



Project Summary Information

Date of Document Preparation: May 21, 2024

Project Name	Karakalpakstan and Khorezm Local Roads Network Reconstruction Project
Project Number	P000871
AIIB member	Uzbekistan
Sector/Subsector	Transport
Alignment with AIIB's thematic priorities	Green infrastructure; Connectivity and Regional Cooperation
Status of Financing	Under Preparation
Objective	To enhance climate resilient and inclusive road transport connectivity to markets and services in the Republic of Karakalpakstan and the Khorezm Region of Uzbekistan.
Project Description	<p>The Project will rehabilitate and reconstruct 647 km of local roads in the Republic of Karakalpakstan (encompassing 28 road sections spanning 414 km across 14 districts) and in the Khorezm Region (21 road sections covering 233 km across 10 districts).</p> <p>The Project aims to enhance connectivity among communities by integrating specific local roads into both international and regional road networks. This integration will grant local communities improved access to vital social services and promote economic development. This initiative will significantly contribute to the creation of a reliable and secure internal and regional transportation network within the regions.</p> <p>The Government of Uzbekistan (GOU) has been shifting the focus for road sector interventions from improving international corridors to reconstructing and improving its regional road network. Intra-regional and local connectivity is essential for internal mobility and regional development. It grants most of the population, especially in the country's remote areas, access to economic opportunities by unlocking vast industrial and agricultural potential. The regional road network in Uzbekistan was built in the 1950s and 60s and received little attention until recent years, resulting in inadequate maintenance and a growing road rehabilitation /reconstruction backlog. Special attention is given to Western Uzbekistan in the arid and environmentally vulnerable Aral Sea region.</p>

	<p>The proposed reconstruction works include climate resilient pavement reconstruction, bridge repair and construction, drainage enhancements, the installation of road safety measures, and the provision of bus stops. Where necessary, sidewalks will be added to enhance pedestrian safety. Crucially, road reconstruction will occur within the existing right-of-way, eliminating the necessity for land acquisition and resettlement. The feasibility study and preliminary design for the Project are currently in progress.</p> <p>The Project includes a dedicated component aimed at promoting social and economic inclusion, particularly for women and youth, in conjunction with the project interventions. This component encompasses targeted vocational training for women and climate change and road safety awareness programs for young people. Additionally, it supports the development of a digital geospatial platform to address implementation complexities and facilitate broader impact analysis. This is especially relevant as the local roads slated for reconstruction connect to various socioeconomic centers such as education and health facilities.</p>
Expected Results	The Project is expected to result in the improvement of the local road network of the Republic of Karakalpakstan and Khorezm from several perspectives, including connectivity, safety, sustainability, climate resilience and technology.
Environmental and Social Category	B
Environmental and Social Information	<p>Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs), and Environmental and Social Exclusion List (ESEL), is applicable to the Project. Following environmental and social (E&S) due diligence for project preparation at the Concept stage, ESS 1 (Environmental and Social Assessment and Management) has been triggered. ESS 2 (Involuntary Resettlement) may also apply in a limited manner as land acquisition and/or impacts on livelihood may incur. Application of ESS 2 will be further verified during subsequent assessments, information on site selection and preparation missions. ESS 3 (Indigenous Peoples) is not applicable as no indigenous peoples are identified in Karakalpakstan and Khorezm Region according to AIIB team's desk review and field visit. The Project has been assigned Category "B" in accordance with AIIB's ESP due to the limited number of potentially adverse environmental and social impacts which will be limited to the Project area and can be managed using conventional E&S risk management strategies. The impacts are expected to be minor, mainly temporary linked to construction activities.</p> <p>Environmental and Social Instruments. The Project will follow a framework approach as the implementation details and final locations of the activities are not yet identified in sufficient detail. Thus, in accordance with Bank's ESP, E&S Management Planning Framework (ESMPF) will be developed covering the regions, which will include a generic Environmental and Social Management Plan (ESMP) and a Resettlement Planning Framework (RPF). The ESMPF will elaborate the regulatory frameworks under which the Project will be implemented, establish the baseline in the Project</p>

regions, identify potential Project activities, assess generic environmental and social risks and impacts of the activities, and define the screening process of activities. The ESMPF will provide guidance for the development of environmental and social documents for Project activities, i.e., Environmental and Social Impact Assessment (ESIA), Land Acquisition and Livelihood Restoration Plan (LALRP), ESMP and/or ES Code of Practice. The Borrower will ensure that the E&S instruments for Project activities are incorporated into the contractual agreement with the contractors and translated to site specific ESMP.

