures and criteria to be developed during the project. INSON will sign the contracts with different services providers according to the needs of the population and available financing. NASP through its INSON network will play a role of steward of the social services market, setting priorities, defining social service packages, certifying the eligible providers in line with quality and cost standards, purchasing the services, and evaluating its quality of provided services. This configuration will separate service prescription by INSON and services provision by services providers to avoid possible conflict of interest in identification of beneficiaries and their needs. Furthermore, this practice will allow more flexible adaptation of services provision according to changing needs of population.

Subcomponent 2.1. Improving the quality of social services for vulnerable people, including survivors of GBV

11. **The project will support NASP with the development of a comprehensive legal and regulatory framework for a wide range of social services as well as tools and guidelines to support their implementation.** This will be anchored in revised or newly introduced concepts of social services developed in interinstitutional working groups. The list of possible services is described in more details in table 2.1.⁵⁴

12. Activities of this subcomponent include the following:

- The first activity will provide technical assistance to NASP to **develop a new methodology for needs assessment for different categories of population** including families at risks, vulnerable children, persons with disabilities, older people, and other vulnerable groups. This methodology will include the collection of information about potential beneficiaries of social services based on available sources. It will require working with the Agency of statistics under the President of the Republic of Uzbekistan to analyze the possibility of introducing the national census and different survey-specific tools allowing the identification of persons with disabilities (such as WG-SS) and assessment of activities of daily living (ADLs) and instrumental activities of daily living (IADLs) to identify care and support needs of the population. Furthermore, it is necessary to

⁵⁴ The list of possible services includes day care services for vulnerable children.



develop specific data exchange protocols on child development with MOH, MPSE, and other actors at the *mahalla* level. Specific screenings for child development can be developed and tested in the framework of early detection and intervention centers developed under MOH. This needs assessment will be carried out at the national level by the Department of Strategic Analysis, Design, and Development of Social Protection Policies.

- In coordination with Component 1, the project will work on **improvement of existing methodologies of individual in-depth assessment for different categories of population**. For example, the disability assessment reform will foster a better coordination between the functional assessment of persons with disabilities and older persons. Nowadays, disability assessment is carried out by the medico-social commissions situated in INSON centers under the coordination of NASP. Functional assessment of persons in need of care is made by community doctors. Both processes can be streamlined. Also, only older persons and persons with disabilities without support of relatives are undergoing in-depth assessment based on Barthel Index for ADL and Lawton IADL Scale. This assessment should be carried out with all persons potentially in need of care and support services regardless the existence of relatives. Nowadays this assessment gives right to two hours of care and support per week regardless of the needs of persons. As a result, the persons with stronger needs of care and support are sent to the residential institutions. To avoid this situation, it is necessary to introduce the gradations of assessment giving the right to 2, 5, 8 hours of care and support per week. Additionally, it is necessary to take into account a socioeconomic situation of beneficiary (with or without relatives, beneficiary of LIFA, and so on).
- This subcomponent will work on **development of minimum quality and cost standards for different social services**. In the beginning, the project will develop a framework for quality and cost standard adapted to Uzbekistan. Quality and cost standard for every social service will be composed of national standards for social services in accordance with the Law “On Standardization” and methodology for calculating the cost of social services to be approved by a Cabinet resolution or a NASP order. These standards will include inpatient and outpatient services, childcare services for vulnerable children, and home-based services for children, families, youth, older persons, and persons with disabilities. The standards will be developed in a participatory approach and will include disability groups’ representatives, representatives of other relevant groups, parents’ associations, private providers, and relevant sectoral ministries (such as MPSE for childcare services).
- The project will support the **development of authorization, licensing, and accreditation framework for services providers** and setting the financing model and operating rules for **subcontracting procedures** of social care services and co-payments (including childcare services). The project will explore different ways to bring additional resources to social services provision, including co-payment mechanisms from the beneficiaries and PPPs and strengthening of the coordination with different social assistance programs.
- In line with minimum quality standards, the project will support NASP in the implementation of quality management mechanisms aiming at continuous improvement of quality of social services and introduce the elements of theory of change. Service providers staff and NASP management at the regional level will be trained on the quality standards of each service and a quality scorecard will be developed to facilitate both internal and external monitoring of the quality standards for each service.
- Specific attention will be paid to the improvement of existing services for survivors of GBV. The project will help by facilitating higher-level policy coordination which is currently lacking. The project aims to strengthen the capacity of the INSON centers to provide integrated survivor-centered social services to GBV survivors and organize the work with perpetrators.
- Capacitation can be based on scale-up of the UNFPA-initiated activities and trainings done for the representatives of the law enforcement, health care, social, and psychological services. Given the Agency’s role in the GBV support agenda, they will be organized jointly with the representatives of the Ministry of Internal Affairs, MOH, and MPRE. The Agency’s intention is to open crisis rooms at emergency central district



