



Project Summary Information

Date of Document Preparation: 08/09/26	
Project Name	Rural Infrastructure Development Project – 2 (RIDP-2)
Project Number	P001157
AIIB member	Republic of Uzbekistan
Sector/Subsector	Multi-sector/ Multi sub-sector
Alignment with AIIB's thematic priorities	Green Infrastructure; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	To improve the conditions for economic development in rural areas by addressing infrastructure gaps through strengthening government planning systems and enhancing selected climate-resilient public infrastructure.
Project Description	Project name: Rural Infrastructure Development Project 2 (Project, RIDP 2) – Results Based Financing Project 1. The proposed Project aims to address localized infrastructure gaps in Uzbekistan's rural communities (mahallas) most deprived of access to basic infrastructure services by strengthening government systems for participatory planning and enhancing local infrastructure investments. RIDP-2 builds on the experience of the joint World Bank (WB) and AIIB Rural Infrastructure Development Project (RIDP-1). RIDP-1 helped develop and test mechanisms for community-driven development, performance-based incentives, and the use of strengthened country systems at scale. RIDP-2 aims to ensure that proposed infrastructure investments are demand-driven and directly respond to local needs while strengthening transparency, accountability, and local ownership through existing Mahalla structures. 2. The Project will focus on six regions (Andijan, Ferghana, Jizzakh, Namangan, Syrdaria, and Tashkent region) targeting 296 mahallas across 38 districts that have been selected based on infrastructure gaps, poverty and vulnerability indicators, and economic potential. The Project will finance investments in basic local infrastructure within selected mahallas, including climate-resilient social infrastructure (schools, health facilities, community centers), water and sanitation systems, local roads and transport improvements, micro-scale solid waste management, street lighting and energy efficiency measures. Sub project selection will be carried out through participatory Mahalla Development Plans, where communities through Mahalla Development Units and other existing institutionalized Mahalla-level structures will identify and prioritize investments aligned with district strategies and sector policies.

	3. Based on the lessons from successful implementation of RIDP-1 and strengthened country systems, RIDP-2 will be designed using the Results-Based Financing (RBF) Modality and is expected to be processed as co-financing with the WB Program-for-Results, to bridge the financing gap under the broader Government Program. 4. AIIB will co-finance formula-driven allocations to scale rural infrastructure development. The Project represents a shift from a project-based intervention toward a system-oriented framework that integrates local-level priorities into national planning, budgeting, and public investment management systems, while improving access and quality of public infrastructure.
Expected Results	AIIB's RBP (results-based project) encompasses PO1 and PO2, as it focuses only on co-financing public basic infrastructure-related DLIs, and DLIs related to creating enabling conditions for identifying, planning, and implementing climate-resilient public infrastructure: • PO1. Share of sampled beneficiaries reporting increased participation in prioritization of infrastructure investments in target area (Percentage). • PO2. Number of male and female beneficiaries with increased access to improved public infrastructure and services (Number of people, disaggregated by women and youth). Infrastructure qualifies if constructed based on national standards, supporting climate change adaptation or mitigation, and operational 12 months after handover.
Environmental and Social Category	B
Environmental and Social Information	Applicable Policy and Categorization. The Project will be jointly co-financed with the WB as the lead co-financier and its Environmental and Social (ES) risks and impacts were assessed in accordance with the WB's PforR Policy. To provide a harmonized approach to addressing the ES risks and impacts of the Program, and as permitted under AIIB's Environmental and Social Policy (ESP), the WB's PforR Policy will apply to the Program in lieu of AIIB's ESP. Activities that are likely to have significant ES adverse impacts are not eligible for financing under the Program. The WB has categorized the ES risks of the Program activities as "Moderate" (which is equivalent to Category B if AIIB's ESP were applicable). Environmental and Social Instruments. An Environmental and Social Systems Assessment (ESSA) was conducted by the WB to evaluate the country's systems for managing the Program's ES risks and impacts. The ESSA includes a screening mechanism to exclude activities with high ES risks. It is complemented by the Program Action Plan (PAP), which outlines key capacity-strengthening and management measures. Consistent with AIIB's ESP provisions for co-financed RBF operations, AIIB reviewed the WB's assessments and considers them an adequate basis for evaluating the Program's ES systems, risks, and management measures.

