

UZBEKISTAN

PROGRAM-FOR-RESULTS (PforR)

Uzbekistan - Rural Infrastructure Development Program –

Phase 2

(P509427)



ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT

(ESSA)

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The Environmental and Social Systems Assessment (ESSA) of the Uzbekistan - Rural Infrastructure Development Program - Phase 2 Program-for-Results (PforR) (P509427) was prepared by a Bank team composed of Gulana Enar Hajiyeva (Senior Environmental Specialist), Akbarjon Khamraliev (Social Development Specialist), in close coordination with the Task Team Leaders, Simon Sottsas (Social Development Specialist), Gulrano Tlepova (Social Development Specialist) and Damira Temirbaeva (Social Development Specialist).

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Abbreviations and Acronyms

Acronym	Definition
CDFA	Community Development Facilitation Agency
CFC	Common Facility Center
CHS	Community Health and Safety
DLI	Disbursement-Linked Indicator
E&S	Environmental and Social
EIA	Environmental Impact Assessment
ESF	Environmental and Social Framework
ESMP	Environmental and Social Management Plan
ESSA	Environmental and Social Systems Assessment
GoU	Government of Uzbekistan
GRM	Grievance Redress Mechanism
ILO	International Labour Organization
IPF	Investment Project Financing
IVA	Independent Verification Agency
KAPITAL	Public Investment Management information system (KAPITAL)
M7	Mahalla Seven
MCA	Mahalla Citizens' Assembly
MCHCS	Ministry of Construction and Housing and Communal Services
MDP	Mahalla Development Plan
MDU	Mahalla Development Unit
MEF	Ministry of Economy and Finance
NCECC	National Committee on Ecology and Climate Change
O&M	Operations and Maintenance
OHS	Occupational Health and Safety
PAP	Program Action Plan
PCT	Program Coordination Team
PforR	Program-for-Results
PIM	Public Investment Management
RA	Results Area
RIDP2	Uzbekistan – Rural Infrastructure Development Program – Phase 2
SCS	Single Customer Service
SEA/SH	Sexual Exploitation and Abuse / Sexual Harassment
SEE	State Ecological Expertise
TA	Technical Assistance
UKS	Capital Construction Management (commonly referred to as UKS/CCM)
WB	World Bank

Executive Summary

PforR Description

1. **RIDP2 (Uzbekistan – Rural Infrastructure Development Program, Phase 2)** is a hybrid Program-for-Results (PforR) operation with a complementary IPF technical assistance component, designed to strengthen rural mahalla development by combining participatory local governance reforms with climate-resilient infrastructure investments and targeted economic opportunity support. The Program Development Objective is to enhance participatory local governance, improve access to climate-resilient public infrastructure, and expand economic opportunities for communities at the mahalla level in selected areas.
2. RIDP2's purpose is to strengthen Uzbekistan's ability to deliver inclusive, climate-resilient rural infrastructure through government systems, while improving local governance and expanding economic opportunities at the mahalla level. The Program does this by institutionalizing structured, participatory Mahalla Development Planning (MDPs) led by the Mahalla Seven (M7), linking these plans to district and national public investment management systems (including KAPITAL), and financing priority small-scale infrastructure that improves basic services. In parallel, it pilots shared economic infrastructure (Common Facility Centers) in a limited number of mahallas to help increase women's and youth's access to economic opportunities. For ESSA purposes, the Program purpose is also to ensure that these investments are planned and implemented with appropriate environmental and social risk management, transparency, and accountability, using and strengthening national and local systems.

ESSA Objective and Methodology

3. The ESSA has been prepared to: (a) examine the scope, context, and potential impacts of the Program from an E&S perspective; (b) assess in detail the different E&S effects under the Program activities, including indirect and cumulative effects, contextual and political risks related to the E&S issues; (c) assess the capacity of national bodies in addressing related E&S risks and identify any complex risks in implementing E&S measures; (d) compare the borrower's systems (laws, regulations, standards, procedures, and implementation performance) against the PforR's E&S core principles; and (e) formulate recommended measures to address capacity for and performance on policy issues and specific operational aspects relevant to managing program risks. The PforR's six E&S core principles are summarized as follows:
 - **promote environmental and social sustainability** in the PforR Program design; **avoid, minimize or mitigate adverse impacts**, and promote informed decision-making relating to the PforR Program's E&S impacts;
 - **avoid, minimize or mitigate adverse impacts on natural habitats and physical cultural resources** resulting from the PforR Program;
 - **protect public and worker safety** against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the PforR Program; (ii) exposure to toxic chemicals, hazardous waste, and other dangerous materials under the PforR Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards;
 - **manage land acquisition and loss of access to natural resources** in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their **livelihoods** and living standards;

- give due consideration to the cultural appropriateness of, and equitable access to, PforR Program benefits, **giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups;**
- **avoid exacerbating social conflict**, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

Anticipated E&S Benefit

4. RIDP2 is expected to generate significant environmental and social benefits by improving access to inclusive, climate-resilient basic infrastructure and services in participating rural mahallas, while strengthening participatory local governance and accountability. Social benefits include improved wellbeing and service access for rural residents (including women, youth, and vulnerable households) through demand-driven investments prioritized in Mahalla Development Plans (MDPs), as well as strengthened transparency and citizen engagement through inclusive consultations, disclosure, and local feedback mechanisms. The Program is also expected to expand economic opportunities—particularly for women and youth—through the piloting of Common Facility Centers (CFCs) that provide shared economic infrastructure and support local value chains and job creation. Environmental benefits include strengthened climate and disaster risk screening in planning and investment selection, improved resilience of local assets (e.g., water supply, drainage, and rural roads) to floods, heat, and drought, and better sustainability of infrastructure through improved basic asset management and operations and maintenance arrangements. Overall, these benefits are expected to outweigh RIDP2’s moderate and manageable environmental and social risks.

Potential E&S Risks and Impacts and Risk Classification

5. **The Environmental is assessed as moderate**, largely predictable, site-specific, and manageable. The risks 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) and with the construction and operation of a limited number of Common Facility Centers (CFCs) in pilot mahallas. 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, while CFCs may create localized operational impacts (e.g., wastewater and solid waste, energy use, and minor emissions depending on the facility type) that require appropriate screening and operational controls.
6. **The Social risk is also assessed as moderate**. 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 exclusion of women, youth, persons with disabilities, and poorer

households from decision-making or benefits, as well as potential grievances related to prioritization and implementation quality. Weak local communication and inconsistent grievance handling could increase dissatisfaction and delay resolution of site-specific issues.

7. Based on the nature of RIDP2 activities, the scale and predictability of impacts, contextual factors, and the capacity of existing national systems, the **overall environmental and social risk classification for RIDP2 is Moderate**. This classification reflects that (i) the Program finances mostly small- to medium-scale, demand-driven investments with impacts that are largely temporary and reversible; (ii) higher-risk activities are avoided through the Program's eligibility framework and negative list (including exclusions related to significant/irreversible impacts and works in protected areas or critical habitats); and (iii) risks can be managed through country systems (SEE permitting and compliance oversight, construction supervision and labor/OHS regulation) supported by standardized screening and mitigation tools. The ESSA-informed Program Action Plan (PAP) and the IPF technical assistance component further reduce residual risk by strengthening E&S staffing and coordination, improving OHS/CHS and SEA/SH risk management, strengthening land and access screening (including voluntary land donation safeguards), and establishing consolidated monitoring and grievance tracking and reporting.

Legal and Regulatory Framework.

8. The GoU has developed national **environmental** legislation and adopted new laws and regulations together with a number of programs and action plans to address environmental issues and promoted sustainable use of natural resources. The country has adopted several subsidiary laws and legislation on environmental management and is a party to series of international and regional environmental agreements and conventions. The country also has the nature protection policy and the implementation of measures in the field of rational use of natural resources and environmental protection are ongoing. On the **social** side, the country has developed relevant legal and regulatory frameworks which cover key social issues, including land acquisition and resettlement, labor and working conditions and social inclusion and sustainability. The ESSA provides a concise assessment of the country's E&S legal and regulatory framework on the six core principles under WB's PforR Policy, which are deemed applicable to the proposed Program, including its strengths and challenges (see Chapter 3).

Institutional Capacity Assessment

9. Institutional capacity for managing RIDP2's environmental and social (E&S) risks is anchored in existing government systems, with overall coordination led by the Ministry of Economy and Finance (MEF) through the Program Coordination Team (PCT) and implementation of civil works carried out by regional and district/city hokimiyats through UKS/SCS. Key oversight and supporting functions are provided by the National Committee on Ecology and Climate Change and its SEE system (environmental permitting and compliance oversight), the Cadastre Agency (land verification), and the State Labor Inspectorate (labor and OHS oversight). While these institutions provide a generally adequate foundation for managing the Program's moderate and largely predictable risks, capacity constraints remain particularly the limited availability of dedicated E&S staff at UKS/SCS level; uneven application and documentation of screening, supervision, and corrective actions across dispersed worksites; and limited consolidated reporting on incidents, SEA/SH-related measures (without personal data), and grievances. RIDP2 therefore includes targeted capacity-strengthening actions (through the PAP and the IPF technical assistance component) to clarify roles and coordination, standardize tools and procedures (including climate/disaster screening,

ESMP and land/access screening templates), strengthen OHS/CHS and SEA/SH risk management, and improve Program-level monitoring and GRM tracking and reporting.

Comparative Analysis of Borrower E&S System and World Bank Core Principles

Core Principle 1: Environmental and Social Management

Objective: Promote environmental and social sustainability; avoid, minimize, or mitigate adverse impacts; support informed decision-making.

Strengths

- Uzbekistan has an established legal and regulatory framework for environmental protection, including EIA/SEE requirements applicable to the types of small- to medium-scale public infrastructure supported under RIDP2 (e.g., water supply, drainage, roads, and public facilities).
- Clear institutional mandates exist for environmental permitting and compliance oversight (NCECC/SEE), construction management and supervision (hokimiyats/UKS/SCS and GASN), and labor and OHS oversight (State Labor Inspectorate).
- RIDP2 is designed to rely on and strengthen government systems (including integration with public investment management and KAPITAL), creating opportunities to institutionalize consistent E&S screening, supervision, monitoring, and reporting across levels of government.

Weaknesses / Areas for Improvement

- Fragmented E&S responsibilities across multiple institutions and administrative levels can result in uneven coordination and oversight across dispersed investments.
- Inconsistent application and documentation of screening, permitting (SEE), supervision, and corrective actions at subnational level, particularly for multiple small works implemented in parallel.
- Limited consolidated Program-level monitoring and reporting (including incidents, corrective actions, and grievance trends) and risk that climate/disaster risk screening and resilient design measures are applied inconsistently, affecting sustainability of assets.

Core Principle 2: Natural Habitats and Physical Cultural Resources

Objective: Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources.

Strengths

- National legislation provides strong protection for natural habitats and cultural heritage.
- Program design avoids protected areas, critical habitats, and known cultural heritage sites.
- Land selection procedures include environmental and spatial verification.

Weaknesses / Areas for Improvement

- Residual risk of chance finds during excavation, particularly in older or peri-urban areas.
- Lack of standardized and consistently applied chance-find procedures across contractors and regions.

Core Principle 3: Public and Worker Safety

Objective: Protect public and worker safety from risks related to construction activities, hazardous materials, and operational practices.

Strengths

- Comprehensive labor, OHS, and construction safety legislation is in place.
- Enforcement mechanisms exist through the State Labor Inspectorate and construction supervision bodies.

National construction norms and standards and the established construction supervision system provide a basis to manage OHS/CHS risks for typical RIDP2 works (roads, water supply, drainage, and public facilities), provided that contractor requirements and supervision are applied consistently.

Weaknesses / Areas for Improvement

- OHS/CHS planning and supervision practices can be inconsistent across many dispersed worksites, particularly for traffic management, safe work zones, and excavation/trenching safety.

- Variable contractor capacity and enforcement of labor and safety requirements (including worker grievance channels), and limited systematic Program-level incident reporting and follow-up in practice.
- SEA/SH risks linked to worker–community interactions may not be uniformly addressed through contractor obligations, training, supervision, and confidential reporting and referral pathways.

Core Principle 4: Land Acquisition and Loss of Access to Natural Resources

Objective: Avoid or minimize displacement and assist affected people in restoring livelihoods and living standards.

Strengths

- Legal framework for land allocation and compensation is well-developed.
- Program explicitly excludes involuntary resettlement and large-scale land acquisition.
- Most RIDP2 investments are expected to be implemented within existing public infrastructure footprints or on verified public/state land; where land is needed, screening is required to avoid physical/economic displacement and manage temporary restrictions of access (especially for linear works) and any voluntary land donation in a non-coercive manner.

Weaknesses / Areas for Improvement

- Reliance on administrative verification requires consistent documentation at local level.
- Need for standardized land screening records to confirm absence of encumbrances and non-coercive voluntary land contributions.

Core Principle 5: Indigenous Peoples and Vulnerable Groups

Objective: Ensure culturally appropriate and equitable access to Program benefits, with attention to vulnerable groups.

Strengths

- National legislation guarantees equal access to public services.
- RIDP2 design embeds inclusion through participatory Mahalla Development Planning (MDPs), with specific attention to meaningful participation of women, youth, persons with disabilities, and poorer households in needs identification and prioritization.
- The Program approach strengthens transparency and accountability through disclosure of plans and decisions and the use of feedback and grievance channels, helping reduce exclusion and improve equitable access to benefits (including CFC-related opportunities) when implemented consistently.

Weaknesses / Areas for Improvement

- Stakeholder engagement and inclusion practices vary across regions.
- Limited capacity at local level to consistently implement targeted outreach and facilitation that enables participation of vulnerable groups (women, youth, persons with disabilities, poorer households) across all mahallas.
- Inclusion and benefit-sharing measures (including access to CFC services/opportunities) may be unevenly applied without additional practical guidance, monitoring indicators, and supervision to reduce elite capture risks.

Core Principle 6: Social Conflict

Objective: Avoid exacerbating social conflict, particularly in fragile or sensitive contexts.

Strengths

- A nationwide grievance redress framework exists through People’s Reception Offices.
- Legal provisions support citizen engagement, appeals, and transparency.
- Mahalla institutions provide an entry point for local-level engagement.

Weaknesses / Areas for Improvement

- In practice, stakeholder engagement processes can remain consultative unless there is clear guidance, proactive disclosure, and documented feedback loops at mahalla and district levels throughout planning and implementation.

- Program-related grievances may not be systematically tracked or consolidated across institutions.
- Delays in grievance resolution or feedback could lead to localized dissatisfaction if not addressed.

Stakeholder Engagement

10. Stakeholder engagement is an integral part of ESSA preparation and supports the PforR principles of transparency, participation, and accountability. The purpose of stakeholder consultation is to (i) inform stakeholders about RIDP2 and its expected environmental and social (E&S) effects; (ii) disclose and discuss the draft ESSA findings, including key risks, mitigation measures, and proposed actions to strengthen borrower systems; and (iii) gather feedback to refine the ESSA and inform the Program Action Plan (PAP) and implementation arrangements. Initial consultations are planned for the second week of April 2026 and will be conducted at national, regional, district/city, and mahalla levels using appropriate formats (e.g., meetings with agencies, focus group discussions, and community meetings) to enable meaningful participation, including by women, youth, persons with disabilities, and other vulnerable groups. Consultation outcomes will be documented in the ESSA (and Annex 1) and reflected in the final ESSA prior to Program approval.

Conclusion and Recommendations

11. The Program Action Plan outlines a focused set of actions aimed at strengthening the effectiveness and consistency of environmental and social (E&S) risk management under the Uzbekistan – Rural Infrastructure Development Program – Phase 2 (RIDP2). The actions concentrate on improving coordination and clarity of responsibilities across MEF/PCT, regional and district/city hokimiyats and UKS/SCS, and relevant oversight agencies; standardizing procedures and tools for screening, permitting and supervision for dispersed small- to medium-scale infrastructure works and CFC-related activities (including climate/disaster risk screening); and reinforcing worker and community health and safety practices, including measures to prevent and respond to SEA/SH risks. The Action Plan also emphasizes systematic land and access eligibility screening to operationalize the exclusion of involuntary resettlement and to manage temporary impacts and voluntary land donation risks; promotes more inclusive stakeholder engagement with particular attention to women, youth, persons with disabilities, and other vulnerable groups; and strengthens the tracking, reporting, and resolution of Program-related grievances through a functional Program-level GRM linked to existing national mechanisms. Collectively, these actions are designed to reinforce borrower systems, address identified implementation gaps, and support proportionate management of RIDP2’s moderate and largely predictable E&S risks while enabling delivery of inclusive, climate-resilient infrastructure and local economic opportunities.

1. Introduction and Program Description

1.1 Program Description

12. **RIDP2 (Uzbekistan – Rural Infrastructure Development Program, Phase 2)** is a hybrid Program-for-Results (PforR) operation with a complementary IPF technical assistance component, designed to strengthen rural mahalla development by combining participatory local governance reforms with climate-resilient infrastructure investments and targeted economic opportunity support. The Program Development Objective is to enhance participatory local governance, improve access to climate-resilient public infrastructure, and expand economic opportunities for communities at the mahalla level in selected areas.
13. RIDP2’s purpose is to strengthen Uzbekistan’s ability to deliver inclusive, climate-resilient rural infrastructure through government systems, while improving local governance and expanding economic opportunities at the mahalla level. The Program does this by institutionalizing structured, participatory Mahalla Development Planning (MDPs) led by the Mahalla Seven (M7), linking these plans to district and national public investment management systems (including KAPITAL), and financing priority small-scale infrastructure that improves basic services. In parallel, it pilots shared economic infrastructure (Common Facility Centers) in a limited number of mahallas to help increase women’s and youth’s access to economic opportunities. For ESSA purposes, the Program purpose is also to ensure that these investments are planned and implemented with appropriate environmental and social risk management, transparency, and accountability, using and strengthening national and local systems.

Table 1 PforR Program Boundaries

Item	GoU Program	RIDP2 Program	Reasons for non-alignment
Objective	Accelerate integrated development in rural Mahallas by enhancing public infrastructure for better services, creating jobs, and promoting sustainable green growth through a series of interventions (state budget, Open Budget, Mahalla Budget, Prosperous Villages, etc.); core linkage is with the Presidential Program for the Development of Social and Industrial Infrastructure (PPDSI). Specific reference to Presidential Resolution 298, October 8, 2025.	To: improve access to quality and climate-resilient basic infrastructure; enhance communities’, including women's and youth’s access to economic opportunities; and strengthen capacity for participatory local governance processes in Selected Mahalla Citizens Assemblies.	The PforR emphasizes improving the institutional capacity of participating subnational governments for planning and executing climate-smart investments and promoting local economic development, which will ultimately lead to achieving the government's objective of job creation – including by reducing the social, legal, and institutional barriers that hinder women from entering the labor force – as a longer-term outcome and set the stage for the progressive integration of fragmented

			investment programs into a more streamlined, participatory rural development framework.
Duration	2025-2028	2026–2031	The PforR timeline reflects the time required to embed institutional reforms sustainably within government systems. The Government program has a track record of annual renewal, with minimal risk of expiry before PforR closure.
Geographic coverage	National coverage (12 regions plus the Republic of Karakalpakstan with 175 districts, of which 161 are categorized as rural, plus Tashkent city; encompassing more than 9,000 Mahallas)	368 Mahallas in 38 Rural Districts in 6 regions (Ferghana valley, Jizzakh and Sirdarya) and add Tashkent region)	The Program deliberately focuses on a defined subset of rural Mahallas to allow rigorous implementation of participatory planning and institutional strengthening, with a view to nationwide scaling in subsequent phases.
Results areas	PPDSI is a government-led, multi-year initiative aimed at expanding social services, modernizing health and education facilities, developing regional and industrial infrastructure, and strengthening governance of investment implementation. Presidential Resolution 298 further refines this framework for economic infrastructure, outlining the development of local mahalla centers as a priority.	The PforR will consolidate the diverse rural investment program into two broad Result Areas: Results Area 1: Government capacity for inclusive local public capital investments for basic services and economic opportunities; Results Area 2: Mahalla level capital investments into public infrastructure through participatory, demand-driven planning.	To maintain a clearer focus on participatory (communities, particularly women, youth, and the vulnerable, are actively engaged in selecting poverty-focused project interventions) and local planning and implementation of Mahalla capital investments and strengthen institutional capacity at subnational and local levels.
Overall financing	Detailed information on the overall, diverse program volume is difficult to quantify; MEF has budgeted several billion USD for 2026	US\$335 million of which WB finances US\$150 million + AIIB US\$120 million + GoU share of US\$80 million. Excludes WB financing of	Difference is accounted for by the larger geographic spread of the government program, encompassing also urban

	<p>on infrastructure investments (not yet disclosed). This does not encompass investments managed outside the government revenue, budgeted by MIIT. PR298 references 7 trillion UZS, of which large part is to be covered by IFIs.</p>	<p>US\$15 million for IPF component and front-end fees.</p>	<p>areas and Mahallas, which are not targeted by this intervention.</p>
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14. **The RIDP2 Program will be implemented in six regions:** Fergana, Andijan, Namangan, Jizzakh, Syrdarya and Tashkent region. These regions were selected based on two primary criteria (Figure1):
- (i) the extent of **infrastructure gaps and poverty/vulnerability** (including remoteness), and
 - (ii) the presence of **economic potential**.
15. To apply these criteria consistently, two composite targeting indices were used to rank Mahallas within districts: PTI1, which combines service gaps and remoteness to identify the most vulnerable Mahallas, and PTI2, which combines service gaps and economic potential (such as proximity to markets and roads) to identify vulnerable Mahallas with higher prospects for “prosperous development.” Approximately 30% of Mahallas were identified through PTI1 and 70% through PTI2.

Figure 1 Map showing the locations of the participating Regions and Cities



16. Table 2 summarizes the regional distribution of RIDP2 coverage and indicative financing, showing the target population and number of participating mahallas in each of the six participating regions, their shares of the total program coverage, and the corresponding regional fund allocation limits.”

Table 2: Mahalla data by regions

No.	Region Name	Population (thousands)	Population contribution, %	Number of mahalla	Mahalla's contribution, %	Avg. contribution of Population & mahalla, %	Allocated Fund Limit, mln USD
	Total	16451.6	100.00%	4056	100.00%	100.00%	280
1	Fergana	4181	25%	1015	25%	25%	60.2
2	Andijan	3487.9	21%	879	22%	21%	60
3	Namangan	3158.4	19%	754	19%	19%	58.9
4	Tashkent	3134.1	19%	883	22%	20%	58.6
5	Jizzakh	1551.7	9%	304	7%	8%	25.7
6	Syrdarya	938.5	6%	221	5%	6%	16.6

17. **The RIDP2 Program is structured around the following two results areas (RA):**

18. **Results Area 1: Government Capacity for Inclusive Local Capital Investments (DLIs 1–3).** This Results Area strengthens the institutional systems through which Mahalla-level investment decisions are made, financed, executed, and sustained. It embeds the Mahalla Seven (M7) as a formal planning actor within district and central government planning and Public Investment Management (PIM) systems, links Mahalla Development Plans (MDPs) to district management and the KAPITAL PIM system, introduces asset management and basic Operations and Maintenance (O&M) systems, and generates the operational evidence base for a national rural territorial investment framework. It mandates participatory MDP preparation with at least 50% women's representation in Mahalla Development Units (MDUs).