(city) hospitals where GBV survivors are taken for provision of first aid—that is, women and minors who have been subjected to harassment and violence, have attempted suicide, or have a tendency to commit suicide are first placed in 24-hour operating crisis rooms of emergency departments of central district (city) hospitals. First, medical, mental, and psychotherapeutic assistance is provided to women and minor children who will then undergo medical checkup for any infectious diseases. The INSON center staff then determines if the survivor needs further rehabilitation, and if it is needed, the staff places the survivor into Republican Center for Rehabilitation and Adaptation of Women and its regional departments. This stage will also require capacitation of staff on appropriate support and services and probably equipping. It is also important to develop the instrument for the data collection on GBV survivors through the UNSP.

- In the area of GBV services, the project is envisioned to enhance GBV services by working directly with affected families and communities, focusing on raising awareness of rights, developing accompaniment models, and addressing violence through various community-level interventions. To help raise women’s awareness about their rights, including the right to a life free of violence, social workers will provide information in easy-to-understand and culturally appropriate formats. The project will develop accompaniment models involving community health workers, social workers, coaches, or other program implementers who work closely with families on health, nutrition, education, and childcare to introduce ‘complementary’ elements to prevent and respond to violence against women, including work with fathers or parents-in-law, conflict resolution, and access to services.

Subcomponent 2.2. Expanding access to social services through the establishment and operation of TSSCs

13. **This subcomponent will support the design, implementation, and evaluation of alternative modalities to deliver social home-based and community-based services including rehabilitation services for different vulnerable groups at the regional, cities, district, and local levels.** In Uzbekistan, residential institutions are preponderant compared to community-based social services. While INSON centers are directly responsible for services and benefit eligibility determination, they also provide some social services such as first psychological aid, legal and administrative advice, case management, emergency services, legal representation coordination of services provided by external actors under the responsibility of INSON, and referral to other institutions and service providers out of the responsibility of INSON. To respond to the population’s needs, the homecare and support services need to be significantly enlarged, and day care solutions should be developed and tested through newly established TSSCs. The creation of TSSCs will allow INSON to provide services in addition to the Social Support Centers (former ‘Sahovat’ and ‘Muruvvat’), regional rehabilitation centers, centers for children and youth at risk (temporary stay up to 30 days), centers for GBV, sanatoriums, and so on. TSSCs will deliver social services at the community level and may have variations in the array of social services offered. Depending on the specific needs of each community, different services may be piloted in different locations, with variations in service capacity (see table 2.1 for an indicative services list). TSSCs may include dedicated physical space for service provision as well as administrative spaces for services that are provided at the person’s homes. The TSSC may also be situated in different locations in the community, under the same overall management. To the initially piloted services, at the end of the project, additional services may be considered, together with estimations of expansion of piloted services.

