Project Summary Information

	Date of Document Preparation/Updated: 07/30/26
Project Name	Accelerating the Climate Transition for Green, Inclusive, and Resilient Economic Growth – Subprogram 2
Project Number	P001156
AIIB member	Uzbekistan
Sector/Subsector	Multisector
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	To support the Government of Uzbekistan in implementing crucial policy and institutional reforms to improve climate resilience and accelerate the climate transition, thereby achieving resilient, inclusive, and low-carbon economic growth.
Project Description	Subprogram 2 is the second of the programmatic climate policy-based financing (CPBF), co-financed with the Asian Development Bank (ADB). The first program (Subprogram 1) was approved in fiscal year (FY) 2024; this Program (Subprogram 2) is proposed for approval in FY2026. Subprogram 2 remains within the same three reform areas, comprising 15 prior actions: (a) Reform Area 1: Creating an enabling environment and institutional setup for the implementation of climate change and gender related actions; (b) Reform Area 2: Strengthening climate change adaptation priorities; and (c) Reform Area 3: Accelerating climate change mitigation actions. The Program deepens reforms in climate governance, public investment management, water and natural resources, energy efficiency, and social protection and green skills, while introducing new areas of reform in climate statistics, industrial emissions control, the circular economy, and environmental regulation. The proposed reforms support the implementation of Uzbekistan's NDC 3.0 by strengthening the governance, public financial management, and institutional systems needed to mainstream climate resilience and mitigation measures into public planning and investment and support the government's Green Economy Strategy and Uzbekistan's 2030 national development strategy, adopted in 2023.

	The Ministry of Economy and Finance (MoEF) will continue to serve as the executing agency, building on the proven implementation structures established under Subprogram 1, and will coordinate with sectoral implementing agencies to ensure completion of prior actions (PAs) under their respective mandates.
Expected Results	Under Reform Area 1, the Program is expected to strengthen climate governance by increasing the share of state budget expenditure aligned with gender equality and climate action, improve climate and green economy statistics to support policy design and transparency reporting, and strengthen Uzbekistan's climate-aligned human capital transition and prepare the workforce for green and transitioning jobs. Under Reform Area 2, it is expected to strengthen water governance under the new Water Code, rationalize agricultural subsidies toward climate-resilient, market-based support, and establish adaptive, climate-responsive social protection in at least three vulnerable regions. Under Reform Area 3, it is expected to ensure at least 10 ministries and state organizations complete energy audits, establish IFRS-aligned sustainability disclosure for state-owned enterprises, operationalize Extended Producer Responsibility systems for priority waste streams, and strengthen industrial emissions monitoring for high-polluting enterprises.
Environmental and Social Category	Not applicable
Environmental and Social Information	**Applicable Policy and Environmental and Social Instruments.** 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), 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. The assessment of ES impacts of the Program is largely informed by the analytical work of ADB, the lead co-financier of the Program, including an E&S analysis matrix that has been prepared covering the Program's policy actions. ES matrix will be disclosed on the Bank's website in a timely manner to inform the Member's consultation. **Environmental and Social Impacts.** The Program is expected to generate predominantly positive E&S outcomes while presenting overall low-to-moderate residual E&S risks. Residual risks relate primarily to differences in institutional capacity across sectors and regions, implementation sequencing, affordability impacts associated with selected reforms, labor market adjustment during industrial transformation, and the effectiveness of inter-agency coordination. These risks are considered manageable within Uzbekistan's existing legal and institutional framework and are expected to be further reduced through institutional strengthening, technical assistance, capacity building, and continued monitoring. The environmental risk is assessed as low to moderate. Remaining environmental risks relate primarily to implementation capacity, institutional

	coordination, and enforcement effectiveness rather than gaps in the underlying environmental regulatory framework. The social risk is assessed as moderate, with substantial long-term social benefits expected through strengthened climate resilience and improved employment opportunities. On gender, the Program is expected to generate predominantly positive gender-differentiated effects, including expanded women's participation in green sectors through skills development reforms and reduced unpaid care burdens through improved water governance. **Program Grievance Redress Mechanism (GRM) and Monitoring Arrangement.** Individuals and communities who believe that they are adversely affected by the Program may submit complaints to the responsible government authorities and the appropriate local/national grievance mechanisms. The information about the GRM to be used will be disclosed timely in the appropriate manner. The MoEF, as the executing agency, will report to AIIB and ADB against each of the indicators and targets included in the Policy and Results Matrix. ADB and AIIB will jointly monitor the Program. More details will be discussed and determined with the client during program appraisal.
Cost and Financing Plan	ADB: USD 500 million AIIB: USD 250 million
Borrower/Investee Company/Counter party/Guaranteed entity	Republic of Uzbekistan
Implementing Entity/Sponsor	Ministry of Economy and Finance of the Republic of Uzbekistan
Estimated date of loan closing (SBF)/Estimated date of last disbursement (NSBF)/ Estimated Date of first disbursement (Fund)	December 31, 2028

Contact Points:	**AIIB**	**ADB**	**Borrower**	**Implementation Organization/Sponsor**
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Date of Concept Decision	July 30, 2026			
Estimated Date of Appraisal Decision	September 2, 2026			
Estimated Date of Financing Approval	October 2026			

Independent Accountability Mechanism	ADB's SPS applies to this Project. All complaints relating to compliance with ADB's SPS under this Program will be handled by ADB's Independent Accountability Mechanism (IAM). In accordance with AIIB's Policy on the Project-affected People's Mechanism (PPM), submissions of such complaints to the PPM will not be eligible for consideration by the PPM. Information on ADB's IAM is available at: https://www.adb.org/who-we-are/accountability-mechanism