19. **Results Area 2: Mahalla-Level Capital Investments (DLIs 4–7).** This Results Area finances demand-driven, climate-screened infrastructure investments in participating mahallas, identified through participatory MDP process. Basic service infrastructure selected by communities, particularly women, youth, and the vulnerable – including water supply, rural roads, schools, kindergartens, and health facilities – is procured through the Single Customer Service (SCS) system and must meet minimum service delivery and climate resilience standards to qualify for DLI 5 disbursement. In 15 pilot mahallas, Common Facility Centers (CFCs) provide shared economic infrastructure (agri-processing, cold storage, small manufacturing) to catalyze economic opportunities for women and youth, governed by a mixed private-public cooperative management model. DLIs 6 and 7 incentivize the preparation of viable CFC business plans and the functional operation of constructed CFCs respectively.

20. **The PforR has a hybrid approach to WB financing instruments.** This PforR takes a hybrid approach to financing via supporting a PforR and an investment project financing (IPF) focusing on technical assistance in order to support the Government of Uzbekistan (GoU) in achieving its objective: (i) a PforR component and (ii) a Technical Assistance (TA) component for the implementing entities at national and subnational levels, which will be implemented as an IPF to address critical institutional development and capacity gaps within implementing institutions. This ESSA focuses on E&S concerns

associated with the PforR component and will be supporting the management, mitigation and monitoring efforts of the implementing entities to be supported under the Program. The IPF component will be managed by the WB Environment and Social Framework (ESF).

21. Program Beneficiaries:

- The primary direct beneficiaries encompass approximately 1.5 million rural residents living in 368 participating Mahallas across 6 regions/districts, including an estimated 50% women and 25% youth. These populations will benefit from improved access to inclusive and climate-resilient public infrastructure and services identified through participatory Mahalla Development Plans. Strengthened planning systems, clearer institutional roles, and clarified O&M systems are expected to improve the quality, reliability, and sustainability of public assets, thereby enhancing service delivery and strengthening community ownership of local development processes.
- Secondary (economic) beneficiaries include approximately 1,500 local entrepreneurs, farmers, and small producers who will benefit from improved economic infrastructure, including modular common facility zones and strengthened local value chains. These investments are expected to support the creation or formalization of approximately 1,000 jobs (50% women), with a focus on employment opportunities for women and youth. Indirect beneficiaries include the broader rural population who benefit from improved local economic activity, reduced outmigration pressures, and enhanced access to markets and services.
- Institutional beneficiaries include 368 Mahalla Citizens' Assemblies (M7) with ca. 2,400 beneficiaries, 36 district administrations with around 500 beneficiaries, and relevant central government entities responsible for public investment management, sector service delivery, and oversight. Through strengthened vertical integration of planning systems, clearer O&M responsibilities, performance-based financing mechanisms, and enhanced digital information platforms (including KAPITAL and e-procurement systems), the Program will reinforce institutional capacity for participatory, accountable, and evidence-based local development planning across multiple levels of government.

1.2 Objectives, Scope and ESSA Methodology

1.2.1 Objectives and Scope

22. This section describes the objectives, scope, and methodological approach used to prepare the Environmental and Social Systems Assessment (ESSA) for the Program-for-Results (PforR). The ESSA aims to identify the Program's potential environmental and social (E&S) effects; assess the borrower's legal, regulatory, institutional, and implementation systems for managing these effects; and determine the extent to which these systems are consistent with the World Bank's PforR Environmental and Social Core Principles. The scope of the ESSA covers the Program activities, expenditure framework, Results Areas, and relevant Disbursement-Linked Indicators (DLIs). The methodology is based on a review of applicable laws, regulations, procedures, and available secondary data; consultations and interviews with relevant government agencies and stakeholders at national and subnational levels; and field verification, as feasible, to understand current practices and capacity. Findings from this analysis inform recommended actions to strengthen system performance and manage E&S risks in a manner proportionate to the Program's risk profile.
23. The scope of the ESSA covers the activities and systems necessary to achieve the Program Development Objectives (PDO), the expenditure program and the defined Results Areas and the DLIs. The ESSA assesses the potential E&S effects of the Program and examines the client's E&S system to

determine the consistency with the following six (6) E&S Core Principles as described in the WB PforR Policy (Chapter 5 – Comparative Analysis of Borrow System and Bank Core Principles details the results of the coping analysis):

- **promote environmental and social sustainability** in the PforR Program design; **avoid, minimize or mitigate** adverse impacts, and promote informed decision-making relating to the PforR Program’s environmental and social impacts;
- **avoid, minimize or mitigate adverse impacts on natural habitats and physical cultural resources** resulting from the PforR Program;
- **protect public and worker safety** against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the PforR Program; (ii) exposure to toxic chemicals, hazardous waste, and other dangerous materials under the PforR Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards;
- **manage land acquisition and loss of access to natural resources** in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards;
- give due consideration to the cultural appropriateness of, and equitable access to, PforR Program benefits, **giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups**;
- **avoid exacerbating social conflict**, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

1.2.2 Methodology

24. The methodology includes three distinct elements: (i) interviews with concerned agencies and other key stakeholders at national, regional, and district/city levels in 6 districts, including field visits to potential investment sites; (ii) review of documents, literature and data available at key agencies on the legal and regulatory frameworks related to environment and social risk management including grievance management systems; and (iii) inclusive public consultations with key stakeholders to assess possible E&S impacts on different categories of stakeholders.
25. The key steps followed for preparing the ESSA are the following:
 - **Review of the baseline** environmental and social information to understand the context under which the Program activities are undertaken.
 - **Analysis of environmental and social benefits and risks** of the Program activities.
 - **Assessment of the borrower’s systems** for environmental and social management for planning and implementing the Program activities for consistency with the applicable Core Principles.
 - **Identification of procedural and policy gaps** with Bank Policy and Directive for Program-for-Results Financing (notably the six Core Principles) as well as performance constraints in carrying out environmental and social management processes.
 - **Development of a set of viable actions to strengthen the systems** and improve environmental and social performance outcomes of the Program.
 - **Field verification.** Where feasible, visit representative sites for new construction and rehabilitation to verify system application and implementation practices related to E&S screening, OHS, waste management, WASH and accessibility, and community engagement.

- **Performance assessment and gap analysis.** Assess the effectiveness of system implementation against PforR Core Principles; identify gaps and risks (e.g., screening consistency, SEA/SH mitigation, hazardous materials handling, supervision capacity, grievance mechanisms) and propose proportionate measures

26. Initial consultations with stakeholders are planned for the second week of April 2026. The outcomes of these consultations will be incorporated into the analysis; the discussions will be detailed in Chapter 6 (Stakeholder Consultation), and a list of participants will be attached as Annex 1. The draft ESSA will be disclosed to stakeholders before consultations and prior to appraisal.

2 Expected Environmental and Social Effects

2.1 Salient E&S Characteristics of the Proposed Program

27. The RIDP2 Program aims to strengthen inclusive, climate-resilient rural development in Uzbekistan by improving access to quality basic infrastructure and services, enhancing women’s and youth’s access to economic opportunities, and strengthening participatory local governance processes at the mahalla level in selected areas. The Program addresses key constraints that limit rural wellbeing and productivity—persistent gaps in basic services (for example, water supply, local roads, schools, kindergartens, and health facilities), weak linkage between community priorities and public investment systems, and limited local economic opportunities, particularly for women and youth. It does so by institutionalizing structured, participatory Mahalla Development Plans (MDPs) led by the Mahalla Seven (M7), integrating those plans into district and national planning and public investment management systems (including KAPITAL), and financing demand-driven, climate-screened investments prioritized through the MDP process. In parallel, RIDP2 pilots Common Facility Centers (CFCs) in a limited number of mahallas to provide shared economic infrastructure that can help catalyze local enterprise and jobs, with a focus on women and youth.
28. RIDP2 will support participating regions, districts, and mahallas in strengthening their capacity to plan, implement, and sustain local public investments by aligning local delivery with national standards, sector responsibilities, and public investment management procedures. The PforR instrument links disbursements to the achievement of measurable results—such as preparation and disclosure of inclusive MDPs, integration of mahalla priorities into district/national systems, completion and operation of climate-resilient infrastructure, and establishment/operation of CFCs—rather than financing individual inputs. This results-based approach is intended to reinforce accountability and transparency, strengthen environmental and social risk management within government systems, and promote sustainable operations and maintenance arrangements so that investments deliver lasting service improvements and inclusive economic benefits.
29. The Program will enable subnational authorities to translate national standards and reforms into measurable results by tying financing to verified performance such as the preparation and disclosure of inclusive MDPs, integration of mahalla priorities into government systems, rollout of basic asset management and O&M arrangements, and completion of climate-screened basic service infrastructure through the Single Customer Service (SCS) system. In parallel, the Program pilots Common Facility Centers (CFCs) in a limited number of mahallas to provide shared economic infrastructure that can expand women’s and youth’s access to economic opportunities, supported by business planning and partnership arrangements.
30. RIDP2’s salient environmental characteristics reflect the Program’s reliance on **multiple dispersed, small- to medium-scale civil works** implemented under government systems and in proximity to rural settlements. The Program’s environmental risk profile is driven mainly by common construction-related impacts (dust, noise, spoil and waste generation, traffic disruption, and localized soil/water pollution risks) and by the need to ensure **consistent climate and disaster risk screening** for investments such as drainage, water supply, roads, and public facilities. Environmental considerations are integrated upstream through Mahalla Development Planning and investment screening (including exclusion of higher-risk activities through the Program negative list) and downstream through SEE permitting and the application of standardized mitigation measures (ESMP checklists/templates) and construction supervision. The Program also pilots a limited number of Common Facility Centers (CFCs), which may introduce localized operational environmental risks (e.g., wastewater and solid waste,

energy use, noise/odor, and refrigerant management for cold storage) that require appropriate screening, permitting, and operational controls.

2.2 Overall E&S Benefits

31. **Environmental benefits.** The Program improves environmental outcomes primarily by embedding climate and disaster risk screening and resilient design into Mahalla Development Plans (MDPs) and into the delivery of local infrastructure (e.g., water supply, drainage, roads, street lighting). This strengthens communities' resilience to climate hazards (heat, drought, floods) and supports more sustainable service delivery through better infrastructure standards and improved operations and maintenance arrangements.
32. **Social benefits.** RIDP2 is expected to improve wellbeing and inclusion by expanding access to reliable basic services for rural populations (targeting about 1.5 million beneficiaries), while strengthening citizen engagement, transparency, and accountability through structured participatory planning and disclosure of MDPs. The Program also directly advances gender and inclusion outcomes by requiring inclusive consultation processes and minimum representation targets (e.g., women's participation through MDUs and consultations), helping ensure that women, youth, and vulnerable groups influence investment choices and benefit from improved services.
33. **Economic inclusion and opportunity benefits.** By improving enabling infrastructure (e.g., water, roads, kindergartens, schools) the Program is expected to reduce time and access constraints that limit participation in education and work often disproportionately affecting women. In addition, RIDP2 pilots Common Facility Centers (CFCs) in 15 mahallas to provide shared economic infrastructure (such as agri-processing, cold storage, small manufacturing/service space), intended to expand women's and youth's access to economic opportunities and support local enterprise and job creation.
34. **Systems and sustainability benefits.** Beyond individual investments, RIDP2's key added value is institutional: it strengthens local planning and public investment systems (including integration with KAPITAL), promotes better asset management and O&M, and uses results-based incentives (DLIs) to reinforce performance, transparency, and risk management—helping make benefits more durable beyond the Program period.

2.3 Classification of key E&S risks and impacts

35. This section provides a summary of potential key E&S risks and impacts associated with (A) each Disbursement Linked Indicator (DLI) and (B) the expenditure program, which the Bank team has identified through feedback from key stakeholders, analysis of available information/statistics and site visits (see Table 3). Based on the assessment of (i) likely E&S effects, (ii) contextual risk factors, (iii) institutional capacity and complexity risks and (iv) political and reputational risks undertaken by the Bank team (which are presented in this ESSA and the PAD), the overall E&S risks are considered "moderate" as per the WB ESSA Guidance¹. More specifically, the proposed PforR is expected to yield

¹ As per the E&S risk rating guide in the WB ESSA Guidance (Annex C), the definition of "Moderate" E&S risk is as follows: "There is a moderate likelihood that Program activities would lead to some E&S consequences. Program activities are not likely to require significant changes to the borrower's overall management approaches, and it is also highly likely that the Program achieves its operational objectives and sustain the desired E&S outcomes because of lower context, institutional complexity/capacity, or political and reputational risks. These risks are well understood and are expected to be limited in impact. The borrower's implementing agencies usually have a proven track record in managing identified risks and, while not perfect, they have more limited needs for capacity-building measures. The operation may have some adverse E&S impacts, but they would tend not to be in environmentally or socially sensitive areas. Program activities are small in scale and their impacts are well known and manageable with standard procedures; they do not require unproven mitigation or management measures. The operation is unlikely to have significant adverse impacts on GHG and would not be at risk of natural disasters such as flooding, earthquake, or

substantial and long-term positive environmental and social benefits by improving infrastructure, service delivery, and economic development.

36. The proposed RIDP2 Program is expected to generate overall positive development outcomes, while its **environmental and social (E&S) risks and impacts are assessed as Moderate**. This classification reflects that RIDP2 will primarily finance small- to medium-scale, demand-driven civil works identified through Mahalla Development Plans (MDPs), including rehabilitation and limited new construction of basic service infrastructure (such as water supply systems—including pipelines, wells and water towers—rural roads and small bridges, schools, kindergartens, health facilities, micro-scale solid waste investments, and street lighting/energy connections) as well as a limited number of Common Facility Centers (CFCs) that provide shared economic infrastructure in 15 pilot mahallas. Most impacts are anticipated to be predictable, temporary, site-specific, and reversible, occurring largely during the construction period and within or near existing public infrastructure footprints. Higher-risk activities are intended to be avoided through the Program’s eligible investments framework and negative list (including exclusions related to significant/irreversible environmental impacts and works in protected natural or cultural areas).
37. **Environmental risks and impacts.** The main environmental risks are typical of localized civil works and relate to (i) construction-phase nuisance and pollution (dust, noise, vibration, localized air emissions), (ii) waste and spoil management (excavation material, construction debris, hazardous waste such as oils/containers), and (iii) soil and water risks (erosion/sedimentation, poor drainage management, accidental spills, and localized water contamination). Water supply investments may introduce additional risks if not properly managed, including well integrity and groundwater protection, safe disposal of drilling spoil, and worker exposure to excavation and confined space hazards. Road works also carry risks related to temporary traffic disruption and increased safety hazards if traffic management is weak. Although biodiversity and cultural heritage impacts are expected to be limited due to exclusions, there remains residual risk of localized impacts if screening is inadequate, including the need for chance-find procedures in excavation. In addition, RIDP2 has a “risk-to-sustainability” dimension: if climate and disaster risk screening and resilient design standards are not consistently applied, assets may be more vulnerable to floods, heat, drought/water stress, or seismic risks, undermining long-term service delivery and increasing future environmental burden.
38. **Social risks and impacts.** The main social risks arise from (i) land and access-related impacts, (ii) labor and working conditions, (iii) community health and safety, and (iv) inclusion and governance risks in participatory planning. While large-scale resettlement is not expected, subprojects may still cause small-scale land acquisition (temporary or permanent), temporary restrictions of access, and localized economic displacement, particularly for linear works (roads, pipelines) and footprints for facilities (water towers, reservoirs, CFC sites). A specific risk flagged for the Program is voluntary land donation, which can create risks of social or administrative pressure and may exclude women, migrants, or secondary land users from decision-making if not tightly controlled and documented. Labor risks include potential child and forced labor, inadequate contractor management practices, insufficient worker protections, and weak worker grievance channels. Community health and safety risks include traffic and road safety, unsafe work zones (open trenches, machinery movement), and potential SEA/SH risks linked to worker–community interactions. Finally, because investments are selected through local processes, there is a governance-related social risk of elite capture or weak inclusion, which could lead to women, youth, and vulnerable groups being excluded from prioritization and benefits, increasing grievances and community tension.

severe weather events. The operation may also have limited likelihood for adverse effects on gender, vulnerable groups, poverty, and equity”.

39. The overall E&S risk classification remains Moderate because RIDP2 limits the scale and type of works; applies an exclusion/negative list to avoid higher-risk activities; and relies on standardized screening and mitigation measures (e.g., ESMP templates incorporating OHS/CHS and land screening) combined with strengthened supervision and reporting. The exclusions applied during Mahalla Development Planning and prior to procurement, will ensure to screen out, at minimum: (i) activities requiring **Category I** State Ecological Expertise (SEE) clearance; (ii) works in protected areas, critical habitats, or other environmentally sensitive sites; (iii) activities involving significant conversion of natural habitats or irreversible impacts; (iv) significant water abstraction or activities that could materially affect water resource sustainability; (v) major borrow pits, quarries, or spoil disposal sites not covered by existing permits; and (vi) activities involving hazardous materials or processes that are not consistent with the Program’s small-scale, community-prioritized infrastructure scope.
40. The IPF technical assistance and the ESSA-informed Program Action Plan (PAP) further reduce residual risk by strengthening institutional capacity (including E&S staffing, training, incident reporting, monitoring, and grievance redress), helping ensure that E&S management is commensurate with the Program’s scope and that benefits are delivered in an inclusive and sustainable manner.

Table 2: Potential E&S risks and impacts anticipated under each DLI

Results Areas (RA)	DLIs	Key Environmental Risks and Impacts	Key Social Risks and Impacts
Results Area 1: Government capacity for inclusive local public capital investments for basic services and economic opportunities	DLI 1 (RA1): Inclusive Mahalla Development Plans (MDPs) prepared and disclosed	Low / no material direct environmental risks expected , as this DLI focuses on planning and disclosure rather than physical works. Indirect environmental risks may arise if screening is weak at the planning stage, leading to selection of investments with higher risks (e.g., works near sensitive habitats or water bodies) or inadequate climate/disaster risk screening, which can undermine long-term sustainability of assets.	Key social risks relate to inclusion and process integrity : risk of elite capture , exclusion of women, youth, persons with disabilities, and other vulnerable groups; inadequate outreach/disclosure; and weak handling of grievances related to prioritization decisions.
Results Area 1: Government capacity for inclusive local public capital investments for basic services and economic opportunities	DLI 2 (RA1): Mahalla priorities integrated into district/national planning and Public Investment Management (including KAPITAL)	Low / indirect environmental risks . Risks are linked to the quality and consistency of environmental screening, incorporation of climate/disaster risk considerations, and availability of baseline data to inform investment decisions. Weak integration may lead to fragmented investments and limited	Key social risks relate to transparency and accountability in public investment decision-making, including perceptions of unfairness, exclusion, and weak feedback loops. Potential risk of limited capacity for systematic grievance tracking and response across institutions.

		oversight of cumulative impacts at district level.	
Results Area 1: Government capacity for inclusive local public capital investments for basic services and economic opportunities	DLI 3 (RA1): Asset management and basic operations & maintenance (O&M) systems established for selected assets	Positive environmental effects expected through improved sustainability and reduced risk of environmental degradation from poorly maintained infrastructure (e.g., leaks, drainage failures, inefficient energy use). Limited direct environmental risk; risk relates mainly to inadequate capacity and data to support O&M decisions and monitoring.	Key social risks relate to equitable service delivery and sustainability: if O&M arrangements are weak, infrastructure may deteriorate unevenly, affecting poorer and remote mahallas disproportionately. Worker safety risks may arise for O&M crews if OHS practices are not applied.
Results Area 2: Mahalla level capital investments into public infrastructure through participatory, demand-driven planning	DLI 4 (RA2): Climate/disaster risk screening applied and eligible investments selected through MDP process	Indirect/moderate environmental risks relate to the adequacy of screening and exclusion of higher-risk activities (e.g., works in protected areas or sensitive habitats). If screening is weak, risks may include poor siting, inadequate consideration of water resource constraints, and reduced resilience to floods/heat, affecting sustainability of assets.	Key social risks relate to land and access screening and the integrity of selection processes, including risk of temporary restrictions of access (especially for linear works) and community dissatisfaction if decisions are not inclusive or transparent.
Results Area 2: Mahalla level capital investments into public infrastructure through participatory, demand-driven planning	DLI 5 (RA2): Completion and operation of climate-resilient basic service infrastructure	Moderate environmental risks linked to construction of small- to medium-scale infrastructure (e.g., water supply, drainage, roads, small bridges, social facilities): dust, noise, vibration, spoil and construction waste, traffic disruption, and localized soil/water impacts. Water supply works may carry additional risks related to groundwater protection and safe disposal of drilling/excavation materials; road works may increase risks of erosion and safety hazards if traffic management is weak.	Moderate social risks during works: occupational and community health and safety (traffic, open trenches, work zones), labor-related risks (working conditions, child/forced labor risks, inadequate worker GRM), and potential SEA/SH risk linked to worker–community interactions. Potential small-scale land/access impacts (temporary restrictions; minor land take) may occur, but involuntary resettlement is excluded through the Program negative list and screening.

<p>Results Area 2: Mahalla level capital investments into public infrastructure through participatory, demand-driven planning</p>	<p>DLI 6 (RA2): Viable Common Facility Center (CFC) business plans prepared (15 pilot mahallas)</p>	<p>Low / indirect environmental risks at planning stage. Risks relate to the adequacy of environmental screening for proposed CFC activities, including potential increases in waste generation, wastewater, energy use, and resource consumption depending on the type of economic activity planned.</p>	<p>Key social risks relate to inclusion and benefit sharing (ensuring women and youth can access opportunities), transparency of cooperative/management arrangements, and potential land/access concerns if CFC sites are not clearly screened and agreed.</p>
<p>Results Area 2: Mahalla level capital investments into public infrastructure through participatory, demand-driven planning</p>	<p>DLI 7 (RA2): Constructed CFCs are operational and providing services</p>	<p>Moderate environmental risks related to construction and operation of CFC facilities (site-specific and manageable): construction nuisance (dust/noise/waste), and operational impacts depending on facility type (solid waste, wastewater, emissions from small-scale processing, occupational risks, and energy use). Appropriate screening and operational controls are needed to prevent localized pollution.</p>	<p>Social risks include worker OHS (construction and operation), community safety (traffic, work zones), and risk of exclusion of target beneficiaries (women/youth) if governance arrangements are weak. Risks of grievances and local tension may arise if impacts are not communicated and managed.</p>

2.1.1 Key Environmental Risks and Impacts

- 41. The key environmental risks and impacts of RIDP2 are assessed in relation to the World Bank’s PforR Environmental and Social Core Principles. Overall, RIDP2 is expected to generate positive environmental outcomes by strengthening climate and disaster risk screening and improving the sustainability of local infrastructure through better planning and operations and maintenance. The environmental risks are assessed as **moderate, largely site-specific, temporary, and manageable**, and are primarily associated with the implementation of multiple small- to medium-scale civil works across dispersed locations and with the construction/operation of a limited number of Common Facility Centers (CFCs).
- 42. **Core Principle 1: Environmental and Social Management.** Environmental risks under this principle relate mainly to the **consistency and capacity** of the environmental management process across institutions and regions, including screening, permitting (SEE), and construction supervision. Because RIDP2 will support numerous dispersed works under Results Area 2, there is a risk of uneven application of environmental screening, mitigation measures, and monitoring (including documentation of corrective actions). In addition, if **climate/disaster risk screening²** and resilient

² For RIDP2, climate/disaster screening should be applied as a practical decision tool at subproject concept and design stages. At minimum, screening should: (i) identify relevant hazards for the site (e.g., flood/flash flood, extreme precipitation, drought/water stress, heat stress, seismic risk as relevant); (ii) identify exposure and sensitivity of the proposed asset (e.g., drainage sizing and

design requirements are not applied consistently during planning and design, assets may be more vulnerable to floods, heat, drought/water stress, or other hazards—creating long-term environmental and service sustainability risks.