14. The following activities will be supported through this subcomponent:

- Technical assistance to **develop several concepts of community-based social services** for different vulnerable categories, including children in difficult life situations, persons with disabilities, older persons, and caregivers. These concepts should be based on the detailed needs of the population (Subcomponent 2.1). TSSCs can be multifunctional (mix different target groups) or can 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 in the experimentation a unit for homecare and support considering the revision of scope that is needed 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 will support the **creation of 55 pilot TSSCs** which can serve as a model for development of different social services underdeveloped in Uzbekistan. During the project implementation, it is foreseen to create 14 TSSCs at the regional level, 15 TSSCs located in the big cities, 10 at the district level, and 16 at the community level. All these centers will have different capacities starting from 300 clients in community-level TSSCs and up to 2,000 clients for regional TSSCs. Precise parameters and services delivered in these TSSCs will be developed during the first year of concept development and based on detailed population needs and market assessment. During the second year of project implementation, the project will create and pilot 14 first TSSCs at the regional level. Other TSSCs will be created consecutively with the objective of reaching maximum capacity of all 55 TSSCs by the end of the project. At this stage, these 55 TSSCs are expected to provide at least 57,000 social services for at least 25,000 beneficiaries. This pilot will allow the specialists of NASP with support from the project to develop the methodology of costing of service provision and quality standards as well as fine-tune necessary human resources based on workload.
- These TSSCs can serve as a platform for experimentation of new services or those whose provision can be significantly reformed. The necessary premises for social centers will be identified together with local authorities. It is necessary to assess the possibility to use additionally the *mahalla* offices for some community-based services provision. The project will cover the costs of rehabilitation of existing premises, its transformation, and necessary equipment. These pilot centers should be evenly distributed between rural and urban communities allowing to better assess the needs of different communities. The TSSCs can be organized in the same building as INSON where the situation allows to do so or in other premises.
- Specific activity will be devoted to the **building of capacities of staff of pilot TSSCs**. The potential service providers have limited capacities in Uzbekistan. In this regard, the international experience and best practices will be shared with staff selected for service provision. Existing NGOs working with different vulnerable groups of population will be actively involved in development of concepts of social service provision and capacity-building actions. This activity will allow to create a group of resource persons who can be used in social service provision in Uzbekistan after the project.
- After the end of piloting, the project will evaluate the results of work of these pilot TSSCs. This experimentation will allow definition of a viable economic model of functioning, enabling these social services to be subcontracted to external providers, public or private (including non-for-profit organizations). Based on the results of evaluation, the GoU will prepare a **rollout strategy** and cover the costs of functioning of services which demonstrated successful results. These budgets will be distributed between different providers (public and private) using subcontracting procedures developed and tested under Subcomponent 2.1.

15. Supported employment will be among services piloted in TSSCs to ensure person-centered social support in securing and maintaining employment for hard-to-hire persons with disabilities and other vulnerable adults such as women who never worked or were out of work for a long time due to family care responsibilities or domestic abuse. It will require building capacity of either public or subcontracted private entities' staff to deliver such a service through the development of dedicated training program. Training will have a focus both on delivery and coordination/supervision of such services. Continuous learning will be ensured through the development of a bench-learning platform to share good practices and foster peer learning. The service includes vocational profiling (as needed, in accessible and/or easy-to-read language), employer engagement, job matching and potentially job carving (which covers awareness building on the particular profile of the individual, sensitization of the wider team, when applicable advising on how to make the work environment accessible and different government incentives for hiring persons with disabilities), continuous support, and career development to respond to variable support needs throughout the process whether for the actual starting moment of the job or for maintaining the job over a period, depending on individual needs.

16. Childcare services for vulnerable children will be piloted in at least 30 TSSCs. The services will be offered to vulnerable children (between six months and 10 years old) and will support their transition toward the mainstream



education system. The services will be organized around age groups, and younger children (below five years old) will be accommodated in dedicated space and with dedicated and trained practitioners. These services will build on existing childcare services framework and strengthen it to respond the needs of the target groups. It will be developed in close coordination with the MHESI. NASP will keep the overall responsibility of the services even if outsourced to private providers and NASP regional management will monitor the implementation of quality standards. The service will operate during daytime and during long enough time slots to allow for the caretakers to enter economic activities. All service providers will be trained under the project (even if the service is outsourced). The training curricula will include the existing training curricula available in the country and additional modules relevant for the target group and the implementation of the defined quality standards.

17. One of the services provided by TSSC could be ‘functional recovery/rehabilitation’ for older persons and persons with disabilities. Other units can work with ‘children with development problems’ (early intervention practices, preparation for inclusive education, and so on). These limited habilitation and rehabilitation community-based services should be developed in coordination with regional medico-social rehabilitation centers and should be complementary but not replace them. They will not be in charge of intensive rehabilitation but rather ‘soft’ rehabilitation practices. It will be necessary to establish eligibility criteria and referral practices which will define beneficiaries’ pathways, thus alleviating regional rehabilitation centers.

