



Project Summary Information

Date of Document – October 18, 2024	
Program Name	Accelerating the Uzbekistan Climate Transition for Green, Inclusive, and Resilient Economic Growth (Subprogram 1)
Program Number	P000927-UZB
AIIB member	Republic of Uzbekistan
Sector/Subsector	Others
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	To support Uzbekistan in implementing crucial policy and institutional reforms to improve climate resilience and accelerate the climate transition for achieving resilient, inclusive, and low-carbon economic growth.
Program Description	The proposed Program will support the Government of Uzbekistan (GoU) in responding to strategic climate priorities and address the critical binding constraints to help achieve resilient, inclusive, and low-carbon economic growth. The Program will be co-financed by the Asian Development Bank (ADB) as the lead co-financier. The proposed Program is aligned with Uzbekistan's updated National Determined Contribution (NDC, 2021), which emphasizes mitigation and adaptation measures required for the country to reduce greenhouse gas emissions, as well as adapt to the impacts of climate change. It is also aligned with the national development strategy "New Uzbekistan 2030" and the Strategic Framework of Transitioning to a Green Economy 2030. The Program will focus on (i) strengthening the institutional framework, planning, budgeting, and monitoring mechanisms for the implementation of climate change actions; (ii) strengthening climate change adaptation priorities by enhancing climate resilience of water and land resource management, increasing agriculture productivity and improving social protection systems, implementing climate and sustainability risk disclosures for state-owned enterprises (SOEs); and (iii) accelerating transitioning to a low-carbon economy, particularly in the climate-critical sectors of transport and energy through e-mobility and energy efficiency related reforms.
Expected Results	The expected program outcomes are strengthened climate resiliency and reduced emissions from climate-critical sectors. The transmission channels between the reform proposals and the outcome are summarized here as follows: (i) strengthened institutional framework for climate actions, mainstreamed climate change in planning, budgeting, and resource allocation;

	(ii) enhanced policy and strategy for climate adaptation in water resource management, irrigation and agriculture and expanded benefits to females and vulnerable groups; and (iii) acceleration of decarbonization through higher renewable energy use and efficient and low-carbon transport system.
Environmental and Social Category	ADB categorized the Program as Category C for Environment, Involuntary Resettlement, and Indigenous Peoples. (which is equivalent to Category C of AIIB's Environmental and Social Policy)
Environmental and Social Information	<p>Applicable Environmental and Social Policy. The Program will be co-financed by ADB, who will take the lead on implementation issues. To ensure a harmonized approach to addressing the environmental and social (ES) risks and impacts of the Program, and as permitted under AIIB's Environmental and Social Policy (ESP), the ADB's Safeguards Policy Statement (SPS) will apply to the Program in lieu of AIIB's ESP. AIIB has reviewed the ADB's SPS and is satisfied that it is materially consistent with (i) the Bank's Articles of Agreement; (ii) the ESP, including the Environmental and Social Exclusion List; (iii) the Environmental and Social Standards; and (iv) monitoring procedures in place for the Program.</p> <p>Categorization and Potential Environmental and Social Impacts. Based on ES assessments carried out by ADB, following its SPS requirements, ADB categorized the Program as C for Environment, Involuntary Resettlement and Indigenous Peoples because activities will be solely confined to policy and institutional reforms across government branches. No civil works will be carried out under the Program, which means that no direct or indirect activities under policy reforms will result in or lead to involuntary resettlement or negatively affect indigenous peoples or the environment. Program proceeds will not be used for any activities resulting in physical or economic displacement. Nevertheless, an E&S impact assessment matrix has been developed to assess each policy action.</p> <p>Gender Aspect. The Program is classified by ADB as an 'effective gender mainstreaming' intervention. Under the Program, the Government will approve a National Climate Policy and Climate Change Gender Action Plan (CCGAP). This plan will contribute to a reduction in the number of people (including women) vulnerable to climate shocks by addressing the gender dimension of climate and supporting vulnerable populations. To address gender and climate integration in budgetary decision-making processes, the Program will integrate gender into Public Finance Management (PFM) and Public Investment Management (PIM) regulations and promote resource allocation for climate action tailored to the specific needs of women and other vulnerable populations. The Program will enhance screening and prioritization of climate and gender-related investments in irrigation modernization, providing women with improved access to water resources and enabling their effective participation in water management decisions. Integrating gender considerations into the e-mobility strategy</p>

	<p>will foster inclusive, eco-friendly transportation solutions for its major cities, empowering women's participation in e-mobility transport and promoting equal opportunities.</p> <p>Monitoring and Supervision Arrangement. The Ministry of Economy and Finance (MoEF) will be the Executing Agency to the Program working together with other several Ministries, including the Ministry of Agriculture, the Ministry of Ecology, Environmental Protection, and Climate Change, the Ministry of Employment and Poverty Reduction, the Ministry of Energy, the Ministry of Higher Education, Science and Innovations, the Ministry of Transport, the Ministry of Water Resources, the Committee for Family and Women under the Cabinet of Ministers, and the National Agency for Social Protection under the President of the Republic of Uzbekistan. Therefore, a steering committee has been formed and will be chaired by MOEF. The committee will comprise representatives from all implementing agencies. AIIB and ADB will jointly conduct regular policy dialogue and monitor implementation.</p>																			
Cost and Financing Plan	<p>Total Subprogram cost: USD 500 million</p> <p>The financing plan is as follows:</p> <table border="1"> <thead> <tr> <th>Co-financiers</th> <th colspan="3">Amount (USD million)</th> </tr> </thead> <tbody> <tr> <td>ADB</td> <td colspan="3">250</td> </tr> <tr> <td>AIIB</td> <td colspan="3">250</td> </tr> <tr> <td>Total</td> <td colspan="3">500</td> </tr> </tbody> </table>				Co-financiers	Amount (USD million)			ADB	250			AIIB	250			Total	500		
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Borrower	Republic of Uzbekistan																			
Implementing Agency	Ministry of Economy and Finance																			
Estimated date of loan closing	December 31, 2025																			
Contact Points:	AIIB	ADB	Borrower	Implementation Organization																
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Date of Concept Decision	October 17, 2024			
Estimated Date of Appraisal Decision	November 7, 2024			
Estimated Date of Financing Approval	December 11, 2024			

Independent Accountability Mechanism	<p>AIIB's Policy on the Project-affected People's Mechanism (PPM) addresses issues raised under AIIB's ESP, which does not apply to policy-based operations co-financed with another leading co-financier. Program-related submissions to the PPM would be therefore not eligible for consideration by the PPM. The Program will rely on ADB's Independent Accountability Mechanism (IAM) to address issues raised by persons adversely affected by alleged noncompliance with the applicable ADB operational policies and procedures, including the SPS. Information on ADB's IAM is available at: https://www.adb.org/who-we-are/accountability-mechanism.</p>
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