43. **Core Principle 2: Natural Habitats and Physical Cultural Resources.** Impacts on critical natural habitats and known physical cultural resources are expected to be **low** because higher-risk activities are excluded through the Program’s eligibility framework and negative list, and location screening is expected to avoid protected areas and sensitive sites. Nevertheless, small-scale works (especially for water supply, drainage, and roads) may be located near waterways or erosion-prone areas and can create localized impacts (e.g., sedimentation, spoil disposal issues) if not well managed. There is also a residual risk of **chance finds** during excavation; without clear procedures and contractor awareness, chance finds could be damaged and/or cause avoidable delays.
44. **Core Principle 3: Public and Worker Safety.** Environmental risks under this principle are largely linked to construction practices and to management of materials and wastes. Typical risks include **dust, noise, vibration**, traffic disruption, and the generation of **excavation spoil and construction waste** (including packaging, scrap materials, and used oils/filters). Localized soil and water contamination may occur if fuels and lubricants are poorly stored, spills are not controlled, or spoil is disposed of inappropriately. For water supply works, additional risks relate to well integrity and groundwater protection and safe management of drilling/excavation materials. For CFCs, environmental risks depend on the type of activity supported; potential operational impacts may include increased solid waste and wastewater generation, energy use, and localized emissions (for small-scale processing) if adequate operational controls are not applied.
45. **Core Principle 6: Social Conflict.** RIDP2 is not expected to create significant environmental-related conflict; however, localized grievances may arise where construction nuisance (dust/noise), waste handling, traffic management, or perceived environmental impacts are not properly managed or communicated. If complaints are not addressed promptly and transparently, dissatisfaction may escalate and undermine trust in the Program. A functional, accessible grievance mechanism—integrated with community outreach during works—is therefore important to prevent avoidable tensions.

2.1.2 Key Social Risks and Impacts

46. The key social risks and impacts of RIDP2 are assessed in relation to the World Bank’s PforR Environmental and Social Core Principles. Overall, RIDP2 is expected to deliver substantial positive social impacts by improving access to basic services and strengthening participatory local governance. The main social risks are assessed as **moderate** and are associated with: (i) land and access-related impacts for small, dispersed works; (ii) labor and working conditions and occupational and community health and safety; and (iii) inclusion and governance risks in participatory planning and benefit sharing, including for CFC-related opportunities.
47. **Core Principle 1: Environmental and Social Management.** Social risks under this principle relate to the capacity and consistency of the social risk management process across multiple implementing entities and administrative levels. If roles and coordination mechanisms are unclear, there is a risk of uneven application of requirements for stakeholder engagement, documentation of screening

outfall stability, road embankment vulnerability, wellhead/facility flood risk, heat impacts on materials and equipment); and (iii) specify decision rules and resulting measures (e.g., redesign, elevation, additional drainage capacity, slope stabilization, relocation, or rejection where risks cannot be managed). Screening outputs and resulting design measures should be documented in the subproject file and reflected in technical designs, bills of quantities, and ESMP measures, and be verifiable under relevant DLIs.

outcomes (including land/access screening), supervision of contractors' labor practices, and reporting of incidents and grievances. Given the scale and geographic dispersion of RIDP2 investments, weaknesses in consolidated monitoring and reporting could reduce accountability and the ability to identify and address recurring issues early.

48. **Core Principle 3: Public and Worker Safety.** Social risks under this principle are primarily associated with construction activities and contractor management across multiple worksites. Key risks include: (i) **occupational health and safety (OHS)** risks for workers (working at height, trenches and excavations, confined spaces, electrical hazards, machinery movement); (ii) **community health and safety (CHS)** risks (traffic and road safety, unsafe work zones, open trenches, and interactions with community members); and (iii) **labor and working conditions risks**, including risks of child or forced labor, insufficient worker protections, and weak worker grievance channels. The Program also faces potential **SEA/SH risk** linked to worker–community interactions, which requires preventive measures, awareness raising, confidential reporting, and referral pathways.
49. **Core Principle 4: Land Acquisition and Loss of Access to Natural Resources.** RIDP2 excludes involuntary resettlement and significant land acquisition through the Program's negative list, and most investments are expected to be within existing public footprints or on verified public land. However, small-scale **land take** and **temporary restrictions of access** may still occur, particularly for linear works (roads, pipelines) and small facility footprints (e.g., water towers/reservoirs, CFC sites). If screening and documentation are weak, there is a risk of unanticipated impacts on informal users or secondary users. A specific risk relates to **voluntary land donation**, which can create risks of pressure/coercion and exclusion of women or secondary users if not carefully documented and monitored.
50. **Core Principle 5: Indigenous Peoples and Vulnerable Groups.** Uzbekistan does not recognize Indigenous Peoples as defined under World Bank policy; however, equity and inclusion risks remain relevant. RIDP2 relies on participatory Mahalla Development Planning to ensure needs-based prioritization, but there remains a risk of **elite capture** and uneven participation, including exclusion of women, youth, persons with disabilities, poorer households, migrants, and other vulnerable groups if outreach and facilitation are not adequate. There is also a risk that access to benefits—particularly CFC-related services and economic opportunities—may not be equitable if governance arrangements, selection criteria, and transparency measures are weak.
51. **Core Principle 6: Social Conflict.** RIDP2 is not expected to exacerbate broader social conflict, but localized tensions can arise if investment prioritization is perceived as unfair, if construction impacts are not managed, or if grievances are not resolved transparently and in a timely manner. Because expectations for improvements in services can be high, weak feedback loops may increase dissatisfaction. In addition, sensitive complaints (including SEA/SH) require safe, confidential handling and referral; if such pathways are not consistently available, trust in grievance channels may be reduced. Strengthening Program-level grievance intake, tracking, response, and communication is therefore important for preventing escalation of local disputes.

3 Expected Environmental and Social Effects

52. **Overview of the country's E&S framework:** Since the country's independence, the Republic of Uzbekistan has developed national environmental legislation, adopted new laws and regulations, together with a number of programs and action plans to address environmental issues, and promoted sustainable use of natural resources. The country has adopted several subsidiary laws and legislation on environmental management and is a party to a series of international and regional environmental agreements and conventions. The country also has a nature protection policy, and measures to promote the rational use of natural resources and environmental protection are ongoing. On the social side, the country has developed relevant legal and regulatory frameworks that cover key social issues, including land acquisition and resettlement, and social inclusion and sustainability. Below is a concise assessment of the country's E&S legal and regulatory framework against the six core principles of WB's PforR Policy, which are deemed applicable to the proposed Program. Annex 2 provides detailed analyses of these E&S frameworks, including their strengths and challenges.
53. **Management of E&S Sustainability, Risks and Impacts (relevant to Core Principle 1)**
54. The Law on Environmental Protection No 754 (1992, amended 2021) establishes the legal and organizational framework for environmental protection in Uzbekistan. It covers environmental impact assessments, waste management, and pollution control. Article 24 of this law states that State Environmental Expertise (SEE) is a mandatory measure for environmental protection, to be carried out before decision-making. In addition, the law prohibits the implementation of any Project without SEE's approval. The national Environmental Impact Assessment (EIA) procedure is principally required and regulated by the Law on Environmental Expertise No.73-II of 2000 (as amended 2021). The Uzbekistan EIA requirements are set forth in Resolution № 541 of the Cabinet of Ministers on the Procedure of the EIA Mechanism, which serves as a regulation. The Resolution serves as the key regulation supporting the Law on Ecological Expertise, which provides for mandatory expert assessment of environmental and human health impacts, as well as a legal basis for conducting such assessments. Uzbekistan has recently adopted a new law, No. 1036 'On Environmental Expertise, Environmental Impact Assessment, and Strategic Environmental Assessment', signed on February 24, 2025, and is set to come into effect on August 25, 2025. By the time of this ESSA the bylaws/sub-legislations are not yet available and so they were not taken into consideration in this assessment.
55. **Risk Categorization:** According to the Resolution № 541, all environmental protection activities are divided into 4 categories with varying degrees of impact:
- Category I – "high risk" of environmental impact (SEE is conducted by SUE "Center of State Environmental Expertise" within 20 days, all stages of EIA are required);
 - Category II - "average risk of environmental impact" (SEE is conducted by the Center of State Environmental Expertise within 15 days, all stages of the EIA are required);
 - Category III - "low risk of impact" (SEE is conducted by regional branches of SUE "Centre of State Environmental Expertise" within 10 days, all stages of EIA are required);
 - Category IV - "minor impact, local" (SEE is conducted by the regional branches within 5 days, only the first stage is required, Environmental Impact Statement, EIS).
 - Activities not explicitly included in the categorization list are still subject to SEE. The specific category for such activities is determined by the Center of State Ecological Expertise, based on materials submitted by the project proponent or conclusions drawn from an on-site examination conducted by the relevant authority.

56. **SEE Conclusion:** According to point 24 " SEE regulations ", the positive conclusion of SEE is a mandatory document for the opening of financing by banking and other credit institutions and the execution of legal entities and individuals of the implementation of the object of state environmental impact assessment. The SEE's validity is for three years from the date of its issuance. Categorizations are determined by the national SEE for Categories I and II investments and by the regional SEE for Categories III and IV investments. As the civil work under the PforR will be O&M or small construction or rehabilitation to improve infrastructure at district level, regional SEEs will undertake categorization and conclusion. During construction and operation, the SEE conclusion is sent to the relevant district (city) inspectorates for ecological and environmental control.
57. **Public participation in the EA process.** The Constitution of the Republic of Uzbekistan (arts. 50.55) lays the foundation for citizen and public association participation in environmental management. The Law "On nature protection" in Articles 12-13 regulates the right of citizens to unite in public organizations for nature protection, to request and receive information about the state of the environment and measures taken for its protection, as well as the authority of NGOs established. Legislation in the field of ecology and environmental protection provides public participation such as a) through an individual citizen or a group of citizens; b) through citizens' self-governance bodies and c) through non-governmental non-profit organizations. Also, Resolution № 541 includes requirements for organizing public hearings, which are mandatory for Category I and II activities. The resolution outlines the procedure for conducting public hearings on national EIA results to discuss and address the negative environmental impacts of intended, planned, or implemented activities.
58. **Grievance Redressal – People's Reception, Office of the President of Uzbekistan.** The Constitution has a provision for citizens to lodge complaints with state bodies and organizations and self-governing bodies (Article 40). The Law ZRU-445 (September 2017) has a provision of an appeals process and requires government offices to establish Reception Offices to receive, systematize appeals and monitor their timely and satisfactory consideration³ (Article 10). Appeals are to be considered within 15 days, and when additional information/ investigation is required, up to 30 days (Article 28). Any additional clarification on the response sought by petitioner needs to be provided within 10 days of its receipt. In case of unlawful refusal to consider the petition, an individual can appeal to their higher authority or go to court (Article 32). People's Reception has been opened at various tiers of the government as well as a virtual reception to receive appeals and grievances from the citizens and to ensure their consideration by various state bodies and organisations.
59. **Natural Habitats and Physical Cultural Resources (relevant to Core Principle 2)**
60. **The Law "On Protected Natural Areas" (2004):** The purpose of this Law is to regulate relations in the field of organization, protection and use of protected natural areas. The main objectives of this Law are preservation of typical, unique, valuable natural objects and complexes, plant and animal genetic fund, prevention of the negative impact of human activities on nature, study of natural processes, monitoring of the natural environment, improvement of environmental education and upbringing.
61. **Resolution No. 290 (2013) National Strategy and Action Plan for the Conservation of Biodiversity:** This government resolution adopted the National Biodiversity Strategy and Action Plan (NBSAP) aligned with the Convention on Biological Diversity (CBD). It provides a roadmap for the management of protected areas, endangered species protection, and integration of biodiversity into sectoral planning.

³ https://president.uz/en/site/contact?menu_id=13

62. **The Law "On the Protection and Use of Wildlife" (1997):** The law regulates relations in the field of protection, use, restoration and reproduction of wildlife in order to ensure the conditions for its existence, the conservation of species diversity, the integrity of natural communities and habitats.
63. **The Law No. 269-II of 2001 on protection and use of the objects of cultural heritage:** The purpose of this Law is to regulate the relations in the field of protection and use of the objects of cultural heritage that are the national property of the people of Uzbekistan.
64. **Public and Worker Safety (Relevant to Core Principle 3)**
65. Legislation related to Labor, Working Conditions, and Occupational Health and Safety exists in Uzbekistan, including core legislative acts, such as the Constitution of the Republic of Uzbekistan, the Labor Code, and the Law on Occupational Safety. Uzbekistan is also a signatory to several international treaties and has ratified various **International Labor Organisation (ILO) conventions** including the Convention on Forced Labor, Freedom of Associations and Protection of the Right to Organize, Collective Bargaining, Equal Pay, Discrimination, Minimum Working Age and Child Labor. In recent years, Uzbekistan has undertaken regulatory labor and occupational health and safety reforms, including introduction of amendments to the Labor Code of Uzbekistan.
66. The use of **forced and child labor** has traditionally been high in the country, although in recent years the country has done commendable work to eliminate such labor from the cotton sector where their use was rampant. However, there are other sectors and industries where child labor persists even though legally prohibited. There is lack of orientation on the social-legal aspects related to use of forced and child labor among the enforcement agencies and their capacities to identify their deployment is weak; this combined with the lack of real powers to take disciplinary action against such employers means that their use goes unchecked.
67. **The Constitution (1992, latest amendment in 2023)** of Uzbekistan stipulates basic principles of employment. Everyone has a right to decent work, freedom of choice of their occupation, fair working conditions in terms of safety and hygiene, fair remuneration not below the established minimum wage and without discrimination. (Article 42) Women are expressly protected from refusal of being hired or paid less due to their gender, pregnancy or the fact of having a child (Article 42). The Constitution also sets out the requirement for the workers to have rest time during the working hours as well as paid annual leave. (Article 45) Forced labor is prohibited, except for instances when it is part of the punishment as per the court decisions or other instances specified by the law. (Article 44) It also stipulates that trade unions express and protect the social and economic rights and interests of workers. Membership in trade unions is voluntary. (Article 73). Labor Code (1995, latest amendments in 2022) of Uzbekistan sets out the core principles regulating individual labor relations and labor rights. The Labor Code covers basic labor standards by setting requirements to have written contracts in place, regulation of normal working hours, defining overtime and its respective remuneration, establishing a minimum wage and equal payment without discrimination. It also provides for the annual leave, daily and weekly rest for workers as well as prohibition against forced labor, including forced child labor, by setting a minimum age for employment.
68. **Building Code.** The Urban Planning Code (2021) commits to “compliance with the requirements for the safety and reliability of buildings and structures, their seismic resistance, fire safety and energy efficiency” (Article 4) and “creation of conditions for unimpeded access for disabled people to social infrastructure objects (residential premises, public and industrial buildings, facilities and structures, healthcare, culture, sports and other facilities)” (Article 10). The Building Code is currently being updated to ensure accessibility, e.g., elevator requirements for buildings with more than two stories, ramp requirements for public buildings, childcare facilities, etc.
69. **Management of Land Acquisition and Involuntary Resettlement (relevant to Core Principle 4)**

70. As per **the Land Code (2022)**, land in Uzbekistan is categorised into eight different types: 1) lands for agricultural purpose, 2) land for urban and rural settlements, 3) land for industry and other purposes, 4) land for nature protection, 5) land with cultural/historical importance, 6) land of forest fund, 7) land of water fund, and 8) land of reserve fund. Depending on the land category, different set of public institutions are responsible for their governance and management as well as for inter-agency coordination when more than one land type is involved. Most land categories remain under state ownership. In recent years, the Government of Uzbekistan has been working on various land reforms, including digitization of land record, and attempts have been made to transfer ownership of certain land categories to individuals and legal entities; these reforms are underway to recalibrate land governance and use it as a key driver of growth for the country. According to the Cadastre Agency, 98% of the national territory of Uzbekistan has been digitally mapped, and 95% of land boundaries have been fully digitized.
71. As the Regional Cadastre Agency register or verify land for regional hokimiyat's allocation, the Agency applies relevant national laws. For instance, Article 36 of the Land Code indicates that the grantee of non-agricultural land loses right to use the land non-agricultural land if not used for two years after the permission was granted by a regional hokim (governor) (Article 36).
72. National legal-policy framework around land management is highly fragmented and there is no single national law or policy that governs land acquisition and resettlement with the exception of Law ZRU-781 (June 2022), which is an effort to bring several resettlement related issues under a single law. Land acquisition has become even more complex since 2018, with the issuance of several cabinet resolutions, presidential decrees and amendments to land code that aim to address gaps, clarify policies, improve transparency, spell out detailed procedures, exempting specific projects from complex procedural requirements. Unintentionally, this has led to further contradictions, added vagueness and posed challenges to the implementing agencies and regional hokimiyats in terms of interpreting law and enforcing them on the ground. Local communities are also challenged in the absence of clear rules and procedures related to ownership, lease and usufruct rights, land tenures and their security, valuation procedures and their application in case of land expropriation.
73. According to the Resolution of Cabinet Ministers No. 317 (September 2016), the non-titled land users of public land can register the land through a court process, by providing i) explanation of circumstances of informal use of land, ii) certificate from local self-governed bodies on possession of last 15 years, and iii) payment of land tax for the last five years. However, owing to high state ownership and low awareness about tenurial rights and apprehensions about tax liabilities related to property registration, only three-fourth of the public lands and only two-thirds of urban properties have formal registration, leading to high informal ownership and use of such properties.
74. **Inclusion of Vulnerable Groups (relevant to Core Principle 5)**
75. **Gender gaps:** In the last few years, Uzbekistan has managed to close some gender gaps in social and political participation, but several significant gaps still persist. The gender gap in labor force participation is still about 33 percent (WDI, 2022); participation of women in employment and their achievement on human development indicators still lags behind comparable middle-income countries. The existing definition of sexual exploitation and abuse and sexual harassment (SEA/SH) at workplace and does not provide for prohibition of discrimination based on sexual orientation or gender identity, which leads to poor identification of such risks and their prevention. Sexual harassment at a workplace is also not covered by the existing Labor Code. While various laws prohibit sexual harassment against women, there is no overarching prohibition on sexual harassment against women and men, and legal or other remedies are not easily accessible to the victims. Lack of state-sponsored skilling support to women also denies them access to livelihood earning opportunities and skills relevant to the markets. Recognition of women as a distinct constituency, with their own unique

needs is absent from most national policies and hence remains invisible within the operating policy environment. Women also face obstacles in accessing justice, particularly in cases of gender-based discrimination. Barriers such as lack of legal awareness, limited access to legal aid, and societal stigma hinder women from seeking redress through the legal system.

76. **Persons with disabilities** experience challenges in accessing employment due to stigma, lack of accessibility, and possible discriminatory attitudes among employers. While there are specific policies in place to ensure inclusive employment especially with regards to women and persons with disabilities, the enforcement and its monitoring is weak. The use of informal workers, especially in the agriculture and private sector, is very widespread. Most informal workers belong to the poor and vulnerable groups (often rural communities) and due to weak regulatory mechanisms to secure compliance with labor laws their use is rampant.
77. **Women and youth participation in Mahalla Committee.** Mahalla (community or neighborhood) Committees or Mahalla Citizens' Assemblies (MCAs) are recognized as territorial self-government organizations by the Constitution (Article 105). The MCA has an executive committee, including a women's affairs officer. Budget transparency and citizen participation in budget identification are high on the political agenda. Mahalla has been mandated to facilitate an increase in citizen's participation (Presidential Decree UP-4944). However, survey data found that a higher percentage of men reported having attended a public village meeting compared to women. Among individuals aged 30 to 50, a higher percentage of men reported that their preferences were better reflected in public expenditure decisions compared to women, with an 8-percentage point difference.⁴
78. **Avoidance of exacerbating social conflict (relevant to Core Principle 6)**
79. Uzbekistan's navigation from its post-Soviet trajectory has been eventful, particularly in terms of community engagement and governance. The gradual transition from a centrally planned system to one that emphasizes transparency and community involvement is significant. Efforts to empower local institutions like Mahalla Committees are crucial for fostering community-driven development initiatives. While Uzbekistan may still need to take steps to fully embracing proactive engagement with public stakeholders, the recent initiatives aimed at enhancing governance and accountability are promising steps forward, such as having a women's affair officer at the Mahalla executive committee and People's Reception Offices at national, regional, and district/city levels, including virtual reception.
80. However, despite all these steps, most laws and policies do not provide for full participation and seek meaningful and effective engagement. As a result, stakeholder engagement, in most cases, remains limited to an exercise of token presence of community representatives in meetings/ hearings, and their feedback is not necessarily considered during project design or site selection, and the impacts are not adequately scoped during the identification of mitigation measures.

⁴ 2021 data collected by World Bank-supported Rural Infrastructure Development Project (P168233).

4 Institutional Capacity Assessment for Managing the Program’s Environmental and Social Effects

4.1 Implementation Agencies

81. The Rural Infrastructure Development Program – Phase 2 (RIDP2) is implemented through a multi-level institutional setup designed to link national policy and financing with regional infrastructure delivery and community-led planning at the mahalla level. Overall leadership is provided by the Ministry of Economy and Finance (MEF), while day-to-day coordination, technical assistance, and verification functions are organized through dedicated Program structures and contracted service providers. Implementation responsibilities are distributed across national, regional, district, and mahalla institutions to ensure that investments are demand-driven, meet required standards, and are supported by strong fiduciary, environmental and social, and monitoring arrangements.
82. **The Ministry of Economy and Finance (MEF)** is the lead government institution with overall responsibility for RIDP2 implementation at the national level. MEF’s central role is to ensure the Program is embedded within the Government’s public investment framework most importantly by maintaining RIDP2’s integration with the State Investment Program and coordinating with the Republican Commission that governs the SIP so that relevant local investments remain prioritized, financed, and aligned with sector requirements. In practice, MEF provides the top-level institutional “home” for the Program, sets the enabling coordination conditions across levels of government, and provides senior oversight.
83. **The Investment Directorate within MEF** is identified as the Implementing Agency for RIDP2. This positions the Directorate as the formal institutional counterpart for implementation under the Program-for-Results operation and the associated IPF technical assistance component. While many delivery functions occur through regional and local structures, the Investment Directorate’s designation anchors responsibility for implementation within MEF’s investment planning and oversight architecture, ensuring that Program execution remains linked to the national investment and treasury systems.
84. **The Program Coordination Team (PCT)**, established within MEF, is responsible for day-to-day Program coordination and for implementing and managing the IPF component. The PCT acts as the operational hub that connects national leadership with regional and district execution: it coordinates implementation, manages technical assistance, oversees fiduciary functions, and leads monitoring and evaluation, data/MIS management, reporting, and outreach. The PCT also ensures that implementation links are maintained with other government and donor-financed initiatives, and it provides oversight of environmental and social risk management arrangements (including the grievance redress mechanism). In addition, the PCT is responsible for procuring key external assurance functions financed under the IPF component most notably the Independent Verification Agency so that results and DLIs can be verified credibly before disbursements.
85. **The Independent Verification Agency (IVA)**, procured by the PCT and financed through the IPF component, provides independent verification of Disbursement-Linked Indicator (DLI) achievement prior to disbursement requests. The IVA’s role is to review the evidence generated by participating entities (mahallas, district administrations, the infrastructure delivery system, and relevant institutions) and confirm compliance with the verification protocols defined in the Program Operations Manual. This independent verification function is fundamental to RIDP2’s results-based

financing logic, ensuring that financing is linked to validated achievement rather than only to planned activities or expenditures.

