

Uzbekistan

First Inclusive and Resilient Market Economy Development Policy Operation

Chair Summary*

December 7, 2023

The Executive Directors approved an IBRD loan in the amount of \$300 million and three IDA credits consisting of (i) a concessional credit in the amount of \$160 million, (ii) a concessional credit (Shorter-Maturity Loan) in the amount of US\$240 million, which includes US\$100 million from the IDA20 Scale-Up Window, and (iii) a non-concessional credit of US\$100 million from the IDA20 Scale-Up Window, for a total amount of US\$800 million, to Uzbekistan for the First Inclusive and Resilient Market Economy Development Policy Operation (DPO) on the terms and conditions set out in the Memorandum of the President.

Directors welcomed the progress Uzbekistan has achieved to open and transform its economy and continued commitment to the timely implementation of the reform agenda supported by the DPO. They noted that this operation is the first programmatic DPO in Uzbekistan after a series of stand-alone policy loans which incorporates lessons learned and includes explicit climate actions for the first time.

Directors appreciated the alignment with the CPF and CCDR and emphasized the importance of the establishment of a new energy regulator and removing energy subsidies, as a foundation for greater green and private sector led development in Uzbekistan. Directors also stressed the importance of privatization efforts in a transparent and competitive way. They remarked on the importance of an inclusive and just-transition and called for continued engagement to build capacity, strengthen governance, the rule of law, citizen participation and social protection. They also highlighted the need to integrate a private sector perspective, including private capital mobilization, recognizing the key role IFC and MIGA can play in job creation and social inclusion, with an emphasis on a one WBG approach.

Directors welcomed the Bank's coordinated use of instruments in support of the reforms under the DPO and encouraged further collaboration among development partners to strengthen the regional approach with all relevant stakeholders and to support the Government's overall risk mitigation efforts.

*This Summary is not an approved record.