	Environmental Aspects. The environmental risks and impacts are primarily associated with the implementation of multiple small- to medium-scale civil works across dispersed mahallas under Results Area 2 (e.g., water supply systems, drainage, rural roads and small bridges, street lighting/energy connections, and selected social facilities). Key environmental risks include temporary construction-phase impacts such as dust, noise, vibration, spoil and construction waste generation, localized soil and water pollution risks (including from fuel/oil storage and spills), erosion and sedimentation (especially near waterways), and traffic disturbances. Water supply investments may introduce additional risks related to groundwater protection and safe management of drilling/excavation materials if not properly controlled. PAP includes relevant actions to standardize and strengthen environmental screening, implementation of the Environmental and Social Management Plan (ESMP) and mitigation measures, as well as supervision and monitoring processes. Social and Gender Aspects. Social risks are mainly related to: (i) labor and working conditions and occupational health and safety (OHS) for workers across many worksites; (ii) community health and safety (CHS) during construction, including traffic safety, safe work zones, and risks from open trenches and equipment; (iii) potential SEA/SH risks linked to worker–community interactions, which require preventive measures and confidential reporting and referral pathways; (iv) land and access-related impacts, such as small-scale land take and temporary restrictions of access (particularly for linear works such as roads and pipelines), and risks associated with voluntary land donation if not carefully documented and monitored; and (v) governance and inclusion risks in participatory planning and benefit sharing, including the risk of elite capture and social exclusion of vulnerable groups and low-income households from decision-making or benefits, as well as potential grievances related to prioritization and implementation quality. The PAP includes measures to strengthen the ES capacity of implementing units to manage these social risks. Stakeholder Engagement and Information Disclosure. The ESSA was informed by consultations with government agencies, local authorities, communities, and other stakeholders during Program preparation. The WB consulted stakeholders on the draft ESSA on 14 April 2026, disclosed on 3 April 2026, and finalized and redisclosed¹ in May 2026. A Stakeholder Engagement Plan (SEP) dated March 2026 has been prepared, disclosed² and will be implemented through the project life cycle. Engagement will follow principles of openness and life cycle engagement, informed participation and feedback, inclusiveness and sensitivity, and flexibility in engagement approaches (including use of in-person and digital/remote channels).
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¹ [Final Environmental and Social Systems Assessment \(ESSA\) - Rural Infrastructure Development Program - Phase 2 - P509427](#)

² [Stakeholder Engagement Plan \(SEP\) - Uzbekistan - Rural Infrastructure Development Program - Phase 2 - P509427](#)

	Project Grievance Redress Mechanism (GRM) and Monitoring Arrangement. Communities and individuals who believe they are adversely affected by the Program, as defined by the applicable policies and procedures, have the right to seek redress through established grievance mechanisms. They may submit complaints to the Program's existing GRM, which is designed to handle concerns related to implementation, impacts, or other project-related issues in a transparent and timely manner. A project GRM is described in the SEP and provides multiple uptake channels including verbal submissions during meetings, grievance boxes, hotline, email/website, and social media/Telegram, with acknowledgment of receipt and resolution generally within two days. Monitoring and Reporting Arrangement. The Ministry of Economy and Finance, through the Project Coordination Unit, will coordinate results monitoring and reporting for the Project. AIIB and WB will monitor implementation of the Project and the effectiveness of ES management systems throughout its implementation. The specific roles, reporting formats, frequency, and supervision arrangements will be further defined and coordinated with the WB and the Borrower.			
Cost and Financing Plan	Total Project Cost: USD320 million • WB Financing: USD150 million • AIIB Financing: USD100 million • Uzbekistan National Government: USD70 million			
Borrower	Republic of Uzbekistan			
Guarantor	Not Applicable			
Implementing Entity	Investment Directorate, Ministry of Economy and Finance, Uzbekistan			
Estimated date of loan closing (SBF)	September 30, 2031			
Contact Points:	AIIB	WB	Borrower	Implementation Organization
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Date of Concept Decision	September 23, 2026			
Estimated Date of Appraisal Decision	November 18, 2026			
Estimated Date of Financing Approval	January 25, 2027			
Independent Accountability Mechanism	The Project will be co-financed with WB. AIIB has agreed with WB that it will rely on WB's independent accountability mechanism (IAM) for handling submissions relating to ES issues under the Program. Consequently, in accordance with the Bank's Policy on Project-affected People's Mechanism (PPM), submissions of such complaints to the PPM under this Project will not be eligible for consideration by the PPM.			