86. **The Community Development Facilitation Agency (CDFA)**, to be funded under the IPF component, functions as an outsourced support arm to the PCT, focused on strengthening the capacity of district administrations and mahalla-level institutions to deliver RIDP2's participatory planning and accountability model. CDFA's work supports the full community planning cycle: it helps districts communicate and operationalize mahalla selection processes, supports M7 structures to establish Mahalla Development Units, and provides training and mentoring for participatory needs assessments (including climate considerations), preparation of Mahalla Development Plans, and practical readiness for implementation. CDFA also supports local capacity for environmental and social risk screening, basic understanding of procurement and financial management, construction oversight practices, and the establishment of community-level arrangements that support operations and maintenance. Importantly, RIDP2's design specifies that CDFA's role is deliberately more limited than under RIDP1 focused on training-of-trainers and mentoring local actors rather than substituting for them so that the approach can be institutionalized and scaled sustainably within government systems.
87. **Regional and district/city hokimiyats** are responsible for the implementation of civil works under the Program through their respective UKS. Acting within their statutory mandates, hokimiyats oversee site selection, land allocation, procurement, contract management, and construction supervision in accordance with national procurement, construction, environmental, labor, and safety legislation. Regional and district/city hokimiyats are a state body responsible for regulating, planning, and controlling construction processes in their territory. They participate in the development and approval of the master plan for the territory and other urban development documents. These documents determine where residential buildings, industrial facilities, or social facilities will be built. The location of new areas, industrial zones, and infrastructure facilities is also planned.
88. The Regional and district/city hokimiyats consider issues of allocating land for construction and make decisions based on legislation. Before the start of construction work, project documents are reviewed in the appropriate manner and the issue of issuing permits is resolved. The government is obliged to ensure that construction is carried out on the basis of the approved project.
89. In addition, they monitor the construction process. That is, it checks whether construction work is carried out in accordance with current standards and regulations. If illegal or unauthorized construction is detected, it may take measures to stop it, impose a fine or demolish it.
90. **Regional Departments of Finance (focal points)** provide an important linkage function between local implementation and national coordination. Their role is to help ensure that regional implementation remains connected to the national level (PCT/MEF) and that fiduciary and reporting linkages function smoothly. Where needed, they also support coordination and oversight functions related to fiduciary management, environmental and social risk management, monitoring and evaluation, and reporting helping reinforce implementation discipline while keeping regional execution aligned with program-wide requirements.
91. **The Mahalla Seven (M7)** is the primary community-level institutional anchor for RIDP2's participatory planning, social inclusion, and local accountability model. M7 structures lead inclusive consultations to identify and prioritize infrastructure and development needs and are expected to ensure meaningful participation of women, youth, and vulnerable groups, including through structured engagement approaches (such as focus group discussions) that prevent exclusion and capture differentiated needs. M7 finalizes Mahalla Development Plans and serves as the principal interface between the community and district-level implementing entities throughout the subproject cycle from planning and design discussions to implementation follow-up and accountability.

92. **The Mahalla Development Unit (MDU)** is an informal volunteer group established to make community planning and monitoring practical and continuous at the street/neighborhood level. Composed of representatives from each street (typically one man and one woman), the MDU works closely with the M7 and district technical experts to execute the Mahalla Development Planning process and to maintain community-wide information exchange beyond formal meetings. During implementation, the MDU also serves as a core community monitoring mechanism, supporting transparency and feedback by collecting issues and updates from households and relaying them through the M7/district interface as subprojects are carried out.

4.1 Other Key Agencies for PforR Implementation

93. **Regional Single Customer Service or UKS/CCM:** The agency is commonly referred to as UKS or CCM, which, translated from Russian (Управление капитального строительства), literally stands for "Capital Construction Management".⁵ UKS is primarily a construction contracting agency. It is responsible for the full spectrum of activities related to the construction of public infrastructure, including design, procurement, contract management (including supervision and oversight of contractors during construction), and inspection for readiness for use. There are several UKS/CCM in one region. The primary UKS that the PforR will engage is under the regional hokimiyat. Other UKS' are specialized in specific sectors, e.g., regional road, education (construction of childcare facilities), and water supply and sewage facilities, and work almost like the construction/implementation arms of the line agencies or the state unitary enterprises (SUEs). The regional or specialized UKS' do not have in-house environment and social specialists to assess the impact. However, UKS' have OHS engineers or other engineers trained on OHS by the Ministry of Employment and Poverty Reduction.

94. **State Architectural and Construction Supervision (GASN) under the Ministry of Construction and Housing and Communal Services (MCHCS):** The MCHCS is the competent authority for the regulation and oversight of construction activities under national law. MCHCS establishes and administers construction norms and standards, reviews and approves design documentation, and oversees compliance with applicable technical and construction requirements.

95. Where relevant, MCHCS is involved in:

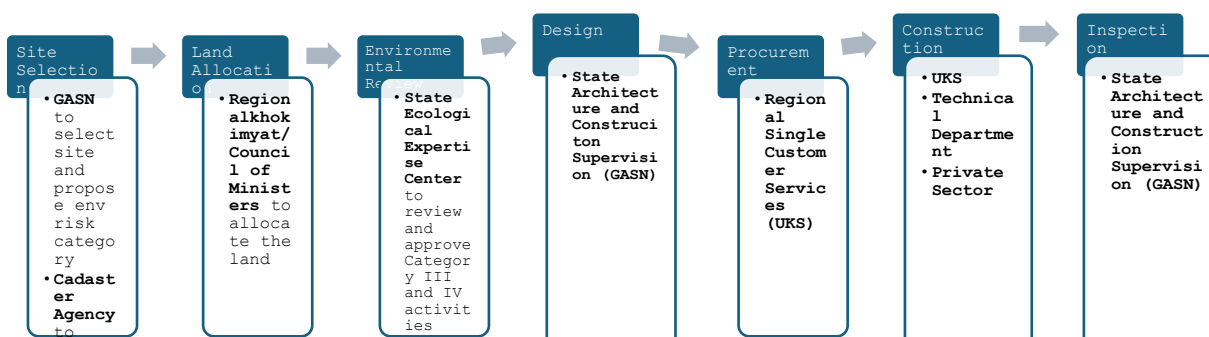
- approval and registration of standardized school designs;
- regulatory oversight of construction works implemented by UKS under khokimiyats.

96. Once the land use permit is obtained from the regional hokimiyat, the investment project will be designed. For instance, for the construction of a building, the architectural design is carried out by the line department of the State Architectural and Construction Supervision (GASN) under the MCHCS, and GASN organizes a public consultation meeting and discloses the design at Mahalla. While the PforR does not support the development of urban settlement, GASN has some experience in public consultations and disclosure, although the quality of engagement, in particular, inclusiveness of vulnerable groups, needs further assessments. There is no in-house environment specialist at GASN.

97. The primary or regional UKS manages the "Shaffof Qurilish", which is a national procurement portal that means "transparency in construction". It is an e-platform participated by government stakeholders in obtaining approvals and permits. Figure 3 describes the on-line approval process through the procurement portal, including responsible agencies:

⁵ In English translations, UKSes are also often referred to as *single customer services*, whereby it is unclear who the single customer is as these days, there are multiple UKS entities. The term likely originates from the time there was only one single government procurement and construction contract management agency.

Figure 3. On-line Procurement Process managed by the Ministry of Construction⁶



98. **Cadastre Agency under MoEF:** The Regional Cadastre Agency will verify if the requested land for the implementation of investment plan is available, i.e., the land is free from encroachers or squatters and is unassigned even if not used. The Land Code established principles for land use in Uzbekistan. Article 12 of Land Code prescribes that the Ministry of Agriculture and Cadastre Agency are responsible for land management. The key functions of the Cadastre Agency include implementation of the policy related to state registration of property rights; maintenance of cadastral data on land and buildings; land supervision to prevent unauthorized land grabbing; maintenance of the state cartographic and geodetic cadastre, as well as unified system of state cadastres; implementation of cadastral supervision, compliance checks and acceptance of buildings/structures and formation of a unified address registry. Cadastre Agency has 8,500 staff nationwide, including 6,800 surveyors in the regions. As the digitization is in progress, there are increasing demands for cadastral services, including nationwide registration. The Agency has limited capacity to meet heavy demands.
99. **The National Committee on Ecology and Climate Change of the Republic of Uzbekistan** is the competent national authority responsible for environmental regulation, environmental permitting, and environmental compliance monitoring in accordance with national legislation.
100. In November 2025, the Committee was reorganized and removed from the structure of the Cabinet of Ministers, with the establishment of an independent National Committee. The stated objectives of the reorganization include strengthening the effectiveness of environmental protection measures, addressing land degradation and desertification, and improving ambient air quality.
101. Within the scope of the proposed Program, environmental screening, permitting, and environmental oversight of civil works are conducted in accordance with applicable national environmental legislation under the mandate of the National Committee on Ecology and Climate Change, including through its territorial bodies, as relevant.
102. **State Ecological Expertise (SEE) Center under the National Committee on Ecology and Climate Change of the Republic of Uzbekistan:** The national EIA procedure is regulated by the Law "On the Environmental Examination" and the Regulations "On the State Environmental Expertise" (SEE). The Resolution specifies the legal requirements for EIA in Uzbekistan. The specially authorized state body is the State Ecological Expertise Center under the committee. SEE makes impact declaration for all projects and also clears master plans. Environment impact declaration is a part of the on-line approval process described in Figure 4 above. The Center for Environmental Review has 12 inspectors for impact declaration. In regions, there are 180 regional environment inspectors. In the Tashkent Region, for instance, the regional SEE conducts about 5,000 reviews per year.

⁶ The flow chart was developed based on the E&S team's meeting with GASN in the Khorezm Region. The actors may differ depending on the activity, risk level, or Region.

103. **State Labor Inspectorate under the Ministry of Employment and Poverty Reduction:** State Labor Inspection has in total 411 labor inspectors, including 72 field inspectors (technical labor inspectors) and 209 district labor law inspectors (one inspector per district). For instance, in the Tashkent Region, there are 16 staff in the Region (5 labor legislation and 11 technical/OHS inspectors) and 22 labor inspectors at the district level. While the overall staffing of the State Labor Inspectorate has increased by 18% in the last two years, the feedback from the Regions indicates more staff are needed for compliance, in particular, dedicated OHS inspectors.
104. At district and regional levels, labor inspectors conduct mandatory biannual scheduled inspections at work sites, investigate incident reports, and respond to complaints received through hotline. The State Labor Inspectorate has an electronic incident reporting mechanism and has received a total of 868 labor incident reports. About 30% of the incident reports were from the construction sector, followed by the transport sector. Majority of incidents are OHS related. Others include wage payment and working conditions, traffic accidents, falls, equipment safety, etc. The labor inspector reviews safety measures (including use of PPEs), safety instructions and training to workers, and worker contracts. Resolution #60 of Cabinet Ministers provides for remedial measures for incidents, such as payment of one year's wage and medical/prosthetic support for disability, payment of six years' wage for fatality. There is also provision for workers under 18 years old. The labor inspector reviews the compliance of these measures by the employer, including labor conditions (such as rest).
105. **The Ministry of Employment and Poverty Reduction** has an in-house training center. They provide OHS training and certification (virtual and in-person) to specialists at contractors and government agencies. The training is based on the National Labor Code, and certification is valid for 2 years. OHS training is also provided by labor inspectors at regional and district/city levels. There are private OHS training providers who can be engaged to deliver such training. However, there currently is no list of certified training providers licensed by the Ministry.
106. **GRM/People's Reception at MEF and regional hokimiyats.** As per the Law ZRU-445, all government offices at national, regional, and district/city levels are to establish People's Reception. MEF has an internal procedure to guide the implementation of People's Reception at national and regional levels. The Order sets out admission criteria for complaints (e.g., anonymous complaints are not accepted), submission channels (e.g., in-person, virtual, hotline, official website, and official email), establishment of the Appeals Department, and maintaining records/data. Grievances are registered and sorted, and their status is tracked, according to the timeline established in the guideline.
107. The regional and district/city hokimiyats also have People's Reception/GRM. In the Republic of Karakarpakistan, for instance, the Deputy Minister's Office has a division to receive and respond to complaints/queries, but submissions are few. Further assessment is required on the functionality of People's Reception at participating regional and district/city hokimiyats and technical departments.

4.3 MEF's Implementation Experience

108. **The Ministry of Economy and Finance (MEF)** has built relevant implementation experience through its central role in managing and coordinating major public programs and externally financed operations, including the Rural Infrastructure Development Project (RIDP1) and the follow-on Rural Infrastructure Development Program – Phase 2 (RIDP2). MEF's comparative advantage is that it sits at the core of Uzbekistan's public investment and public finance architecture, which allows it to translate development program objectives into budgeted investment pipelines, manage multi-actor delivery chains, and keep implementation aligned with national systems for planning, budgeting, and treasury execution. This positioning is particularly important for operations that require coordination

across levels of government (national–regional–district–mahalla) and across sectors (water, roads, social infrastructure, energy/lighting, etc.), because the implementation success depends not only on construction delivery but also on how investments are selected, financed, tracked, and sustained through government systems.

109. Under RIDP1 (IPF), MEF gained hands-on experience with a large, multi-region rural infrastructure operation that combined community-driven identification of priorities with government-led execution of infrastructure works. This experience strengthened MEF’s capacity to oversee implementation arrangements that require tight coordination between community-level institutions and government delivery entities, while maintaining fiduciary discipline and predictable implementation routines. RIDP1 also provided practical experience in improving implementation efficiency through greater reliance on government e-procurement and standardized processes, helping shorten timelines and improve transparency compared to more manual approaches. In addition, RIDP1 demonstrated that structured community participation can be operationalized at scale, giving MEF an evidence base for how participatory planning and community monitoring can be integrated into an infrastructure program without replacing government responsibility for delivery.
110. Building on that foundation, RIDP2 (PforR with an IPF technical assistance component) reflects an evolution in MEF’s implementation model—from managing a largely project-structured investment operation toward managing a systems-oriented, results-based program. In RIDP2, MEF’s experience is reflected in its ability to manage a hybrid structure where: (i) the main financing relies on country systems and disburses against verified results, and (ii) a complementary IPF component finances targeted technical assistance and implementation support functions that strengthen capacity and reduce delivery risk. This requires a more advanced form of program management than a traditional IPF alone, because MEF must coordinate not only activities and budgets, but also verification processes, performance incentives, and consistent data/reporting flows needed for results-based disbursement.
111. A key element of MEF’s implementation experience relevant to RIDP2 is its ability to operate and coordinate end-to-end public investment implementation chains. In practice, RIDP2 investments are expected to be integrated into formal planning and tracked through national systems, with infrastructure delivered through established public procurement and construction management mechanisms. MEF’s role is to ensure coherence across these moving parts: participatory planning at the mahalla level, district technical review and adoption into district planning, regional implementation through the government’s infrastructure delivery mechanism, and national-level consolidation of reporting, fiduciary oversight, and results verification. Because RIDP2 is designed to be both a financing platform and an institutional reform vehicle (not just an infrastructure project), MEF’s experience managing both investment processes and institutional coordination is a core implementation asset.

4.4 Institutional Capacity and Resources for E&S Management

112. The MEF has relevant **environmental and social (E&S) implementation experience** because the programs it manages such as RIDP (including the shift from RIDP1 as an IPF operation to RIDP2 as a PforR with an IPF technical assistance component) require MEF to oversee E&S risks across a large number of dispersed, small-to-medium infrastructure investments and a wide institutional chain (national–regional–district–mahalla). In practical terms, MEF’s E&S experience is demonstrated through its ability to organize E&S responsibilities within the national coordination structure (via the Program Coordination Team), ensure that E&S requirements are embedded in implementation procedures, and coordinate with delivery entities and local institutions so that E&S actions are implemented consistently rather than handled ad hoc from subproject to subproject.

113. MEF's E&S experience in RIDP-type operations is primarily focused on building and supervising a practical system (rather than direct field execution) to manage predictable construction-related risks such as dust, noise, traffic and community safety, waste management, and worker OHS across many small, geographically dispersed sites. This includes establishing screening and documentation routines, strengthening local capacity to apply them, and ensuring E&S compliance is embedded in implementation decisions and supervision.
114. This experience also covers the typical social risk profile of community-prioritized infrastructure, including temporary or permanent land needs, access restrictions, small asset or livelihood impacts, and managing risks around "voluntary" land donation. In parallel, MEF's approach addresses labor risks (including prevention of child and forced labor) and promotes inclusive community engagement to reduce risks of elite capture and exclusion of women, youth, persons with disabilities, and poorer households, supported by clear procedures and a functioning grievance feedback loop.
115. Under RIDP1, MEF supported the development and use of Environmental and Social Management Plans (ESMPs) and an ESMP checklist to standardize screening and mitigation for typical small-scale works. Building on this foundation, the evolution toward a more systems-oriented, results-based model has further emphasized integrating E&S risk management into government processes and incentives so risk screening (including climate and disaster considerations), monitoring, and corrective actions become routine elements of implementation performance.

5 Comparative Analysis of Borrower E&S System and the World Bank Core Principles

116. In accordance with the World Bank Policy and Directive on Program-for-Results (PforR) Financing, this ESSA includes a comparative analysis of the Borrower’s environmental and social (E&S) systems against the World Bank’s six Core Principles. The analysis assesses: (i) the national legal and regulatory framework applicable to the Program activities; and (ii) the institutional arrangements, capacity, and implementation practices through which the Program’s E&S risks and impacts are identified, avoided, minimized, mitigated, monitored, and addressed.
117. The assessment focuses on RIDP2 activities under both Results Areas: (a) systems and process strengthening for inclusive Mahalla Development Planning, integration into public investment management (including KAPITAL), and asset management/O&M (DLIs 1–3); and (b) demand-driven, climate-screened small- to medium-scale civil works for basic service infrastructure and the piloting of Common Facility Centers (CFCs) in selected mahallas (DLIs 4–7). The Program relies on existing government systems and institutions for environmental permitting and oversight, labor and OHS regulation, land administration and screening, stakeholder engagement, and grievance redress. Key implementing entities include the MEF and its Program Coordination Team, regional and district/city hokimiyats and their infrastructure delivery units (UKS/SCS), and mahalla-level institutions that lead participatory planning and community monitoring.
118. Overall, the analysis finds that the Borrower’s E&S system provides a generally sound framework to manage the Program’s anticipated moderate, localized, and largely predictable risks, provided that implementation is strengthened in areas where practice is uneven. Key gaps relate primarily to
- (i) coordination and clarity of E&S roles across the multi-level implementation chain;
 - (ii) consistency and documentation of screening, supervision, and monitoring at subnational level;
 - (iii) capacity to manage occupational and community health and safety risks (including SEA/SH risk) across many dispersed worksites; and
 - (iv) (iv) systematic tracking and reporting of Program-related grievances.
119. These gaps are reflected in the Program Action Plan (PAP) and in the recommended measures summarized in Table 5, which focus on strengthening procedures, capacity, and accountability while continuing to rely on country systems.

Table 5. Comparative Analysis of the Borrower’s Environmental and Social System and World Bank Core Principles

World Bank Core Principle	Objective of the Core Principle	Borrower E&S System (Legal Framework and Implementing Institutions)	Key Gaps / Risks Identified	Program Measures / Actions (PAP)
Core Principle 1: Environmental and Social Management	Promote environmental and social sustainability; avoid, minimize, or mitigate adverse impacts;	Legal framework: Uzbekistan has an established environmental protection framework and an EIA/SEE system applicable to public infrastructure (including water, roads, and public buildings). Borrower system: RIDP2 relies on existing government	- Fragmentation of E&S responsibilities across institutions and levels; uneven application and documentation of screening, permitting, supervision, and monitoring across	- Clarify and formalize E&S roles and coordination arrangements in the Program Operational Manual (POM) and supervision protocols; - standardize screening and

	support informed decision-making.	systems. MEF (through the Program Coordination Team) coordinates the Program. Regional and district/city hokimiyats, through UKS/SCS, implement civil works and manage procurement and supervision, while environmental screening/permitting and compliance oversight are carried out by the National Committee on Ecology and Climate Change (NCECC) and its territorial bodies through the SEE system. Mahalla institutions (M7/MDU) support participatory planning, disclosure, and community feedback.	<p>many dispersed worksites;</p> <ul style="list-style-type: none"> - limited capacity and tools for consolidated reporting (including incidents and corrective actions); - risk that climate/disaster screening and resilient design standards are applied inconsistently, reducing sustainability; - potential for localized cumulative impacts at district level if oversight is weak. 	<p>mitigation tools (including climate/disaster screening, checklists and ESMP templates) and reporting requirements;</p> <ul style="list-style-type: none"> - strengthen E&S capacity and training for MEF/PCT and UKS/SCS; require routine field supervision and documented corrective actions; - introduce consolidated Program-level monitoring and periodic reporting on E&S performance (including incidents and grievances).
Core Principle 2: Natural Habitats and Physical Cultural Resources	Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources.	<p>Legal framework: National laws protect protected natural areas, biodiversity, and cultural heritage and restrict works in sensitive locations.</p> <p>Borrower system: Environmental screening (including location constraints) is applied through the SEE process and related permits. RIDP2 uses a negative list to exclude higher-risk activities (e.g., works in protected/critical habitats and significant impacts on physical cultural resources). Site screening is expected to avoid sensitive habitats and known heritage sites; however, small-scale excavation for water, drainage, roads, and facilities can still encounter chance finds.</p>	<ul style="list-style-type: none"> - Residual risk of (i) inadequate location screening for works near sensitive habitats, waterways, or erosion-prone areas (especially for water supply, drainage, and road works), and (ii) chance finds of physical cultural resources during excavation. Standardized chance-find procedures and practical guidance for contractors/supervisors may not be applied consistently across regions. 	<ul style="list-style-type: none"> - Maintain and operationalize the Program negative list and location screening requirements; - integrate and apply formal chance-find procedures in works contracts and supervision checklists; - strengthen screening guidance for biodiversity/water-related sensitivities (including erosion control and spoil disposal) and ensure contractors are trained on these requirements.