Environmental and Social Aspects: The road rehabilitation will be limited to existing roads only and the existing width of the roads will be maintained. New road construction and road widening is not anticipated as part of this Project. Therefore, all road works will be carried out on previously disturbed land with minimal impact on the local flora and fauna of the region. The temporary negative impacts during construction of the road rehabilitation subprojects will be related to air pollution, noise, water pollution, disposal of wastes, traffic disruption, access restriction for the community, and disturbance to the community due to influx of workers. The negative impacts of the operation of the Project may include increased vehicle speed due to improved road condition which can cause serious accidents and loss of property and life. The ESMPF will assess the risks and suggest generic mitigation measures to be included in the detailed design and relevant construction contracts to minimize the environmental impacts. The magnitude of impact on land leading to income loss will be assessed during project preparation. Permanent and temporary impacts on land will also be assessed during subsequent social assessments. Detailed impacts on land and livelihood will be assessed during project implementation when the site-specific activities are defined, sites are selected, and site-specific assessments and data become available.

Occupational Health and Safety, Gender, Labor and Employment Conditions: The generic ESMP in the ESMPF will include measures to address occupational health and safety (OHS) issues during both construction and operation phases of the Project, especially OHS risks associated with the operation and maintenance (O&M) of the roads. The ESMPF will also assess the risks of influx of migrant labors and its impacts on the community. The potential risk of gender-based violence (GBV) and sexual exploitation will be assessed, and appropriate measures will be required to be incorporated in the contracts for Contractors. Furthermore, a Gender Action Plan (GAP) for the Project will be prepared to define relevant trainings for sustainable economic development and to address issues of ease and safe travel by women, which will also envisage a proactive role for women participating in planning, design, implementation and operation of the Project. In addition, the labor working conditions will also be analyzed and addressed in the ESMPF.

Stakeholder Engagement, Consultation and Information Disclosure: Stakeholder mapping and consultations will be conducted during the preparation of the ESMPF. The English version of the ESMPF and the executive summaries of the

	<p>local language(s) will be disclosed by the client both online and made available in hard copy in the Project area. The ESMPF will also set out procedures and requirements on stakeholder engagement, public consultation and information disclosure for Project activities during the implementation of this Project. The documents will also be posted on the Bank's website.</p> <p>Project Grievance Redress Mechanism. A multi-tier Grievance Redress Mechanism (GRM) that accords with the requirements of the Bank's ESP will be indicated in the ESMPF and established for the proposed Project prior to its implementation. The public consultation and disclosure process will be used to disseminate information about the multi-tier GRM. A separate project contracted workers' GRM will also be developed for their concerns and the complaints. Also, AIIB's Project-affected People's Mechanism (PPM) in local languages will also be disclosed timely to local communities and PAPs in an appropriate manner.</p> <p>Monitoring and Reporting. The PIU will be responsible to monitor project progress and performance based on the result indicators. To ensure the efficient monitoring of E&S aspects in the challenging and remote areas of Khorezm and Karakalpakstan, PIU will employ dedicated E&S staff locally. These personnel will directly report to the E&S specialist and PIU head in Tashkent, ensuring seamless coordination and effective implementation throughout the Project duration. The Bank plans to conduct regular field visits per year to monitor progress and may conduct additional field visits as and when required during the initial years. Details of those arrangement will be determined and integrated into the final ESMPF.</p>		
Cost and Financing Plan	<p>Project Cost: USD237.1 million Project Financing Plan: AIIB Loan: USD200.0 million Government of Uzbekistan: USD37.1 million</p>		
Borrower	Republic of Uzbekistan		
Implementing Entity	Committee for Roads under the Ministry of Transport of the Republic of Uzbekistan /		
Estimated date of loan closing (SBF)	June 2030		
Contact Points:	AIIB	Borrower	Implementation Organization
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Date of Concept Decision	May 9, 2024
Estimated Date of Appraisal Decision	Q3 2024
Estimated Date of Financing Approval	H2 2024

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or processes of the Bank's Management processes. Information on the PPM, is available at https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html
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