Table 2.1. Types of Social Services which Can Be Provided in the TSSCs

Service	Scope	Experimentation
Social services for vulnerable adults		
Target groups: Persons with disabilities, older persons, women, other adults facing social exclusion		
Homecare and support unit	Coordinated interventions at home of social assistants, nurses, and doctors if necessary for daily	Can be enlarged to not only target lonely population but other groups with high dependency, able to co-finance these services Assessment tools should be revisited, and different degree of dependency should be established.
Counseling, training, and support to formal and informal caregivers	Meetings on demand of formal and informal caregivers Group trainings	Can be developed
Home adaptation	Providing support for adaptation of living environment (toilets, douches, and so on)	Can be developed
Provision of assistive devices	Developing of links with home adaptation	Can be reformed and strengthened
Unit for counseling and training for independent living	Support of groups of persons with disabilities for independent living The persons with disabilities learn progressively to have control on their own lives, manage daily instrumental activities, and have a preventative behavior related to risks.	Can be developed
Day care clubs/trainings (ICT ⁵⁵ , budget management)	Organization of adapted leisure	Can be developed
Day care unit (10 hours)	Organization of care	Can be developed. Was tested in former Sahovat. The success was limited because former Sahovats are situated far away from potential beneficiaries.

⁵⁵ ICT = Information and communication technology.



Service	Scope	Experimentation
Respite unit for carers of adults with disabilities and older persons	Provide respite for caregivers of persons with disabilities and older persons with functional difficulties Temporary residence for adult persons with disabilities and older persons with functional difficulties for up to 30 days	Can be developed and gradually specialized to be able to provide respite support at home if needed/applicable
Functional rehabilitation unit	Functional rehabilitation after illnesses for older persons and children and adults with disabilities	Soft (long-term) rehabilitation services can be developed in coordination with regional rehabilitation services used as centers of excellence.
SVR foundational training unit	Specific unit providing foundational training to individuals undergoing SVR for activation and work hardening of people who never worked, or who were away from the labor market for an extended period. The program would focus on enhancing literacy, numeracy, digital skills, but also soft skills like time management, stress management, teamwork, to be provided according to the results of the needs assessment for each person. It could also include employer-based training/placements by cycling people to local businesses.	Can be developed nearby INSON SVR units planned to become centers of excellence
Supported employment unit	Specific support for employment of hard to hire persons with disabilities and other vulnerable adults (such as women who never worked or were out of work for a long time due to family care responsibilities or domestic abuse) to secure and maintain employment	Can be developed by leveraging experiences of local NGOs topped up by capacity building from international best practices. Current NGO experiences have good results but are limited to securing employment only, resulting in some cases in loss of employment
Personal assistance unit	Support service for fulfilling daily tasks and for exercising the choice and control over all aspects of community living	Can be developed
Transportation unit	Key leverage for mobility and independence for persons with limited mobility	Can be developed
Interpretation and communication accessibility unit	Sign language interpreters help people who are deaf or hard of hearing Tactile communication—for people who are blind and deaf Alternative (tech-based) communication systems and Braille for people with sight impairments	Can be developed
Social services for families, children, and youth		
Target groups: Children deprived of parental care, children at risk, foster families, minor mothers and fathers, families of children with development problems and disabilities, survivors of domestic violence		
Unit for social support (<i>socialnoe soprovozhdenie</i>) of families, children, and youth at risk	Assistance in creating and maintaining a positive social and psychological climate in the family; adaptation of the child for new conditions; protection of property, housing, and other rights of the child; promoting the child’s education and development; assistance in strengthening/restoring family and social links; assistance in creating and ensuring conditions for a child’s priority right to adoption; preparing the child for leaving the family, including for independent life	Can be developed in coordination with case management and child protection services in INSON
Day care unit for vulnerable children or	Up to 25 children, with careful consideration of children’s grouping by ages	Can be developed in coordination with inclusive education