<p>Core Principle 3: Public and Worker Safety</p>	<p>Protect public and worker safety from risks related to construction activities, hazardous materials, and operational practices.</p>	<p>Legal framework: Labor, OHS, and construction safety legislation exists, supported by construction supervision bodies and the State Labor Inspectorate.</p> <p>Borrower system: Worker and community safety risks are managed primarily through contractor obligations and UKS/SCS supervision under national requirements. Typical RIDP2 works (water supply, roads, drainage, small bridges, public facilities, and CFCs) involve predictable OHS/CHS risks such as traffic and road safety, open trenches, machinery movement, working at height, electrical safety, confined spaces, and handling of fuels/oils and other hazardous substances. Community interactions across many dispersed sites also create SEA/SH risk that requires preventive measures and accessible reporting and referral pathways.</p>	<ul style="list-style-type: none"> - Inconsistent OHS/CHS planning and supervision across many dispersed worksites (including traffic management and safe work zones); - variable contractor capacity and enforcement of labor and OHS requirements; - limited systematic incident/accident reporting and follow-up at Program level; - weak worker grievance channels in practice; - SEA/SH risk not uniformly addressed through contractor codes of conduct, training, and supervision. 	<ul style="list-style-type: none"> - Standardize and enforce OHS/CHS requirements in bidding documents and works contracts (including traffic management, safe excavation/trenching, proper management of wastes, community safety signage, and emergency preparedness); - require worker codes of conduct and SEA/SH prevention measures (training, awareness, confidential reporting and referral); - strengthen worker grievance channels and contractor monitoring; - establish Program-level incident reporting, response, and periodic reporting; - strengthen supervision capacity of UKS/SCS and coordination with the State Labor Inspectorate as needed.
<p>Core Principle 4: Land Acquisition and Loss of Access to Natural Resources</p>	<p>Avoid or minimize displacement; assist affected people in restoring livelihoods and</p>	<p>Legal framework: Land Code and related legislation establish procedures for land allocation, verification, and compensation, including remedies for affected persons.</p> <p>Borrower system: Land</p>	<ul style="list-style-type: none"> - Risk of uneven screening and documentation for small-scale land take and temporary restrictions of access, particularly for linear works; 	<ul style="list-style-type: none"> - Apply standardized land and access screening and documentation (including checks for informal users/encroachers and any livelihood impacts);

	living standards.	administration and verification are carried out by hokimiyats and the Cadastre Agency. RIDP2 excludes involuntary resettlement and significant land acquisition through the Program negative list, but small-scale land needs and temporary access restrictions may still occur (notably for linear works such as roads and pipelines, and footprints for facilities such as water towers/reservoirs and CFCs). Screening is therefore required to avoid physical and economic displacement and to manage temporary impacts, including any voluntary land donation risks.	<ul style="list-style-type: none"> - risk that voluntary land donation may involve pressure or exclude women/secondary users if not carefully documented; - potential presence of informal users/encroachers on public land if verification is incomplete; - limited grievance uptake if affected persons are not informed of options and timelines. 	<ul style="list-style-type: none"> - ensure the negative list and exclusion of involuntary resettlement are operationalized through clear procedures in the POM; - require documented consultations and safeguards for any voluntary land donation (non-coercion, informed consent, inclusion of women/secondary users); - monitor and report land/access-related grievances and corrective actions.
Core Principle 5: Indigenous Peoples and Vulnerable Groups	Ensure culturally appropriate and equitable access to Program benefits; give special attention to vulnerable groups.	<p>Legal framework: National legislation guarantees equal rights and non-discrimination and provides for citizen participation through local self-government institutions; Indigenous Peoples are not recognized under national law.</p> <p>Borrower system: RIDP2's participatory Mahalla Development Planning (MDP) process is designed to broaden participation and improve equity of benefit sharing. Mahalla institutions (M7/MDU) lead consultations and disclosure of MDPs, with specific attention to inclusion of women, youth, persons with disabilities, and poorer households. Integration of mahalla priorities into district/national systems is expected to improve transparency and reduce</p>	<ul style="list-style-type: none"> - Risk of elite capture and uneven inclusion in participatory planning and prioritization (including underrepresentation of women, youth, persons with disabilities, and poorer households); - barriers to participation (time constraints, information gaps, social norms); - risk that benefits from infrastructure and especially CFC-related opportunities are not equitably accessed if governance/selecti 	<ul style="list-style-type: none"> - Strengthen inclusive engagement requirements in MDP guidance (including targeted outreach and formats that enable participation of vulnerable groups); - require disclosure of plans and decisions and clear feedback loops; monitor inclusion indicators (e.g., participation, grievance patterns, beneficiary access to CFC services/opportunities) and address elite capture risks through supervision and

		discretionary decision-making, provided implementation guidance and monitoring are effective.	on arrangements are weak; - limited capacity to monitor inclusion outcomes consistently across regions.	transparency measures; - build capacity of M7/MDU and district facilitators to implement inclusive processes.
Core Principle 6: Social Conflict	Avoid exacerbating social conflict, particularly in fragile or sensitive contexts.	<p>Legal framework: A nationwide grievance framework exists under the Law on Appeals, implemented through People’s Reception Offices at national and subnational levels, alongside judicial remedies.</p> <p>Borrower system: RIDP2 will rely on existing administrative grievance channels (including People’s Reception) and is expected to establish/strengthen Program-level processes for intake, tracking, escalation, and feedback for grievances related to (i) participatory planning and prioritization, (ii) construction impacts and safety, (iii) land/access issues, (iv) labor/working conditions, and (v) SEA/SH (through confidential channels and referral pathways).</p>	- Program-related grievances may not be systematically captured, categorized, and consolidated across mahalla, district, and national levels, limiting timely resolution and learning. Limited public awareness of channels and timelines can reduce uptake. Delays in feedback to communities may increase dissatisfaction, particularly where expectations are high and works are dispersed. Sensitive complaints (SEA/SH) require safe, confidential handling and referral, which may not be consistently available across locations.	- Strengthen Program-level grievance management (standard intake channels, case classification, timelines, escalation, and feedback); - maintain a consolidated grievance database and periodic reporting on volumes, resolution time, and themes; - ensure proactive disclosure of GRM channels at mahalla and worksite levels; establish confidential reporting and referral pathways for SEA/SH and other sensitive complaints; - use grievance analytics to inform supervision and corrective actions.

6 Stakeholder Engagement

129. Stakeholder engagement is an integral part of the preparation of the Environmental and Social Systems Assessment (ESSA) and supports the World Bank’s PforR requirements on transparency, participation, and accountability. The purpose of stakeholder consultation is to (i) inform stakeholders about the proposed Uzbekistan – Rural Infrastructure Development Program – Phase 2 (RIDP2) and its expected environmental and social (E&S) effects; (ii) disclose and discuss the draft ESSA findings, including key risks, mitigation measures, and proposed actions to strengthen borrower systems; and (iii) gather feedback that will be used to refine the ESSA and inform the Program Action Plan (PAP) and implementation arrangements.

130. Initial consultations with stakeholders are planned for the **second week of April 2026**. Consultations will be conducted at national, regional, district/city, and mahalla levels, using formats appropriate to the stakeholder group (e.g., meetings with government agencies and implementing entities, focus group discussions, and community meetings) to support meaningful and inclusive participation of women, youth, persons with disabilities, and other vulnerable groups. The draft ESSA (or a summary in Uzbek) will be shared in advance to enable informed feedback. Consultation outcomes will be documented in this section and Annex 1 (list of participants), and the feedback received will be used to refine the ESSA findings and inform the Program Action Plan (PAP) and implementation arrangements, including grievance redress and information disclosure.

Table 6. Summary of public consultations on draft ESSA (*Will be filled out after consultation*)

Comments (Questions Raised)	Response
Program Details	
Draft ESSA	

120. **Document Dissemination and Public Disclosure:** The Executive summary of the draft ESSA will be translated into the Uzbek language and shared with the stakeholders before the public consultations. The draft ESSA will be disclosed in-country and on the World Bank’s website before appraisal. The final ESSA will be disclosed before the board approval.

7 Recommendations and Actions

121. This section presents the recommended actions to strengthen the Borrower’s environmental and social (E&S) systems for the implementation of the Uzbekistan – Rural Infrastructure Development Program – Phase 2 (RIDP2). The recommendations are proportionate to the Program’s Moderate E&S risk profile and focus on improving the consistency, capacity, and accountability of E&S risk management across the Program’s multi-level implementation chain.

122. The Program Action Plan (PAP) outlines a focused set of actions aimed at strengthening the effectiveness and consistency of E&S risk management for RIDP2. The actions concentrate on: (i) clarifying roles, coordination, and reporting lines across MEF/PCT, hokimiyats and UKS/SCS, and relevant oversight agencies; (ii) standardizing and strengthening screening and supervision tools (including climate/disaster risk screening, ESMP checklists, and monitoring templates); (iii) reinforcing occupational and community health and safety management across dispersed worksites, including SEA/SH risk prevention and response; (iv) strengthening land and access screening and documentation to operationalize the exclusion of involuntary resettlement and manage temporary impacts and voluntary land donation risks; (v) strengthening inclusive stakeholder engagement to reduce risks of exclusion and elite capture; and (vi) establishing a functional Program-level GRM and consolidated reporting to prevent escalation of localized grievances. Detailed actions are provided in Table 7.

Table 7: Program Action Plan

Action Description	Responsibility	Timing	Completion Measurement
Institutional & Procedural Strengthening			
1. Establish Program E&S capacity and coordination: Ensure dedicated environmental and social capacity within MEF/PCT and assign E&S focal points within participating regional/district implementation structures (including UKS/SCS) to support screening, supervision, reporting, and coordination with oversight agencies.	<ul style="list-style-type: none"> • MEF/PCT • Regional/district hokimiyats • UKS/SCS 	Within 6 months of Program effectiveness	<ul style="list-style-type: none"> • Named E&S staff/focal points appointed • written coordination arrangements and reporting lines issued • initial training delivered.
2. Update and operationalize the Program Operational Manual (POM) E&S procedures: Include clear E&S procedures and templates	<ul style="list-style-type: none"> • MEF/PCT (in coordination with NCECC/SEE, Cadastre Agency, State Labor Inspectorate, and UKS/SCS) 	Before the first round of major RA2 works	<ul style="list-style-type: none"> • Updated POM and templates approved and disseminated • evidence of use in sample subproject files.

<p>covering: eligibility/negative list; environmental screening and permits (SEE); climate/disaster risk screening; land and access screening; contractor ESHS requirements; supervision, incident reporting, and corrective actions; and GRM processes.</p>			
<p>3. Strengthen inclusive stakeholder engagement processes: Establish and implement practical guidance for inclusive engagement in the Mahalla Development Planning cycle and during works, including targeted outreach to women, youth, persons with disabilities, and poorer households; disclosure requirements; and community feedback loops.</p>	<ul style="list-style-type: none"> • MEF/PCT • CDFA • M7/MDU • District administrations 	<p>Ongoing (start within 6 months)</p>	<ul style="list-style-type: none"> • Guidance issued • sample MDP documentation demonstrates inclusive consultations and disclosures • periodic reporting on participation and grievances.
<p>4. Establish consolidated Program monitoring and reporting for E&S performance: Implement Program-level tracking and periodic reporting on screening, permits, supervision findings, incidents/accidents, SEA/SH-related measures (without personal data), and grievance trends to support management</p>	<ul style="list-style-type: none"> • MEF/PCT • UKS/SCS • CDFA • IVA (verification of selected indicators) 	<p>Within 9 months of Program effectiveness</p>	<ul style="list-style-type: none"> • E&S reporting format adopted • first consolidated E&S performance report produced and shared with the Bank.

decisions and corrective actions.			
E&S Management During Physical Activities (RA2 Works and CFCs)			
<p>5. Standardize environmental screening, ESMP/mitigation measures, and supervision: Apply standard checklists/ESMP templates for typical small- to medium-scale works (dust/noise, spoil and waste, erosion control, water protection, traffic management, site safety, community communications), and ensure SEE permitting is obtained as required.</p>	<ul style="list-style-type: none"> • UKS/SCS • Contractors • NCECC/SEE (permitting/oversight) • MEF/PCT (oversight) 	Ongoing (prior to and during works)	<ul style="list-style-type: none"> • Auditable subproject files show screening, permits, ESMP measures, and supervision records (including corrective actions).
<p>6. Apply chance-find procedures for physical cultural resources: Integrate and enforce chance-find procedures in works contracts and site supervision checklists for excavation-related activities.</p>	<ul style="list-style-type: none"> • UKS/SCS • Contractors • Relevant cultural heritage authority (as needed) 	Before commencement of excavation works	<ul style="list-style-type: none"> • Chance-find clauses included in contracts • contractor briefings/training documented • supervision checklists include chance-find step.
<p>7. Strengthen OHS/CHS and SEA/SH prevention and response: Require contractor OHS plans and community safety measures (traffic management, safe work zones, signage, emergency preparedness), worker Codes of Conduct, SEA/SH training/awareness,</p>	<ul style="list-style-type: none"> • UKS/SCS • Contractors • State Labor Inspectorate (as applicable) • MEF/PCT (oversight) 	Prior to and during works	<ul style="list-style-type: none"> • Contract templates include OHS/CHS and SEA/SH requirements • site supervision records confirm implementation • incident reporting system operational.

and confidential reporting and referral pathways.			
<p>8. Strengthen land and access screening and documentation (including voluntary land donation safeguards): Apply standardized procedures to confirm land eligibility and manage temporary access restrictions; ensure the exclusion of involuntary resettlement is operationalized; and require documented safeguards if voluntary land donation occurs (non-coercion, informed consent, inclusion of women/secondary users).</p>	<ul style="list-style-type: none"> • Hokimiyats • Cadastre Agency • UKS/SCS • MEF/PCT (oversight) 	Prior to site approval and procurement	<ul style="list-style-type: none"> • Auditable land/access screening files maintained for sampled subprojects • corrective actions documented where issues arise.
<p>9. Establish/strengthen Program GRM and community communication during works: Provide multiple intake channels at mahalla and worksite levels; ensure timely resolution and feedback; maintain a consolidated database; and provide confidential channels and referrals for SEA/SH.</p>	<ul style="list-style-type: none"> • MEF/PCT • Hokimiyats • M7/MDU • Contractors (worker GRM) 	Within 6 months; ongoing thereafter	<ul style="list-style-type: none"> • GRM procedures and database operational • disclosure materials used • periodic reporting on cases, resolution time, and themes.
<p>10. Apply E&S screening and operational controls for CFCs: Ensure CFC business plans include</p>	<ul style="list-style-type: none"> • MEF/PCT • UKS/SCS • CFC operators/management entities 	Before CFC construction/operation milestones	<ul style="list-style-type: none"> • CFC business plans include E&S sections and operational controls

<p>basic E&S screening (wastewater/solid waste, emissions/noise, worker safety), site suitability and land verification, and operational arrangements (including OHS and grievance handling) proportionate to the facility type.</p>	<ul style="list-style-type: none"> • NCECC/SEE (as applicable) 		<ul style="list-style-type: none"> • evidence of screening and any required permits • operational OHS/GRM arrangements in place.
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123. **Implementation Support Plan:** The World Bank will provide consistent support to the borrower, including regular missions to monitor the PAP's progress, offer technical advice, and assist in capacity-building efforts throughout the program's lifecycle.

8 Annexes

Annex 1. List of Stakeholders Met, Photos and Presentations

Annex 2: Relevant E&S legal and regulatory framework in Uzbekistan

Management of E&S risks and Impacts (Core Principle 1) & Natural Habitats and Physical Cultural Resources (Core Principle 2)

a. Legal, regulatory and policy framework

Since the country's independence, the Republic of Uzbekistan has developed, revised and improved national environmental legislation, adopted new laws and regulations, developed programmes and action plans to address environmental issues and promoted sustainable use of natural resources. The country has adopted several subsidiary laws and legislation on environmental management and is a party to series of international and regional environmental agreements and conventions. The nature protection policy and the implementation of measures in the field of rational use of natural resources and environmental protection are based on the following basic principles:

- Integration of economic and environmental policies aimed at preserving and restoring the environment as a prerequisite for improving the living standards of the population;
- Transition from the protection of individual natural elements to the general and comprehensive protection of ecosystems;
- Responsibility of all members of society for environmental protection and biodiversity conservation.

b. Uzbekistan National Environmental Legislation and Procedures

Legal Framework in the field of Nature Protection and Management established in Republic of Uzbekistan, provides to the citizens the rights and duties specified in the country's Constitution.

Specific articles that address environment protection issues within the Constitution are:

- Article 50. All citizens shall protect the environment.
- Article 51. All citizens shall be obliged to pay taxes and local fees established by law
- Article 54. Any property shall not inflict harm to the environment
- Article 55. Land, subsoil, flora, fauna, and other natural resources are protected by the state and considered as resources of national wealth subject to sustainable use.

Uzbekistan has enacted several supporting laws and statutes for environmental management and is party to several international and regional environmental agreements and conventions. The key national environmental law is the Law on Nature Protection (1992). A brief description of this law and the other supporting laws related to environmental protection is presented below.

The Law "On Nature Protection" of December 9, 1992 (as amended on 18.04.2018) establishes the legal, economic and organizational framework for environmental protection, ensures sustainable development and certain principles, including the State Environmental Expertise (SEE). Article 12 of the Law "On Nature Protection" states: Residents of the Republic of Uzbekistan are obliged to use natural resources rationally, treat natural resources with care, and comply with environmental requirements. As stated in the law, in order to protect the climate from global changes, a business entity must comply with the restrictions on greenhouse gas emissions, as well as take measures to mitigate these emissions.

The Law "On Protection of the Atmospheric Air" of December 27, 1996 (as amended on September 14, 2017) defines the issues of preservation of the natural state of the atmospheric air; legal regulation of the activity of state bodies, enterprises, institutions, organizations, public associations and citizens in the field of protection of the atmospheric air.

The Law "On Water and Water Use" of 6 May 1993 (as amended on 23 July 2018) provides for the rational use of water resources, protection of water resources, prevention and mitigation of negative impacts and compliance with national legislation; the Law provides for the responsibility of all natural and legal persons for the prevention of pollution of watersheds, reservoirs, snow and ice cover, glaciers, permanent snow

cover with industrial, domestic and other wastes and emissions that may lead to the deterioration of ecological balance of the environment. State management of water protection and use is carried out through accounting, monitoring, licensing, control and supervision;

Land Code of the Republic of Uzbekistan (1998) - The main objectives of land legislation are to regulate land relations with a view to ensuring, in the interests of present and future generations, scientifically sound, rational use and protection of land, reproduction and improvement of soil fertility, conservation and improvement of the natural environment, creating conditions for the equitable development of all forms of economic activity, protection of the land rights of legal and natural persons, and strengthening legality in this area, including by preventing corruption offenses.

The Law "On Environmental Expertise" (2001) (as amended on 14.09.2018) provides for mandatory expertise on environmental and human health impacts, and serves as the legal basis for expertise;

The Law "On Waste" (2002, as amended on 10.10.2018) - deals with waste management, excluding emissions and air and water pollution, and gives the State Committee for Ecology and Environmental Protection the power to inspect, coordinate, environmental expertise and set certain parameters for waste treatment. Enterprises are responsible for their waste but, in the case of recycling, the state may provide assistance from its budget, the National Environmental Protection Fund or voluntary payments. The main purpose of this law is to prevent the negative impact of solid waste on human life and health and on the environment, to reduce the amount of waste and to encourage the use of rational household waste reduction methods.

The Law "On Protected Natural Areas" (2004) - The purpose of this Law is to regulate relations in the field of organization, protection and use of protected natural areas. The main objectives of this Law are preservation of typical, unique, valuable natural objects and complexes, plant and animal genetic fund, prevention of negative impact of human activities on nature, study of natural processes, monitoring of natural environment, improvement of environmental education and upbringing.

The Law "On Environmental Control" (2013) - The purpose of this Law is to regulate relations in the field of environmental control. The main objectives of environmental control are: (i) to prevent, detect and suppress violations of legal requirements in the field of environmental protection and rational use of natural resources; (ii) to monitor the state of the environment, identify situations that may lead to environmental pollution, irrational use of natural resources, endanger the life and health of citizens; (iii) to determine whether planned or ongoing economic and other activities comply with environmental requirements; (iv) to ensure the observance of the rights and legitimate interests of legal and natural persons and the fulfilment of their obligations in the field of environmental protection and the rational use of natural resources.

The Law "On the Protection and Use of Vegetation" of December 26, 1997 (as amended on September 21, 2016) regulates relations in the field of protection and use of vegetation (plants) growing in natural conditions, as well as wild plants grown for their restoration and genetic conservation.

The Law "On the Protection and Use of Wildlife" (1997) regulates relations in the field of protection, use, restoration and reproduction of wildlife in order to ensure the conditions for its existence, the conservation of species diversity, the integrity of natural communities and habitats.

Law "On Protection and Usage Objects of Archeological Heritage" (2009) regulates relations in the field of protection and usage of objective of archeological heritages, defines ownership rights of such objectives, responsible entities and provides a procedure of archeological investigation of the objectives of archeological heritage.

c. [Legislation related to nature protection](#)

Most important nature protection normative documents issued by government include:

- "Procedure for the development and execution of draft standards for maximum permissible

discharges of pollutants discharged into water bodies, including sewage" (RD 118.0027719.5-91);

- "Procedure for granting permission for special water use" (RD 118.0027714.6-92);
- "Instruction for determining of damage caused to the national economy by underground water contamination" (RD 118.0027714.47-95);
- State Standard - Water quality. O'z DST 951:2011 – Sources of centralized household water supply. Hygienic, technical requirements and classification code;
- State Standard - Drinking water. O'z DST 950:2011 – Drinking water. Hygienic requirements and quality control;
- "Temporary recommendations on control over groundwater protection in the Republic of Uzbekistan". State Committee on Nature Protection and Uzbekhydrogeology of the Republic of Uzbekistan, Tashkent, 1991
- Resolution of the Cabinet of Ministers "On Approval of the Regulation on State Environmental Control" (№ 49, 3.04.2002);
- Decree of the Cabinet of Ministers "On the Action Program for the Protection of Environment in the Republic of Uzbekistan for 2013-2017" (No 142, 27.05.2013);
- State standard O'z DSt 1057:2004 "Vehicles. Safety requirements for technical conditions" and O'z DSt 1058:2004 "Vehicles. Technical inspection. Method of control";
- SanPiN RUz № 0179-04 Hygiene standards. List of Maximum Permissible Concentrations (MPCs) of Pollutants in the Air of Residential Areas in the Republic of Uzbekistan, including Annex 1;
- SanR&N RUz No. 0267-09 Admissible noise level into the living area, both inside and outside the buildings;
- SanR&N RUz №0120-01 Sanitarian Norms of allowed level of noise at the construction sites;
- SanR&N RUz No 0088-99 Sanitarian requirements for development and approval of maximum allowed discharges (MAD) of pollutants discharged into the water bodies with waste waters;
- SanR&N RUz No. 0158-04 Sanitarian Rules and Norms on collection, transportation and disposal of wastes contained asbestos in Uzbekistan;
- SanPiN № 0120-01 "Sanitary standards of permissible noise levels at workplaces";
- SanPiN RUz № 0088-99 Sanitary requirements for the development and approval of projects of Maximum Permissible Discharges (MPD) of substances entering water bodies with waste water;
- SanPiN RUz № 0321-15 Hygienic classification of toxicity and hazard;
- KMK (Construction norms and rules) 2.04.02-97 "Water Supply. External network and facilities";
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan on Approval of the collection and disposal of used mercury-containing lamps. No. 266 of 21.09.2011;
- SanR&N # 233-07 On occupational health and environment protection during production and usage of asbestos contained materials
- Regulation on the procedure of burial of toxic chemicals and other toxic substances, as well as protection and maintenance of special grounds" (registered with the Ministry of Justice under №2438 of 20.03.2013);
- Rules for the reception of industrial wastewater and the procedure for the calculation of compensation payments for supernormal discharges of pollutants into the municipal sewerage networks of cities and other localities of the Republic of Uzbekistan (Annex 1 to RCM № 11 of

- 2010);
- GOST-23941-79 "Noise. Measurement methods";
 - Methodical guidelines for measuring and hygienic assessment of noise at workplaces" № 1844-78;
 - SanPiN № 0046-95 "Maximum permissible concentrations (MPC) of harmful substances in the air of the working zone";
 - Instruction on determining the damage caused to the national economy by groundwater pollution". (PP 118.0027719.5-91) (PARAS. 118.0027714.47-95);
 - Sanitary Regulations № 0289-10. Sanitary rules and hygienic requirements in the organization of construction and construction;
 - Sanitary rules and standards for the maintenance and improvement of residential areas in the conditions of the Republic of Uzbekistan (Sanitary Rules and Regulations No. 0329-16)
 - Temporary Recommendations on Groundwater Protection Control in the Republic of Uzbekistan". State Committee on Natural Resources and Uzbek Hydrogeology of the Republic of Uzbekistan, Tashkent, 1991.
 - State standard O'z DSt 1057:2004 "Vehicles. Safety requirements for technical conditions" and O'z DSt 1058:2004 "Vehicles. Technical inspection. Methods of control";
 - SanPiN RUz № 0122-01 Sanitary Regulations on whole-body and local vibration in the workplace;
 - The Order of the Ministry of Health of the Republic of Uzbekistan №300 dated 06.06.2000 "On carrying out the mandatory pre-employment and periodic medical examinations of workers exposed to harmful and adverse working conditions".

d. National Requirements for Environmental Assessment

The national ESA procedure is regulated by the Law "on Environmental Expertise "(2000), updated on 14.09.2017, and Cabinet of Ministers Resolution № 541 of 07.09.2020: "On Approval of the Regulation on State Environmental Expertise". In accordance with Article 3 of the aforementioned law, an environmental impact assessment shall be carried out to identify::

- Compliance of the planned economic and other activities with environmental requirements at the stages preceding the decision to implement them;
- The level of environmental hazard from planned or existing economic and other activities which may have or have had a negative impact on the environment and public health;
- Adequacy and validity of the measures envisaged for environmental protection and rational use of natural resources.

The special authorized state body in the field of state environmental expertise is the State Committee on Ecology and Environmental Protection (Goskomekologiya / or SCEEP). The organizational structure of the State Committee on Ecology and Environmental Protection of the Republic of Uzbekistan is discussed in detail in 3.2 Section.

The main organization responsible for the state environmental expertise is the Glavgosexpertiza SCEEP (Main state expertise) (Figure 20).

SUE "Center of State Environmental Expertise" carries out state eco-expertise of EIA of the objects of economic activity belonging to I and II categories of environmental impact (high and medium risk).

The State Unitary Enterprise "Center of State Environmental Expertise" of the Republic of Karakalpakstan and regions carry out environmental impact assessment of economic activity objects belonging to III and IV categories of environmental impact (low risk and local impact).

The Regulation on the Main state expertise describes in detail the procedure for organizing and conducting the SEE (Annex 2).

Environmental impact assessment is a procedure that includes three stages of the EIA:

Step 1: The Draft Environmental Impact Statement (DEIS / PZVOS) should be conducted at the planning stage of the proposed project prior to the allocation of development funds and contain the following sections:

- environmental conditions prior to the beginning of the planned activity, population of the territory, land development, analysis of environmental characteristics;
- a situational plan indicating the existing recreational zones, settlements, irrigation, reclamation facilities, farmlands, power lines, transportation, water supply, gas pipelines and other information about the area;
- proposed (planned) main and auxiliary facilities, used machinery, technology, natural resources, materials, raw materials, fuel, analysis of their environmental impacts, environmental hazards of the products;
- expected emissions, discharges, wastes, their negative impact on the environment and methods of neutralization;
- warehousing, storage and utilization of wastes;
- the analysis of alternatives to planned or ongoing activities and technological solutions from the perspective of nature protection, taking into account the achievements of science, technology and best practices;
- organizational, technical, technological solutions and measures that exclude negative environmental consequences and reduce the environmental impact of the facility;
- analysis of emergency situations (with an assessment of their probability and a scenario to prevent their negative consequences);
- forecast of changes in the environment and environmental consequences as a result of the implementation of the object under the expertise.

Step 2: Preparing the Environmental Impact Statement (EIS / ZVOS) - the need for such step is decided at Stage 1 and Glavgosexpertiza shall indicate that additional researches or analyses are needed. The EIS shall be submitted to the Glavgosexpertiza prior to approval of the Project Feasibility Study, prior construction activities. The application shall contain the following:

- assessment of ecological problems of the selected site based on the results of engineering and geological surveys, model and other necessary studies;
- ecological analysis of the technology in relation to the identified problems of the site;
- results of public hearings (if necessary);
- reasoned studies of environment protection measures that prevent negative consequences of implementation of the object of expertise.

Step 3: Preparing the Statement of Environmental Effects (SEE / ZEP) is the final step in the SEE process and should be made prior to project implementation. Such documents are necessary only for projects with significant environmental and social impacts. Main sections of the SEE are the following:

- adjustment of design decisions and other measures taken following the review of the draft SCEEP conclusion on the environmental impact, as well as proposals made during the public hearings;
- environmental standards regulating the activities of the object of expertise;
- requirements to the organization of works and implementation of measures for
- environmental support of the facility operation;
- main conclusions on the possibility of conducting business activities.

Project Categories. According to the Resolution of the Cabinet of Ministers of Uzbekistan № 541 of 07.09.2020: "On Approval of the Regulation on State Environmental Expertise". All environmental protection activities are divided into 4 categories with varying degrees of impact:

- Category I – “high risk” of environmental impact (SEE is conducted by SUE "Center of

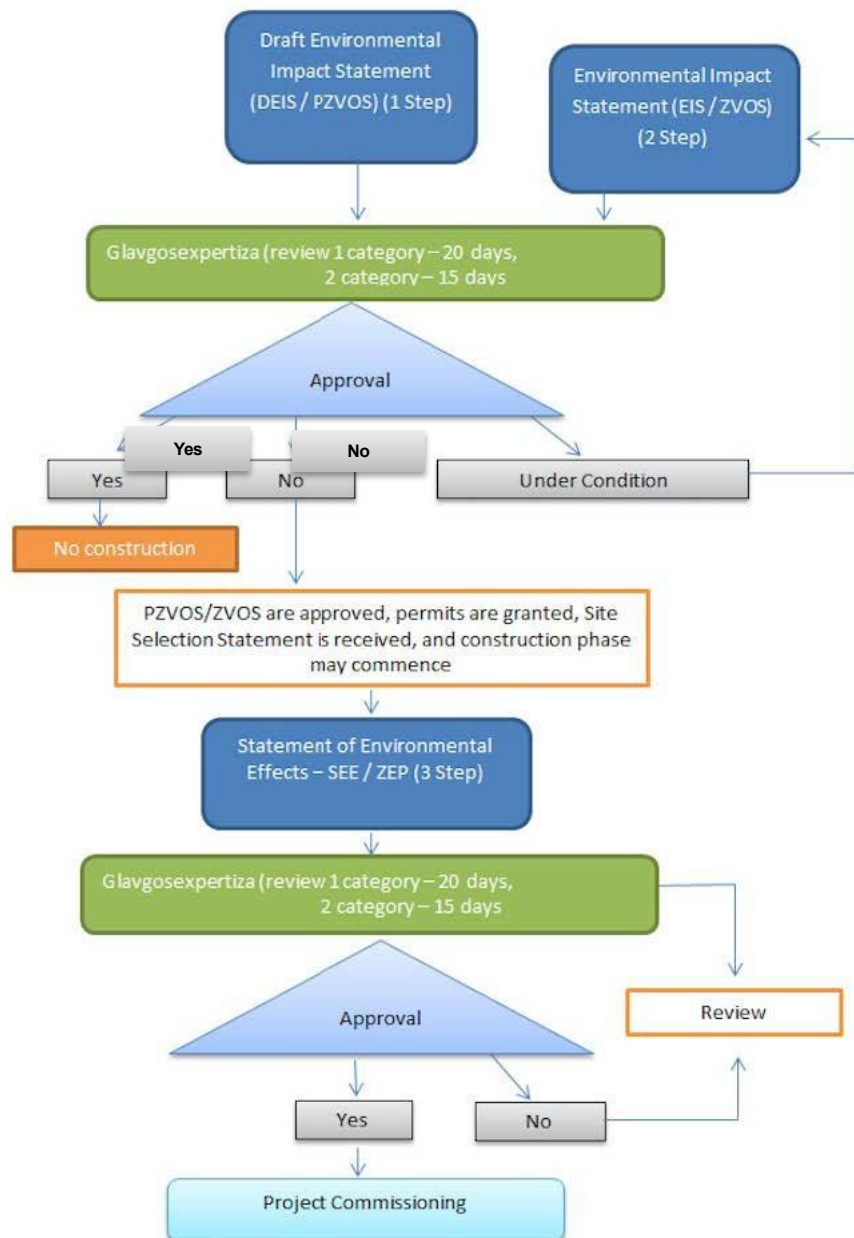
- State Environmental Expertise" within 20 days, all stages of EIA are required);
- Category II - "average risk of environmental impact" (SEE is conducted by the Center of State Environmental Expertise within 15 days, all stages of the EIA are required);
 - Category III - "low risk of impact" (SEE is conducted by regional branches of SUE "Centre of State Environmental Expertise" within 10 days, all stages of EIA are required);
 - Category IV - "minor impact, local" (SEE is conducted by the regional branches within 5 days, only the first stage is required, Draft EIS).

All other projects that do not fall into the various categories are treated as projects with no environmental impact and do not require a state environmental expertise.

According to point 24 "SEE regulations", the positive conclusion of SEE is a mandatory document for the opening of financing by banking and other credit institutions and the execution of legal entities and individuals of the implementation of the object of state environmental impact assessment. The SEE conclusion is valid for three years from the date of its issue. SEE conclusion is sent to the relevant district (city) inspectorates for ecological and environmental control. The EIA procedure for this project is described in more detail in Section 6 of this document.

Public participation in EA process. The Constitution of the Republic of Uzbekistan (arts. 50.55) lays the foundation for the participation of citizens and public associations in environmental management. Law of the Republic of Uzbekistan of 09.12.1992. (updated on 18.04.2018) "On nature protection" in Articles 12-13 regulates the right of citizens to unite in public organizations for nature protection, to request and receive information about the state of the environment and measures taken for its protection, as well as the authority of NGOs established. Legislation in the field of ecology and environmental protection provides for public participation as a) an individual citizen or a group of citizens; b) through citizens' self-governance bodies and c) through non-governmental non-profit organizations.

Figure: EIA procedure in Uzbekistan



Direct participation of non-commercial environmental protection organizations is envisaged in the course of EE of documentation for construction of new and reconstruction of existing facilities for management purposes. In particular, Article 27 of the Law of the Republic of Uzbekistan "On Nature Protection", as well as Article 23 of the Law of the Republic of Uzbekistan of 2018. " The SEE law enables NGOs and citizens to carry out public EE in any area of activity that needs to be justified by independent groups of specialists at the initiative of the NGOs themselves and at their own expense or on a voluntary basis. The public expertise may be carried out independently of the state ecological expertise. It is prohibited to hinder the implementation of public EE. It is established that the conclusion of the public EE is of a recommendatory nature.

In addition, during the SEE of the organization-customers of its implementation are obliged to publish an announcement of the environmental impact assessment and information on its results in the media, in

cases where the authorized bodies include the object of construction in the list of important objects.

The Republic of Uzbekistan is party to a series of **international environmental treaties and Regional Agreements** which also contain a series of requirements to be considered while conducting the subprojects ESA. The country is party to the three Rio Conventions: Convention on Climate Change, Convention on Biological Diversity, and Convention to Combat Desertification. Additionally, the country has signed and ratified the following treaties: Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (22.12.1995); Convention on Protection of the World Cultural and Natural Heritage (22.12.1995); Convention on International Trade in Endangered Species of Wild Fauna and Flora (01.07.1997); Bonn Convention on Conservation of Migrating Species of Wild Animals (01.05.1998).

Cultural heritage. The Constitution of the Republic of Uzbekistan states that “Concern for the preservation of historical monuments and other cultural values - the chore and duty of citizens of Uzbekistan” (article 49).

The Main Scientific-Production Department (MSPD) on protection of cultural heritages under Ministry of Culture is a specially designated entity responsible for protection of cultural heritages. Scientific-production workshops and number of private companies conduct rehabilitation works. All rehabilitation works need to be implemented in fully compliance with design developed by specialized companies (JC “Tamirshunos”, LLC “Madaniy Meros” and etc.)

The Law of RUz “On protection and use of objects of cultural heritage” (2001) states (para 20) that under “saving of cultural heritages is considered their conservation, repairing, rehabilitation, adopting for current usage and conduction related scientific-production research, design and production works”. An official permission from the Ministry of Culture of the RUz needs to be received prior starting of rehabilitation works. Article 33 was amended to adopt a special procedure for urban planning activities in historical settlements to protect cultural heritage. In these areas, urban planning should be based on a historical-cultural base plan (ZUR-683, April 2021).

Currently there are no special requirements for construction/rehabilitation companies defining eligibility of company for conduction of such types of works. However, during consultations with the representatives of the Ministry of Culture it was defined that new government regulation on conduction of rehabilitation works on cultural heritages are being developed. The new regulation includes requirements and criteria for companies which will be eligible for conduction these works. Among such requirements will be: (i) at least 3-year experience in conduction construction/rehabilitation works, (ii) company engineers must have at least diploma from lyceum/college with specialization in construction or relevant field and etc. It is expected that the new regulations will be adopted in 2019. Therefore, during implementation of the project’s works related to rehabilitation of existing and registered cultural heritage the new resolution needs to be followed.

In case when construction/rehabilitation works start before adopting new regulation, it will be expediently to include in requirements for sub-contractor’s tender documents the conditions mentioned above (for related experience and specific background).

For objects which could be considered as cultural heritage but which have not been registered yet, a full procedure on registration needs to be implemented in accordance with the Resolution of the Cabinet of Ministries of the RUz (RCM) # 269 dated from June 29, 2002 “About measures on further development protection and usage the historical heritages”. According to this document, during implementation of cities development, protection (buffer) zone of each heritage needs to be strictly followed. The resolution lists type of activities which could be conducted in each zone. Also, the document provides definition of categories of heritages. Based on the category of heritage, types and scope of allowed construction/rehabilitation activities need to be defined.

Protection of public and worker safety (Core Principle 3)

e. Legislation of the Republic of Uzbekistan in the field of labor, health and safety

Labor legislation

The Constitution of the Republic of Uzbekistan (adopted on December 8, 1992) includes a chapter on Economic and Social rights of the citizens. According to it everyone is entitled to:

- “Have the right to work, free choice of work, fair conditions of labor and protection against unemployment in the procedure specified by law. Any forced labor shall be prohibited except for punishment under the sentence of a court or some other instances stipulated by law” (Chapter IX, Article 37);
- The right to rest is included in the Article 38: “Citizens, working on hire, shall be entitled to a paid rest. The number of working hours and paid labor leave shall be specified by law;
- Social security in old age in the event of disease, disability, loss of breadwinner and in other cases stipulated under the law (Article 39);
- Have the right to skilled medical care (Article 40); and
- Equal rights of men and women is guaranteed by the law (Article 46).
- “Have the right, both individually and collectively, to submit applications and proposals, and to lodge complaints with competent state bodies, institutions or public representatives. Applications, proposals and complaints shall be considered in the procedure and within the time-limit specified by law” (Chapter VIII, Article 35).

The Labor Code of the Republic of Uzbekistan introduced on April 1, 1996 incorporates the interests of the employees, employers and the state and fair and safe labor conditions and the protection of the labor rights and health of the workers. This Code governs employment relationships and other relations, directly related, directed to protection of the rights and freedoms of the parties of employment relationships, establishment of the minimum guarantees of the rights and freedoms in the sphere of work. Article 6 of the Labor Code prohibits discrimination and guarantees that all citizens have equal rights to work; discrimination in labor relations is prohibited. Any differences, non-admission or preference, denial of employment, regardless of nationality, race, gender, language, religion, political beliefs, social status, education, property, leading to a violation of equality of opportunities in the field of labor, are prohibited. A person who considers that he/she has been subjected to discrimination at work may apply to the court for the elimination of discrimination and compensation for material and moral damage caused to him.

According to Labor Code, labor-management relations should be formalized in a fixed-term or temporary employment contract. The maximum length of a single fixed-term contract is 5 years (with the exception of few specific positions).

The Ministry of Employment and Labor Relations of the Republic of Uzbekistan is the main state institution responsible for labor, employment, and social protection policy making. The ministry is tasked with the development and regulation of labor market and ensuring employment of population, regulation of labor relations and labor protection, provision of social services for population and medical-social rehabilitation of persons with disabilities.

The supervision and monitoring of compliance with Labor Code requirements and protection of labor rights of citizens is implemented by the State Labor Inspection under the Ministry of Employment and Labor Relations, and its territorial subordinate structures according to the Statement on the State Labor Inspection, Appendix 3, Resolution of the Cabinet of Ministers №1066 of 31.12.2018 “On measures to improve the performance of the Ministry of Employment and Labor Relations of Uzbekistan”.

Forced labor and child labor. Article 7 of the Labor Code states that Forced labor, i.e., forced to perform work under the threat of any punishment (including as a means of labor discipline) is prohibited. The right to work is permitted for persons aged 16 and older. However, for internship, it is allowed to hire students from secondary schools, secondary special, professional educational institutions to perform light work that does not harm their health and moral development, and does not interfere with the learning process, in

their free time, when they reach the age of 15 with written consent of one of the parents or their legal guardians (Article 77). No one under the age of 15 is allowed to work under the Labor Code.

Young people aged between 15 and 18 years old have the right to work based on the local legislation, and have the same rights as adult workers with some benefits due to their age (Labor Code, Article 240). People under age of 18 can be employed only after medical examination and further until reaching the age of eighteen are subject to mandatory annual medical examination. People under age of 18 can be employed only for works which have no risk to their health, safety and moral, they are not allowed to lift and move heavy objects (Labor Code Article 241).

Employees aged 15-16 are allowed to work no more than 24 hours a week, and employees aged 16-18 are allowed to work no more than 36 hours a week. Students can be employed only when they are free of study, and their working time may not exceed half of the maximum working time set for the respective age groups, i.e. students aged 15-16 can work only 12 hours a week and students aged 16-18 allowed to work no more than 17.5 hours a week (Article 242).

Articles 49 and 51 of Administrative Code of Uzbekistan impose fines for violation of above- mentioned regulations on forced and child labor. The amended law on 23.08.2019 significantly increases fines for using administrative measures to attract employees to forced labor, which has been practiced previously in the country involving public workers, mostly teachers, health workers and students. The new law imposes fines ranging from 10 to 30 times the minimum wage for using such practices. If the same offence is committed repeatedly, responsible persons will face fines from 30 to 100 times the minimum wage, according to the ministry.

Wages and deductions. Contracts and collective agreements establish the form and amount of compensation for work performed. It is forbidden to pay in kind, except in cases established by the Government of the Republic of Uzbekistan (Labor Code Article 153). The Government establishes a minimum wage (Article 155). From September 2019, minimum wage payment was introduced, hence being the lowest national wage for a full-time position, cannot be less than 634,880 UZS (or \$67,40 per month). In areas with adverse climatic and living conditions, district coefficients and allowances for wages are established. There is no established minimum wage for seasonal and daily workers (minimum payment for hour of work).

Employers are obligated to pay workers at least once per half-month (Article 161). Compensations for the payment delays can be included in the collective agreement. Employers also must pay for work- related damage to health or property and families are compensated in case of death. Deductions are allowed mainly for taxes and other obligatory payments set by the Government of Uzbekistan, as well as for specific reasons, but may not exceed 50 percent of the amount owed to the employee, and payment after deductions may not be less than the minimum rate determined by the government (Article 164).

Women. Night time work, overtime work, work on weekends and business trips for pregnant women and women with children under the age of 14 (with disabled children up to 16 years old), are allowed only on voluntary basis.. Herewith, recruitment of pregnant women and women with children under 3 years of age for night works is allowed only if there is a medical certificate confirming that such work does not threaten the health of the mother and child (Article 228).

Pursuant to the Presidential Decree № PP - 4235 of March 7, 2019 , men have received the same package of rights related to the childcare since 1 May 2019, only one of the parents (male or female) can decide to take maternity leave. Additionally, the President ordered to revoke the prohibitions on the use of female workers. As a corollary, the list of the professions that excluded the females' presence has been given recommendatory status only (amendment to Article 225).

Working hours. The standard work week is 40 hours, with less allowed for those under 18 and for women who have children up to 3 years old. The number of hours per day, and days per week, is established in the contract/agreement between the employer and employee. Employers must provide time off each workday for "rest and food", and also paid time off in case time is needed to cool off, to warm up, or to breastfeed

children. Details of time off are established in contracts/agreements.

Leave. In addition to national holidays, employees have to receive at least 15 working days of paid leave per year, with workers under 18 years of age receiving at least 30 calendar days and disabled employees receiving 30 calendar days (Article 134-135). In addition, those who work in unhealthy and unfavorable working conditions receive an additional seven days and those who work in unfavorable climate conditions receive an additional eight days. The list of jobs, professions and positions at enterprises that give the right to additional leave, the duration of vacations, the procedure and conditions for their provision are determined by sectoral agreements, a collective agreement (and if it is not concluded by the employer in agreement with the trade union committee or other representative body of workers) on the basis of methodology for assessing working conditions, approved by the Ministry of Employment and Labor Relations of the Republic of Uzbekistan and the Ministry of Health of the Republic of Uzbekistan. Leave without pay may also be taken by certain groups of people and may also be covered in contracts. At termination of employment, employees are paid for unused leave, or they may use the leave as their last days of employment.