Service	Scope	Experimentation
children with development problems⁵⁶		
Unit for inclusive education support	Assistance to families and educational institutions for inclusive education	Can be developed in coordination with the Ministry of Preschool and School Education
Early detection and intervention unit in coordination with the Ministries of Health and Education	Work with families for social integration (in-home, in-center, personal/groups), specialists in the educational and health system	Can be developed based on best international practices and experience of local NGOs and in coordination with medical and educational early detection practices
Unit of counseling and training for independent living	Preparation of children, youth, and adults with disabilities for independent living Can potentially be delivered in regular housing units in the community where independent living skills are practiced during the day	Can be developed based on best international practices and experience of local NGOs
Respite unit for parents of children with disabilities	Provide respite for parents of children with disabilities Temporary residence for children with disabilities for up to 30 days	Can be developed and gradually specialized to be able to provide respite support at home if needed/applicable

Note: Suggested basic packages are highlighted in bold.

Subcomponent 2.3. Transforming specialized VET schools for secondary students with disabilities into resource hubs and activation centers

18. The subcomponent aims to transform the existing VET schools into resource hubs to facilitate the integration of persons with disabilities into the mainstream educational and VET systems as well as pilot dedicated support to ensure the activation of graduates.

19. Supported employment will also be implemented to support the activation of VET graduates with disabilities, with high focus on their preparation for work, reach-out to, and capacitation of employers in understanding advantages of having a diverse workforce, ways of making their workplaces accessible, overall staff, sensitization, as well as ensuring support after employment to ensure job retention. A similar approach will be taken as with Subcomponent 2.2, linking the sub-activities needed to build capacity-among staff to ensure this type of support, while peer learning will be facilitated between specialists ensuring this type of support among TSSCs and VET centers.

Component 3: Project Management and Monitoring Evaluation

20. Under Component 3, the project would also support the GBV agenda by providing VAWG training and sensitization to key project staff, particularly those who come into direct contact with project beneficiaries. The project will also establish codes of conduct for project personnel that include prevention of all forms of VAWG in the workplace and within the project. In addition to receiving training on preventing and responding to VAWG and on the expected behavior, staff should be required to formally sign the code of conduct and abide by its rules during their engagement with the project.

⁵⁶ The ELP Recipient-Executed Trust Fund (RETF) will support the design, piloting, and rollout of this service in at least 30 TSSCs.



ANNEX 3: Economic Analysis

1. **By increasing the coverage and improving the quality of various services for vulnerable families, persons with disabilities, the elderly, and other groups, the proposed project is expected to support a range of human capital-related benefits for households in Uzbekistan and improve the efficiency of expenditures for such families.** The project will support the momentum, innovation, the commitment, financial resources, and global knowledge availability for these ambitious reforms in the area of social care services that Uzbekistan is embarking on. First, the demand for care services is large and will further grow as a result of changing social norms and deinstitutionalization process of social service.⁵⁷ In this regard, the expansion of social services at the community level (specifically care services for persons with disabilities and old-age persons) would address the increasing demand and improve living standards of the project's target groups. Globally, such services for the vulnerable groups (especially from low-income groups) are funded through the public finances and allow more equitable participation for various groups in the society. Social benefits of this project are expected to be high given that the direct beneficiaries of the project come from the most vulnerable part of the population.

2. **In the labor market, the project is expected to have a positive impact on labor force participation and employment through three different channels.** First, the project will directly create jobs in the care sector. About 30 professionals, formal caregivers, and administrative staff are expected to be recruited in each pilot TSSC for the delivery of social services at the local level. Second, the expansion of activation services for persons with disabilities will increase their employability and earnings potential. It is expected that about 1,000 students with disability will be trained in each of the four TVET centers supported by the project, and about 200 persons with disabilities are expected to benefit from activation services for each TSSC during project implementation. Just counting the pilot TSSCs, a total of 6,400 individuals are expected to be engaged in professional training, orientation, and activation services, out of which 50 percent are expected to find long-term employment. The target is based on the experience of NGOs specialized in providing employment services for persons with disabilities operating in Uzbekistan. To calculate the benefits of activation services, the number of beneficiaries expected to be hired by the end of the project (3,200) is multiplied by the annual average earning in the economy (US\$4,200). The per capita cost of activation and supported employment (SE) for persons with disabilities matched to employers is expected to be US\$334 per beneficiary while the per capita cost of the short-term post-secondary professional training, orientation, and job search assistance services provided in the four VET centers is expected to be about US\$1,000 per beneficiary, about US\$5.5 million. In addition, the activation program can have positive nonmonetary effects such as increased self-esteem, well-being, and social integration, among others. Such benefits, as derived from the economic and social reintegration even without entering the formal labor market, are difficult to measure and quantify. By supporting the placement of groups at higher risks of long-term unemployment, the project further helps break a vicious circle—long unemployment duration associated with deskilling and high dependency rate on parents and family.