Women are provided maternity leave for up to 70 calendar days, and then are provided 56 days leave after giving birth, in case of complications or giving birth to 2 or more children up to 70 days, with benefits paid from the state social insurance (Article 233). Maternity leave is calculated in total and is paid in a lump sum, regardless of the actual number of days off before giving birth. After giving birth, a mother may take additional leave until the child is six months old, again paid by social insurance. She may take unpaid leave until the child is three years of age. Her position is guaranteed upon her return from all these types of leave.

Overtime work. Overtime compensation as specified in employment contracts or agreed to with an employee's trade union, which can be implemented in the form of additional pay or leave. The law states that overtime compensation should not be less than 200 percent of the employee's average monthly salary rate (broken down by hours worked). Additional leave time should not be less than the length of actual overtime work (Article 157).

Layoffs and staff reductions. The Labor Code and subordinate labor legislation differentiate between layoffs and firing. Employees can terminate their employment by filing two-week prior written notice, or apply for leave without pay. Layoff or temporary leaves without pay can be initiated by an employer due to worsening of the economic situation as below. For firing (severance), the employer should personally give two months' advance notice in the case of corporate liquidation or optimization, two weeks' advance notice in the case of an employee's incompetence, and three days' advance notice in the case of an employee's malpractice or unacceptable violations. In case of severance caused by corporate liquidation or optimization, an employee should receive compensation, which should not be less than two average monthly salaries paid during their employment plus payment for unused leave (if another form of compensation was not agreed to in the employment contract).

Labor disputes. The general court system, where civil and criminal cases are tried, is responsible for resolving labor-related disputes. This can be done on a regional or city level. Formally, workers can file their complaints through the Prosecutor General's Office. The Ministry of Employment and Labor Relations should provide legal support to employees in their labor disputes.

Disputes may be adjudicated by commissions that are created "on a par with employer and agencies representing the interests of employees..." (that is, with equal representation of employee/employees and employer), if such commissions are provided for in labor agreements/contracts (Article 262). Commissions must consider issues within 10 days. If the employer, employee, or their representatives disagree with decisions by a commission, or if the commission does not consider applications within 10 days, any of the parties may appeal to the courts, but that must be within 10 days of the decision (or no decision).

Enforcement of Labor Code is implemented by the State Labor Inspection under the Ministry of

Employment and Labor Relations, and its territorial subordinate structures according to the Statement on the State Labor Inspection, Appendix №3, Resolution of the Cabinet of Ministers №1066 of 31.12.2018 “On measures to improve the performance of the Ministry of Employment and Labor Relations of Uzbekistan.

Occupational Health and Safety

Occupational Health and Safety (OHS) legislation comprises the Labor Code, the Law on Occupational Health and Safety, the decrees of the President of the Republic of Uzbekistan, Occupational Health and Safety standards, decisions of executive government agencies taken within their competence in the form of decrees, executive orders, regulations, directives, rules, etc.

More than 30 articles of the Labor Code are directly linked with issues of occupational health and safety.

They include:

- Occupational safety and health requirements (Article 211); Compliance with occupational health and safety regulations, rules and instructions (Article 212);
- Provision of instruction and training to workers in labor protection (Article 215);
- Regulation of working hours in hazardous industries for workers performing special work and workers under the age of 18 (Articles 116, 117 and 118);
- Conditions for the employment of disabled persons in various jobs (Article 220);
- Provision of milk, therapeutic and prophylactic food and personal protective and hygiene equipment to workers (Article 217);
- Provision of first aid to workers and their transportation to medical and preventive treatment facilities (Article 221); and
- Registration and investigation of accidents at work (Article 222) etc.

The Law “On Labor Protection” in the new edition was signed by the President of Uzbekistan on September 22, 2016. The law is aimed at further improvement of labor protection system, strengthening responsibility of employer and workers to execute requirements in this area, defining public authorities’ powers to ensure proper monitoring of working conditions and safety, increasing efficiency of public control in this field, bringing certain provisions of the current law in accordance with the requirements of the newly adopted legislative acts in modern market economy.

The Law introduces new concepts, regulates clearly issues of certification of workplaces on working conditions, audit of the OHS management system, investigation and registration of accidents at work and occupational diseases. It establishes specific mechanisms for public and trade unions participation in implementation of public control in this field, secures their rights related directly to OHS activities.

The Law “On Occupational Safety in Hazardous Production Facilities” passed on August 25, 2006 sets down the legal, economic and social terms of ensuring safe exploitation of hazardous production facilities and is aimed at preventing accidents and building the capacity of enterprises to liquidate their aftermath.

Under the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan № 60 of February 11, 2005 Rules of Compensation by the Employer of the Damage Caused to Employees by Injury, Occupational Disease or other Work-Related Impairment of Health were introduced. Under the law “On Occupational Safety and Health” a worker who has been fully or partially disabled through the fault of the management as a result of an occupational accident or professional disease is entitled to a lump sum allowance and compensation of damage to health paid by the enterprise. The lump sum allowance is determined by the collective contract (agreement) and may not be less than the annual wages of the victim.

The enterprise is obliged to compensate the victim for the cost of treatment, prosthetic work and other types of medical and social assistance and ensure retraining and reemployment of the victim in accordance with the medical report or pay the cost of the same. In the event of the death of a worker

the enterprise pays material damage to the persons entitled to it as well as a lump sum in the amount of not less than six average annual wages of the deceased.

In addition to the main legislation the Republic has national normative documents addressing the issues of occupational health and safety. They include the Sanitary Rules and Norms (SanPiN), State Occupational Safety Standards (GOST, SSBT), Construction Norms and Rules (SNiPs), standards of the content of harmful substances (maximum allowable concentrations and levels), normative methodological documents on individual issues setting forth concrete requirements to occupational safety in hazardous facilities, when manufacturing or applying various products, etc. In addition to state normative documents various sectors of industry enforce departmental and interdepartmental norms, requirements and rules of occupational safety and health.

Enforcement of OHS legislation. The main state bodies responsible for the implementation of OHS policy are:

- the Ministry of Employment and Labor Relations, including the State Labor Inspection under the Ministry with territorial branches distributed all over the Republic;
- the State Inspection for Safety in Industry, Mining and Housing and Utilities Sector;
- the Department of State Sanitary Epidemiological Supervision under the Ministry of Health of the Republic of Uzbekistan.

The Ministry of Employment and Labor Relations has an OHS directorate and the State Labor Inspection and its regional branches in the Republic of Karakalpakstan, Viloyats (regions), the Tashkent city and district directorates and branches on labor, employment and social security. They constitute a single system of supervision and monitoring compliance with OHS requirements at the ministries and agencies, institutions, organizations, industrial and agricultural enterprises, with the exception of hazardous facilities that are under the jurisdiction of the State Inspection on Safety in Industry, Mining and the Housing and Utilities Sector.

The structural units of the State Inspection for Safety in Industry, Mining and the Housing and Utilities Sector are sectoral inspections:

- for supervision of the coal and mining industries;
- for supervision of the oil and gas industry;
- for supervision in the chemical, metallurgical and oil and gas processing industry;
- for gas supervision;
- for boiler and underground structures supervision;
- for geological prospecting supervision;
- for nuclear industry supervision;
- for transport and storage of petroleum products supervision;
- for supervision of the carriage of hazardous cargoes;
- for supervision of subsoil resources, processing of mineral raw materials and geological and surveying control;
- for supervision of compliance with the technological rules of grain storage and processing;
- for supervision of the work of power stations, substations and networks; and
- for supervision of the housing and utilities sector.

Sanitary supervision is carried out in the name of the state by the agencies of the Ministry of Health in accordance with the basic laws of the Republic of Uzbekistan: The Constitution, the Laws on Protecting the Health of Citizens and On State Sanitary Supervision (Gossannadzor) and other regulations.

According to the Statement on the Procedure for the Creation and Organization of Labor Protection Services in organizations, Appendix №5, Resolution of the Cabinet of Ministers №1066 of 31.12.2018 “On measures to improve the performance of the Ministry of Employment and Labor Relations of Uzbekistan” each organization must have Labor Protection personnel which is responsible for: i)

organization of work to ensure that employees comply with labor protection requirements; ii) monitoring compliance by employees with laws and other regulatory legal acts on labor protection, regulatory documents in the field of technical regulation on labor protection, the collective agreement, labor protection agreements, and other local regulatory acts of the organization; iii) the organization of preventive work to prevent occupational injuries, occupational diseases and diseases caused by occupational factors, as well as work to improve working conditions; iv) informing and advising the employer and employees of the organization on labor protection issues, introducing best practices and scientific developments on labor protection, promoting labor protection issues; v) implementation of measures for the organization of induction trainings, trainings, retraining and advanced training of employees of the organization on labor protection issues.

And if organization have employees less than 50 people, this organization should have at least on labor protection specialist or one of the managers combine work of the labor specialist, and for organizations with employees more than 50 people, labor protection service needs to be created within the organization.

The Law of Uzbekistan №210 of 16.04.2009 “About mandatory insurance of civil liability of employer” obliges employers, under the conditions and in the manner established by the Law, to insure its civil liability for compensation for harm caused to the life or health of the employee in connection with work injury, occupational disease or other health damage associated with the performance of his/her labor duties.

Land Acquisition and Physical and Economic Displacement (Core Principle 4)

f. Legal Framework for Land Acquisition and Resettlement

Applicable legislation of Uzbekistan on Land Acquisition and Involuntary Resettlement.

In Uzbekistan, land expropriation is provided for the public needs under the Land Code (LC) and Law # 781 of the Republic of Uzbekistan on “Procedures of land acquisition with compensation for the public needs”. Expropriation in this context refers to the taking away of private land for a public purpose by the government with or without the owner’s consent subject to laws of eminent domain, which stipulates prompt and adequate compensation. In Uzbekistan, Law # 781 of the Republic of Uzbekistan regulates land acquisition and resettlement for the public needs along with different Resolutions, Acts and Codes as described below.

Civil Code (29 August 1996)

The Civil Code (CC) defines the legal status of participants of civic relations, the grounds, and procedure of implementation of property rights and other proprietary rights, rights on the intellectual property, regulates the contractual and other obligations, as well as other property and related personal non-property relations. The CC defines general rules of property seizure, determination of property cost and rights for compensation, terms of rights termination.

The CC provides that: a person whose right has been violated may demand full compensation for damages unless the law or the contract provides compensation for losses in a smaller size (Article 14, Clause 1). The Civil Code (Article 14, Clause 2) also specifies that losses are understood as:

- expenses that the person whose right is violated, made or must make to restore the violated right;
- the loss of or damage to property (real damage);
- the revenues that this person would have received under normal conditions of civil turnover if his right had not been violated (lost profits)

According to article 14, Clause 3 “If the person has violated the law, revenues received as a result of this, the person whose rights were violated, has the right to demand compensation along with other

losses, lost profits in the amount not less than such profits”.

According to article 7 “If an international treaty or agreement stipulates other rules than those stipulated by civil legislation, rules of the international treaty or agreement.” This rule is a common rule for all of Uzbekistan’s laws.

According to Article 8, Clause 3, the rights to the property which are subject to state registration shall arise upon the registration of the relevant rights to it, unless otherwise provided by law. Article 84, Clause 1 provides that the right of ownership and other real property rights, creation, transfer, restriction, and termination of these rights are subject to state registration. This means that without registration the right to real estate property does not enter into the force. This statement is very important for the further understanding of LAR processes related to land acquisition and building’s demolition.

Land Code (30 April 1998)

The Land Code (LC) is the main regulatory framework for land-related matters in Uzbekistan. The LC regulates allocation, transfer, and sale of land plots, defines ownership and rights on the land. It describes responsibilities of different state authorities (Cabinet of Ministers, regional, district and city khokimiyats) in land management; rights and obligations of the land possessor, user, tenant, and owner; land category types, land acquisition, and compensation issues, resolution of land disputes and land protection. The LC also defines the terms of rights termination on land plot, seizure and land acquisition of land plot for state and public needs, and terms of seizure of land plot in violation of land legislation. The LC provides that:

- Withdrawal of the land or part thereof for state and public needs is made by agreement with the land user and tenant with decision respectively by khokim of district, city, region or by the decision of the Cabinet of Ministers (Article 37, Clause 1). In case of disagreement by the land user or tenant of the land with a decision by district (city, region) khokim, or the decision of the Cabinet of Ministers to withdraw the land, this decision may be appealed in court (Article 37, Clause 2);
- Losses caused by violation of the rights of land users, tenants and landowners (including lost profits), shall be reimbursed in full (Article 41, Clause 3);
- The withdrawal of the land for state or public needs may be produced after allocation to a land user or tenant an equivalent land plot and the compensation of all losses including lost profits (Article 41, Clause 4);
- The LC (Article 36, Clause 1) specifies instances when the right to the land can be terminated. Termination of the right of possession and the right of permanent or temporary use of land is made by decisions, respectively, by khokims of districts, cities, regions or by the decision of the Cabinet of Ministers regarding the proposal by the bodies exercising state control over the use and protection of land, on the basis of supporting documents justifying the termination of the rights. In case of disagreement with the decisions of the Cabinet of Ministers and the officials of the termination of the right of possession, the right of permanent or temporary land use, the natural and legal persons may appeal to the court (Article 36, Clause 4).

According to Article 39, Clause 1 land user, tenant, and landowner have besides others the right to reimbursement of losses (including lost profits), in case of withdrawal of land or compensation costs for voluntary renunciation of land (Article 39, Clause 1, sub-Clause 7).

The LC (Article 86, Clause 1) specifies the cases where losses of land users must be compensated in full including lost profits:

- seizure, redemption or temporary occupation of land;
- the restriction of their rights in connection with the establishment of water protection zones, coastal strips, sanitary protection zones of water bodies, zones of formation of surface and underground water, zones of resort areas, public areas of biosphere reserves,

protected zones around national parks, game reserves, national nature monuments, sites of cultural heritage, discharges, roads, pipelines, communication and power lines.

According to the Article 87, Clause 1 losses of agricultural and forestry production, caused by the withdrawal of agricultural and forest land, including agricultural land, owned and used by individuals to use them for purposes not related to agriculture and forestry, restrictions on the rights of land users and tenants or deterioration land due to the impact caused by the activity of enterprises, institutions and organizations, shall be reimbursed in addition to the indemnity provided for in Article 86. Losses of agricultural and forestry production are compensated by legal and natural persons:

- which removes withdrawn agricultural and forest lands for purposes not related to agriculture and forestry;
- around objects for which protection sanitary and protection zones are established with the exclusion of agricultural and forest lands from the turnover or through transferring them into less valuable lands' category.

Law No. ZRU-781 (June 2022)

Law No. ZRU – 781 “On Procedures of Land Acquisition for Public Needs with Payment of Compensations” is a progressive legislation that deals with withdrawal of land plots for public needs (on the basis of right to lifetime inheritable possession, permanent possession, permanent and temporary use or lease). It recognizes principles of LA based-on principles of (i) legality; (ii) priority to ownership rights; (iii) openness and transparency; and (iv) guarantee of compensation. It provisions compensation as per market value for immovable property (whether registered or unauthorized) and their right to the withdrawn land, value of perennial plantations and seasonal crops, moving expenses including temporary renting of another property, loss of lease rent and lost profit for the period between vacating and restoration of activity and a one-time payment (5 percent of market value) as compensation for the inconvenience caused (Article 23). Persons occupying a premises for 15 years with no title documents, but who have been paying related taxes are also made eligible for compensation, provided it is located on permissible land categories. For increased transparency, ZRU 781 provides fresh land allotments through electronic auctions and public disclosure of land acquisition notifications by local hokimiyats.

Resolution of Cabinet of Ministers № 146 (25 May 2011) with amendments based on Resolution of Cabinet of Ministers №1024 (20 December 2019)

This Resolution previously named “About the Measures of Improvement the Order of Provision of Land Plots for the Implementation of Urban Development Activity and for Other Non-Agricultural Needs” and renamed in late 2019 into the “Regulation on the procedure for compensation for losses of owners, users, tenants and possessors of land, as well as losses of agricultural and forestry production” is aimed to improve the procedure for granting land plots, protecting the rights of legal entities and individuals on land and improving the architecture of settlements and the efficient use of their (settlements) land for construction by the Land Code and the Town Planning Code. This resolution has approved two Regulations: (i) Regulation on the procedure for granting land for urban development and other non-agricultural purposes, (ii) Regulation on the procedure of compensation for land possessors, users, tenants, and owners, as well as losses of agriculture and forestry. The Regulation on the procedure for granting land for urban development and other non-agricultural purposes contains the following provisions:

- Order of land plot location, preparation and approval of site selection and land allocation documents without approved planning documentation;
- Order of placement, selection and land allocation with approved planning documentation,
- Order for rejection in the selection and land allocation for construction;
- Provision (sale) of land plots for individual housing construction;
- Elements of urban planning documents and development regulation lines.

- Based on Regulation №498 (14 June 2019) point №19. In the resolution of the Cabinet of Ministers of May 25, 2011 No. 146 "On measures to improve the procedure for the provision of land plots for urban planning and other non-agricultural needs" (SP of the Republic of Uzbekistan, 2011, No. 5, art. 40): losses of possessors, users, tenants and owners of land, as well as losses of agricultural and forestry production are to be determined by the UzDavYerLoyiha Institute, or by cadaster bodies or by departments of the Ministry of Construction with the involvement of the evaluating agency. The defined sizes of losses are to be considered, respectively, by the commissions under the Cabinet of Ministers or khokimiyats and subject of the approval by public authorities along with materials for the selection and allocation of land plot(s).

The Regulation on the procedure of compensation for possessors, users, tenants and land owners, as well as losses of agriculture and forestry includes the following:

- Compensation for losses of owners, users, tenants and landowners located on the agricultural lands;
- Compensation for losses of agriculture and forestry;
- Cost of irrigation and developing the equal new land plot in return for seized irrigated agricultural land;
- Cost of fundamental improvement of grassland and pasture;
- Scheme for determination of losses of land possessors, users, tenants, and owners, as well as losses of agriculture and forestry;
- Coefficients on the location of seized land plots (Not active since January 1, 2020).

The losses of land possessors, users, tenants, and owners, as well as losses of agriculture and forestry, should be compensated before granting of documents certifying rights on land plot. The regulation also orders that demolition of the house or building shall be done only after agreeing on compensation and providing replacement premises — the regulation orders that compensation has to be paid before starting any construction work. The land possessors, users, tenants and owners, whose land plots are seized and to whom land plots are granted, can in case of disagreement with a defined amount of losses, appeal to the court. In case of acquisition and temporary occupation of land plot or part thereof, the following would be subject to compensation:

- Cost of the land plot, owned by individuals and legal entities;
- Cost of residential houses, constructions, and installations, including incomplete constructions, and also located outside of the allocated plot, if its further utilization is impossible due to seizing of the land plot.
- Cost of fruits and berries, protection and other perennial plants;
- Cost of incomplete agricultural production;
- Lost income.

Above described Laws and Regulations mention that non-titled and squatters on land and building/structures are ineligible for any compensation.

Collectively, these regulations provide a sound basis for acquiring land for public purposes and for compensating land users according to the registered user of the land in Uzbekistan.

Resolution of Cabinet Ministers №317 (21 September 2016)

The resolution “On amending and adding to some decrees of the Republic of Uzbekistan, aimed the further improvement of registration of cadastral document on real property” defines responsible design institution which calculates the agricultural and forest-related losses belonging to legal land users, tenants. This institute is “UzDavYerLoyiha” and its branches in the regions.

It defines that in case of the following type of construction works, compensation for agricultural and forest-related losses will not be compensated:

- individual housing construction and maintenance of a residential house;

- the construction of pre-school, general secondary, secondary special, professional educational and medical institutions;
- construction of water management facilities, land reclamation facilities and hydraulic structures;
- the formation of protected natural areas.

By this resolution, the Government defined the procedure of legalization of cadastral document of titled and not titled (illegal) land users. The main requirements for the legalization of non-titled land users are to provide i) explanation of circumstances of informal use of land, ii) certificate from local self-governed bodies on possession of last 15 years, iii) payment of land tax for the last five years.

Compensation mechanism of agricultural and forest-related losses is updated by this resolution.

Resolution of Cabinet Ministers №3857 (16 July 2018)

The resolution “On measures to improve the effectiveness of preparation and realization of projects with participation of international financial institutions and foreign government financial organizations” partly provides that payment of compensation for the land acquisition, demolition of houses, other structures, plantings within the framework of projects with the participation of International Financial Institutions (IFIs), if it is agreed and stated in agreements, then will be carried out by authorized bodies in accordance with the requirements of IFIs or Foreign Governmental Finance Organizations (FGFOs).

Decree of the President of the Republic of Uzbekistan №5490 (27 July 2018)

The Decree “On measures to further improvement of the system for protecting the rights and legitimate interests of business entities” has established a Centralized Fund under the Cabinet of Ministers of the Republic of Uzbekistan for compensation of losses to citizens and business entities in connection with the seizure land plots for state and public needs, as well as the procedure for mandatory coordination with this fund of land acquisition for state and public s needs.

Decree of the President of the Republic of Uzbekistan №5495 (1 August 2018)

Decree “On measures on cardinal improvement of investment climate in the Republic of Uzbekistan” partly provides that the adoption of decisions on the seizure of land for state and public needs is allowed only after an open discussion with interested parties whose land plots are planned to be seized, as well as assessing the benefits and costs; demolition of residential, industrial premises, other structures, and structures belonging to individuals and legal entities, with the withdrawal of land plots is allowed after the full compensation of the market value of immovable property and losses caused to owners in connection with such withdrawal.

The Law of the RoU “On Privatization of Non-agricultural Land” №552, August 13, 2019

This normative document regulates the procedures, rules and mechanism of privatization of non-agricultural land. According to the Law, the following land plots are subject for privatization: (i) land plots on which the buildings and structures belonging to legal entities, industrial infrastructure facilities are located, as well as the land adjacent to them in the extent necessary for the conduct of production activities; (ii) land plots provided to Uzbekistan citizens for individual housing construction and its upkeep; (iii) free land plots; (iv) land plots that are provided to the Urban Development Fund under the Ministry of Economy and Industry of the Republic of Uzbekistan.

The Law forbids privatization of land plots that are: (i) located in territories that do not have approved and published layout plans; (ii) that are part of the lands of environmental, recreational, recreational and historical-cultural purposes, as well as lands of forest and water funds, general use of cities and towns (squares, streets, driveways, roads, embankments, squares, boulevards); (iii) infected with hazardous substances and susceptible to biogenic infection; (iv) provided to residents of free economic and small industrial zones.

Within implementation of this project the order of compensations payment to these persons in case of loss of property and other objects of property is also governed by the following standard and legal documents:

- a. Law of the Republic of Uzbekistan "On Evaluation Activity" as for 19.08.1999. № 811-1;
- b. Decree of the President of the Republic of Uzbekistan "On further improvement of activity of evaluation companies and increases of their responsibility for the quality of rendered services" (№ UP-843 as for 24.04.2008).