3. **The third channel of the impact on labor force participation is that the provision of care services will reduce the burden of informal caregivers and possibly free up time for them to engage in economic activities.** Childcare remains one of the main obstacles, along with social norms, hindering women from entering the labor force. The lack of day care options disproportionately affects women, who bear the primary responsibility of providing care in the household. The project will finance the collection of a household survey representative of the districts where pilot TSSCs will be located to quantify the potential impacts of the increased local supply of social care services on female labor force participation. Evidence shows that in Uzbekistan, unpaid work is essentially a subsidy for the cost of care that supports the family and economy.

4. **Most of the gender gap in employment is driven by social norms.**⁵⁸ The gender gap in employment varies by age, with significant disparities between women and men. According to the 2002 HBS, only 13 percent of women and 40 of

⁵⁷ For the care of both children and older people, there has been a long-standing cultural expectation that it should be provided by families.

⁵⁸ Draft gender assessment for Uzbekistan.



men ages between 15 and 24 were employed, resulting in a gender gap of 27 percentage points. The gender gap was significantly larger between the age groups of 25–34, with women's employment at 37 percent compared to 93 percent among men. This is due to the societal expectation that women should prioritize household duties and childcare after marriage. About 75 percent of working age women who were not working in 2022 said it was due to homemaking and care responsibilities, and women were more than 30 times more likely to not work for these reasons than men. Gender norms in Uzbekistan require women to assume responsibility for childcare and time-intensive household chores.⁵⁹

5. **Finally, the project is expected to have positive benefits on the efficiency of the total social protection public spending on LIFA and social services.** Higher efficiency will be measured in terms of both savings on the LIFA annual budget resulting from the reduced inclusion errors and achieving better outcomes in terms of people well-being resulting from the deinstitutionalization process the TSSC will contribute to. The cost to revise the LIFA targeting methodology is limited (around US\$0.5 million) but has great returns. Based on the 2022 HBS, the inclusion error for the LIFA program (beneficiaries from the richest two quintiles) makes up around 16 percent of total program beneficiaries. If the targeting methodology revision is successful and reduces the share of inclusion error to 10 percent, it would free up to US\$30 million of additional government financing (6 percent of the total number of family beneficiaries [85,000] multiplied by the average annual value of cash benefits [350,000UZS times 12]) that could be redirected to the most vulnerable without increasing the budget every year. Also, it could contribute to increasing the efficiency spending of other social programs by improving their targeting based on poverty and limit the proportion of leakages to non-poor households. The start-up investment (US\$56 million) the project will support to establish and launch community-based social services in the TSSCs is expected to reduce the demand for institution-based social service delivery (and gradually also the supply) and pay off in the medium to long term. With about 1,000 expected beneficiaries per year per TSSC and the scale-down of some institutes over time as the market for community-based services will pick up, it will take about 10 years for the investment to break even, without accounting for the nonmonetary benefits associated with a better quality of life for those older persons, children, and adults with disabilities, who can benefit from social services provided TSSCs rather than being institutionalized. Although it is not possible to estimate at this stage the economic return of the planned investment in ASP by the GoU (because of a lack of details on the operational design choices and investment), there is significant evidence showing the strong positive impacts of economic inclusion programs and shock response assistance on poverty reduction and resilience strengthening. The economic inclusion and resilience activities build the household resilience and increase its chances of not using negative coping strategies and deplete its assets when a shock occurs and prevent households falling deeper into poverty.

⁵⁹ Nearly 100 percent of women and 90 percent of men in Uzbekistan believe that a woman should do household chores even if her husband is not working (Life in Transition Survey 2016).