Resolution of Cabinet of Ministers № 1047 (26 December 2018)

This resolution "On the procedure for the formation and use of centralized funds for the compensation to affected individuals and legal entities for the expropriation of land for the state and public needs" appoints Republican Centralized Fund (RCF) under the Cabinet of Ministers for land acquisition compensation payments to affected households and affected entities in course of the projects to be implemented for the needs of the state and society. RCF will be established for the projects that are accepted on the Governmental level. This resolution establishes the procedure of compensation payments to affected physical and legal entities. The Supervisory Board is established under RCF, and its decisions are compulsory to execute. The Board will also monitor the allocation of funds to AHs during the resettlement implementation period. Local managing bodies (khokimiyats) should start the process by application to RCF on the allocation of necessary funds for LAR. This application will be reviewed by the Board, and the necessary decisions will be accepted. The Decree on the allocation of compensation is issued by regional khokimiyats based on the decision of RCF. The Decree serves legal instrument to pay compensation to affected physical and legal entities.

Decree of the President of the Republic of Uzbekistan №-5491 (August 5, 2019)

The Decree "On Additional Measures to Unconditionally Guarantee the Right of Ownership of Citizens and Business Entities" governs the procedures, mechanism of making decisions on the seizure of land for state and public needs which is (i) allowed only after an open discussion with interested parties whose land is planned to be withdrawn, as well as assessing the benefits and costs; (ii) the demolition of residential, industrial premises, other buildings and structures belonging to citizens and business entities upon the seizure of land is permitted after full compensation of the market value of real estate and losses incurred by the owners in connection with such seizure; (iii) Losses caused to citizens and business entities as a result of the unlawful administrative act of a state body (official) are subject to compensation by the state, primarily at the expense of extra budgetary funds of the relevant bodies, followed by recovery from the guilty person in recourse. According to this Decree, from August 5, 2019, the seizure of land and the demolition of real estate owned by citizens and businesses for state and public needs, as well as for other purposes, is carried out in the order consisting of the following steps: (i) at the first stage, a collection of materials on the territory planned for demolition is submitted to the Cabinet of Ministers of the Republic of Uzbekistan by the chairman of the Council of Ministers of the Republic of Karakalpakstan, khokims of the regions and the city of Tashkent; (ii) at the second stage - in the Cabinet of Ministers of the Republic of Uzbekistan, an opinion is prepared on urban planning requirements and for financial calculations; (iii) at the third stage - the prepared opinion is submitted to the Prime Minister of the Republic of Uzbekistan for consideration and decision.

There is the personal responsibility of local authorities for full compliance with legislative acts when seizing land, in particular for: (i) notification of owners in the prescribed manner and terms of the relevant decision on the seizure of the land and the demolition of residential, industrial and other buildings, structures and plantings located on the land; (ii) prevention of demolition of houses, other buildings and structures on confiscated land plots before preliminary and full compensation of losses at market value; (iii) the provision in the prescribed manner of temporary housing for the period of development of the land provided as compensation to displaced citizens for up to two years, as well as for compliance with other requirements.

Resolution of Cabinet of Ministers № 911 (16 November 2019)

On November 16, 2019, the Cabinet of Ministers approved the "Regulation on the procedure for seizure of land plots and providing compensation to the owners of real estate objects located on the seized land

plot". This Regulation determines the procedure for the seizure of a land plot for the State and public needs. The Regulation shall apply if the land plot *is in possession, use or temporary use of individuals or legal entities (individual entrepreneurs, citizens of Uzbekistan, foreign citizens, business entities, NGOs) and does not apply to land plots owned (private property right) by individuals and legal entities*. In this regard it is not clear whether this regulation is not applicable only to lands, that will be privatized in accordance with the Law "On Privatization of Non-agricultural Land" №552 (August 13, 2019).

This key LAR related document envisages the introduction of new regulations pertaining to the compensation procedure for land seizure for public needs and replaces Resolution of Cabinet of Ministers № 97. To date, the process has not been transparent and lacked adequate protection for property owners. This regulation applies to cases where land occupied by real property is owned based on the rights of permanent or temporary use.

The document clearly defines the term "State and public needs", which, among others, includes implementation of investment projects aimed at improving infrastructure facilities.

As per the procedure introduced by the document, land seizure is allowed given that both of the following conditions are met:

- c. the owner/user/leaseholder explicitly provides his/her consent and;
- d. the project is approved by the local Kengash (Council) of Peoples' Deputies, or an investment project is specially mentioned in the Presidential Decree or by a Resolution of the Cabinet of Ministers.

According to this resolution:

- (i) both local municipalities (khokimiyats) and investors may initiate land seizure following the procedures provided in the regulations;
- (ii) if there is a need to withdraw the land plot, an open discussion is to be held with the participation of the khokimiyat representatives and investors and owners;
- (iii) preliminary valuation of losses will be carried out by the khokimiyat or by cadastral bodies. The Regulation mentions that "the full list of immovable property objects, located on the plot is to be prepared as well as other information is to be provided in regards of the immovable property". Trees and standing crops are not mentioned as a subject of valuation and further compensation, thus, the Resolution of the Cabinet of Ministers №146 (25/05/2011) will be applied for the compensation of these assets);
- (iv) the Kengashes of people's deputies will consider the benefits and costs of the seizure of land, and, if there are sufficient resources, as well as in case of excess of benefits and costs, a decision will be made on the seizure of land.
- (v) evaluation of the property that is going to be seized is done at the expenses of the initiator. When 75% of property owners provide their consent to land seizure, the initiator has the right to apply to court in order to get a compulsory sale order for the rest 25% of the owners. In such cases, the compensation is to be determined in a court ruling rather than by a compensation agreement. This procedure, anyhow, guarantees a full replacement cost.
- (vi) new objects being part of a compensation for seizure must be provided within 2 years, otherwise fines are applied for each day of delay.
- (vii) demolition of real estate objects is permitted only after their owner is compensated in full as provided in a compensation agreement (or a court decision in case of a dispute). Khokimiyats are not authorized to make decisions on the seizure of land;
- (viii) the khokimiyat or the investor and the owners, and this agreement is notarized;
- (ix) an initiator and an owner of a property must conclude the relevant compensation agreement subject to notarization. The agreement must include the type of compensation(s), its amount and terms of payment and/or provision of other

- compensatory measures;
- (x) The demolition of real estate objects without the agreed compensation is not allowed. After providing agreed compensation to the owners:
- (i) real estate/property is released by the owner
 - (ii) the draft resolution on the demolition is sent by the khokimiyats to the justice bodies for the issuance of a conclusion. The resolution on demolition of real estate is accepted only in the presence of the positive conclusion of justice departments
 - (iii) Transfer of the real estate objects located on the withdrawn land plot to another person is allowed only if there is a written consent of the initiator after signing of the Agreement, or in case of termination of the Agreement (in the order provided by the Agreement, with the consent of the parties or in court).
 - (iv) The owner who has acquired the object of real estate subject to demolition is the legal successor of the rights and obligations of the previous owner arising from the Agreement concluded in accordance with this Provision.
 - (v) Control over execution of requirements of the legislation at withdrawal of the land plots, demolition of objects of real estate, resettlement of citizens, and also granting of compensations is carried out by bodies of Prosecutor's office.
 - (vi) The owner, based on agreement with the initiator/investor, now has the right to carry out at his own expense the demolition of the property/structures with the further removal of all materials (salvages) and construction waste and with the proper cleaning of the territory for construction needs.

This procedure come into force on January 1, 2020. It is important to mention also that in case of untimely or incomplete provision of compensation by the project initiator, khokimiyat must provide compensation with a subsequent appeal to the court to recover compensation from the guilty persons. A possibility to keep salvage materials is a very important issue for relocated households (because they can use salvages for the construction of new houses). The previous Resolution №97 (25 May 2006) defined that all the salvages are the property of the investor (after the compensation is provided in full to relocated AH). However, even with this strong requirement, the vast majority of the projects supported by IFIs in Uzbekistan (including WB financed projects) allowed relocated Affected Peoples to keep salvages as an additional protection measure.

Resolution of Cabinet of Ministers № 44 (15 February 2013) with amendments based on Resolution of Cabinet of Ministers №1046 (28 December 2019)

This resolution determines the procedure for the appointment and payment of Makhalla allowances for: a) low-income families with children under the age of 14 years, b) allowances for low-income parents for child care until the age of two years and c) allowance for low-income families. According to this resolution the following types of families are entitled to allowances:

- families where the average monthly income does not exceed 52,7% of minimum wage per person during the last three months. Along with incomes household members gain officially, additional factors are also to be considered by makhalla committee members, including the availability of land, employment status of family members, and presence of persons in need of care;

The preferential rights for makhalla allowances have families:

- who have lost both parents and children are in care of relatives;
- families where one or both parents are disabled;
- widow(er), raising two or more children under the age of 14, living separately from other relatives;
- family with disabled children;

- mothers or fathers who are bringing up the children in a single-parent family. In this case the fact of child rearing mother (father) in an incomplete family established by makhalla;
- families in which one or both parents are unemployed who have been registered at state employment bodies (regional and city departments of the Ministry of Employment and Labor Relations) as job-seekers;
- single retired persons.

Resolution of Cabinet of Ministers №165 (30 March 2017)

Uzbekistan’s legislation does not define compensation as targeting the rehabilitation of APs’ livelihood. They focus on paying compensation for measurable physical impacts or incomes. The Presidential Resolution №3857 of 2018 (described above) requires that the donor-funded projects follow the specific safeguards requirements of the donor. This resolution theoretically removes any disparity between the country’s legislation on LAR issues and WB’s requirements under ESS5. However, there are still questions to EAs from state budget controlling authorities that are related to the amount of the rehabilitation allowances provision.

This Regulation №165 determines the procedure for the allocation of a one-time financial allowance to needy families in the Republic of Karakalpakstan and the Khorezm region, primarily, single retirees, families with a disabled breadwinner and other low-income groups and families. This allowance to needy families can be appointed by a special decision of makhalla Social Protection Commissions to families (citizens) who find themselves in difficult life situations. The definition of a difficult life situation includes among others the damage to property as a result of emergency circumstances or force majeure. The specific amount of this one-time financial assistance is determined by the Commission for each case individually, taking into account the complexity of the “difficult life situation”. According to regulation №UP-4086 since 28 December 2018, the minimum and maximum amount of this allowance are annually regulated by a special Decree of the President of Uzbekistan. For the year 2020, this amount was determined in the Decree of President №UP-4555, Annex 2 (December 30, 2019) and vary from 434,000 UZS and up to 1,085,000 UZS.

Tax code

The Tax Code (TC) is a regulatory framework for taxation related matters of individuals and legal entities. This law regulates compensation for a vulnerable group of people regarding applying for discounts or exemption from property taxes, land tax, income tax and other taxes stipulated in this TC.

The national legislation of Uzbekistan, instead, limits the matter to the payment as mandated by the Labor Code of fixed employment termination indemnities due by an employer to his employees and to the obligation of the project proponent to reimburse the employer of the cost of those indemnities mandate by the Civil Code. Such an approach excludes informal employees without a declared salary (and confirmed payments of taxes) from job loss compensation, applies only to permanently affected jobs and does not automatically guarantee that the APs receive their job termination dues.

Inclusion of Vulnerable Groups (Core Principle 5)

In the last few years, Uzbekistan has managed to close some **gender gaps** in social and political participation, but several significant gaps still persist. The gender gap in labor force participation is still about 33 percent (WDI, 2022); participation of women in employment and their achievement on human development indicators still lags behind comparable middle-income countries. This gap in key attainments not only leads to a high degree of exclusion, but also contributes to slow growth of the economy, with a significant population not being able to participate in its economic development.

The existing definition of sexual exploitation and abuse and sexual harassment (SEA/ SH) at workplace and does not provide for prohibition of discrimination based on sexual orientation or gender identity, which leads to poor identification of such risks and their prevention. Sexual harassment at a workplace is also

not covered by the existing **Labor Code**. While various laws prohibit sexual harassment against women, there is no uniform prohibition on sexual harassment against women and men, and legal or other remedies are not easily accessible to the victims.

This poses a higher risk for women at workplace, since legal provisions related to gender-based discrimination in employment have only recently been introduced and awareness related to them is still quite low. As a result, the country experiences high incidences of Gender Based Violence (GBV) due to inadequate enforcement and also owing to existing social norms due to which much of this is accepted, goes unreported and uncontested. Women also face many barriers to accessing economic opportunities- both in the form of paid employment and as entrepreneurs.

Lack of state-sponsored skilling support to women also denies them access to livelihood earning opportunities and skills relevant to the markets. Recognition of women as a distinct constituency, with their own unique needs is absent from most national policies and hence remains invisible within the operating policy environment. As a result, whether it is public consultations to plan resettlement for those impacted by physical or economic displacement or ensuring grievance redress systems responsive to their needs, in most policies, women are not acknowledged as important stakeholders. Women also face obstacles in accessing justice, particularly in cases of gender-based discrimination. Barriers such as lack of legal awareness, limited access to legal aid, and societal stigma hinder women from seeking redress through the legal system.

The land acquisition procedures of the state do not mandate the presence of women, and other marginalised groups from the project affected households, to participate in resettlement-related consultations nor are separate, dedicated consultations to understand their distinct needs provisioned in policy. Similarly, affirmative measures to address the added vulnerabilities that women and other marginalised groups face are not covered through any additional resettlement assistance. Owing to low awareness about procedures and the importance of registration, many informal property users/owners and those with partial ownership/lease titles are women. Combined with this, the barriers they face in accessing public services, prevent them from taking the benefit of periodic amnesties or fulfilling the requirements to formalize their ownership.

Citizens' engagement in development projects tends to be low, and wherever such public engagement is required by procedures, women's needs are not sufficiently analysed or addressed. For example, **the national Environmental Impact Assessment policy** does not require consultations with women at the time of the SEE. The Public Environmental Expertise, while provisioned and allowed, is rarely used, and the extent of women's involvement in it depends on the orientation of the civil society organisation leading it. Similarly, **appeals/grievance redress systems** – both national and sector specific – do not create procedures for handling GBV-related grievances, creating referral pathways, and ensuring anonymity of the complaints. The capacity of the staff managing to identify and address various forms of vulnerabilities and their inter-sectionality in specific contexts, and adopting inclusive and participatory processes, is quite limited.

Persons with disabilities experience challenges in accessing employment due to stigma, lack of accessibility, and possible discriminatory attitudes among employers. While there are specific policies in place to ensure inclusive employment especially with regards to women and persons with disabilities (PwDs), the enforcement and its monitoring is weak.

The use of **informal workers**, especially in the agriculture and private sector, is very widespread. Most informal workers belong to the poor and vulnerable groups (often rural communities) and due to weak

regulatory mechanisms to secure compliance with labor laws their use is rampant. This includes sectors and industries considered hazardous and with high OHS risks where use of informal workers is high. Job insecurity, lack of awareness and effective provisions to safeguard workers from exploitation and abuse tends to push them towards informal labor markets.

The use of **forced and child labor** has traditionally been high in the country, although in recent years the country has done commendable work to eliminate such labor from the cotton sector where their use was rampant. However, there are other sectors and industries where child labor their engagement persists even though legally prohibited. There is lack of orientation on the social-legal aspects related to use of forced and child labor among the enforcement agencies and their capacities to identify their deployment is weak; this combined with the lack of real powers to take disciplinary action against such employers means that their use goes unchecked.

Avoidance of Exacerbating Social Tension (Core Principle 6)

Overview

Uzbekistan's navigation from its post-Soviet trajectory has been eventful, particularly in terms of community engagement and governance. The gradual transition from a centrally planned system to one that emphasizes transparency and community involvement is significant. The acknowledgment of the importance of involving communities in development planning and implementation reflects a broader global trend towards participatory governance.

Efforts to empower local institutions like Mahalla Committees are crucial for fostering community-driven development initiatives. By providing these institutions with resources and authority, the government can better address the diverse needs of its citizens and ensure that development projects are more responsive to local realities. While Uzbekistan may still need to take steps to fully embracing proactive engagement with public stakeholders, the recent initiatives aimed at enhancing governance and accountability are promising steps forward. Building trust between the government and its citizens is essential for fostering a more inclusive and responsive society.

Since 2017, there has been a perceptible change in the legal environment related to public participation and citizen engagement through the introduction of several laws and resolutions that mandate public participation, make provisions for the conduct of open meetings and public hearings in matters related to the roll-out of development projects that have beneficial or adversarial impact on local communities to inform the community about the proposed projects and seek their feedback and suggestions. People's Reception Offices of the President of Uzbekistan have been opened at various tiers of the government as well as Virtual Reception to receive appeals and grievances from the citizens and to ensure their consideration by various state bodies and organisations. However, despite all these steps, most laws and policies do not provide for full participation and seek meaningful and effective engagement. As a result, stakeholder engagement, in most cases, remains limited to an exercise of token presence of community representatives in meetings/ hearings, and their feedback is not necessarily considered during project design or site selection, and the impacts are not adequately scoped during the identification of mitigation measures.

PEOPLE'S PARTICIPATION AND CONSULTATION

- a) **Constitutional Provisions** – The Constitution of the Republic of Uzbekistan through Chapter VII on Personal Rights and Freedoms protects the right of freedom and inviolability (Article 27) and under

Chapter VIII on Political Rights provides all citizens the right to participate in the management and administration of public affairs directly, through representation, referendums or other democratic formations (Article 36). Under Chapter X on Guarantees of Human and Civil Rights and Freedoms it protects the rights of people with disabilities and elderly and other socially vulnerable categories and promises to improve their quality of life and enable them to fully participate in social and public life, have full access to services and obtain information without hinderance (Article 57). Article 58 goes on to declare equal rights for women and men and provide equal rights and opportunities for them in administration of public and state affairs and in other spheres of social and state life.

- b) **Civil Code** – The code is based on recognition of the inviolability of ownership, freedom of contract, impermissibility of arbitrary interference by anyone in one’s private affairs and guarantees restoration of any violated rights and their judicial protection and allows citizens and legal entities to exercise their civil rights as per their will, in their interest (Article 1).
- c) **Law No. ZRU 781:** In the context of land acquisition ‘Procedures for Withdrawal of Land Plots for Public Needs with Compensation’ mandate that preliminary review meetings of Kengash on decision to withdraw a land plot be held openly with participation of media and public representatives (Article 17). Open discussions are to be organized by the initiator with participation of two-thirds of right holders, or their representatives. The initiator is responsible for familiarizing them about the purpose of land withdrawal, listen to their opinion and document the list of participants and opinions expressed (Article 20). ZRU 781 says that while considering the draft decision on land withdrawal, participation of representatives of the initiator and right holders, should be ensured. The right holders shall have the right to express their opinions, raise objections and receive appropriate explanation (Article 21). It also provides that meetings of the Compensation Commission allow participation of right holders and the general public (Article 27).

INFORMATION DISCLOSURE

- a) **Constitutional Provisions** – Article 33 guarantees freedom of thought, speech, and convictions and recognises their right to seek, obtain and disseminate any information. It restricts citizens right to seek, obtain and disseminate information, if it comes in the way of public safety and public order. It also provides that state entities and self-governing bodies allow everyone access to documents, resolutions, and other materials, relating to their rights and legitimate interests (Article 34).
- b) **Law on Guarantees and freedom of access to information (April 1997 amended in April 2021)** – This law regulates a person’s constitutional right to freely seek, receive, study, pass on and disseminate information and guarantees access to information (Article 3, 5) which can be done both in writing and orally. The written enquiry needs to be duly registered and responded to within 15 days (subject to its permissibility) from its receipt, while oral requests need to be answered without delay. In case the organization does not deal with the subject they are obliged to share name of the organization or official dealing with the subject matter with the applicant within 7 days (Article 6). All State and self-government bodies, public establishments are obliged to ensure that everybody has an opportunity to familiarise themselves with documents and information related to their rightful interests and access to this information shall be provided through publication and dissemination of materials (Article 7). In case of its violation, or inaction by state agencies/ bodies, citizens have the right to appeal in court (Article 12).

- c) **Presidential Decree on “ Additional Measures to Ensure Transparency of State Bodies and Organisations and Effective Implementation of Public Oversight” (June 2021, as amended June 2022)** – Through this decree, the President has approved a “ List of Socially Significant Information” to be posted on portals and websites as open data by all state authorities and is a move towards improved transparency. The decree brings banks, courts, and organisations with public participation under its purview and specifies which data is to be subject to proactive disclosure.

GRIEVANCE REDRESSAL

- a) **Constitutional Provisions** – Chapter VIII of the Constitution on Political rights provides that everyone shall have the right, both individually and collectively, to submit applications, proposals, and to lodge complaints with competent state bodies and organizations, citizens’ self-governing bodies, officials and public representatives and they shall be considered by the latter in accordance with the procedure and within the time-limit prescribed by law (Article 40).
- b) **Law No. ZRU-445 On Appeals of Individuals and Legal Entities (August 2017)** – As per ZRU-378 On Appeals of Individuals and Legal Entities, the President’s Office has been made the overall nodal office for its implementation and the People’s Reception offices are operated under direct supervision and as representatives of the President’s Office. Article 12 of the law provides that Reception offices of the President coordinate with the state bodies, request and receive documents and information from them on issues within their powers, make site visits to assess the implementation of the decisions made based in response to the grievances, help improve procedures for consideration of appeals, remove roadblocks in the redressal and take action against persons violating procedures or posing barriers to redressal. The President’s Office needs to ensure compliance with the law, while ensure public order, safety and national security and also ensure uninterrupted implementation and also track the status of redressal by their categories and relevant areas. Through Virtual Reception the President’s Office allows for real time appeals and their consideration with the presence of the aggrieved individuals and legal entities and the subject matter experts for prompt redressal (Article 13)
- c) This extensive legislation covers conditions under which citizens can file appeals for redressal of grievances and seek public accountability based on principles of legality, timeliness, uniformity of consideration, recognition of the rights and interests of individuals, and transparency by state bodies (Article 4). The head of each institution has to organise systems for receipt (reception) of such appeals and designate officials for it (Article 9). It also provides for the creation of People’s Reception offices of the President for effective consideration of such appeals in President’s Office, Karakalpakstan, regions, Tashkent city, districts, and cities as well as a Virtual Reception at the President’s Office to receive, systematize appeals and monitor their timely and satisfactory consideration (Article 10). The Reception Offices are expected to a) organize full, objective, and timely consideration of appeals, b) ensure systematic monitoring (Article 34). It guarantees citizens a right to appeal to state bodies, individually or collectively and covers non-citizens, stateless persons, minors, people with disabilities (PwDs), and prevents discrimination on the basis of gender, race, nationality, language, location, religion, social origin, beliefs or social status (Article 15,16) and puts the onus of officials of state bodies to restore the violated rights and mandatorily accept appeals (Article 18). Additional clarification from the petitioner can be sought within 5 days or be asked to physically present their position/ opinion on the appeal in the presence of specialists and representatives of concerned organizations (Article 25, 26). Such appeals are to be considered within 15 days, and when

additional information/ investigation is required, up to 30 days (Article 28). Any additional clarification on the response sought by petitioner needs to be provided within 10 days of its receipt. In case of unlawful refusal to consider the petition, an individual can appeal to their higher authority or go to court (Article 32). State entities can also seek court intervention for recovery of expenses incurred on verification of an appeal containing false information (Article 33), while the individual impacted by unlawful decisions are to be compensated for damages and costs incurred related to the complaint or seek compensation for moral damages in court (Article 37).

- d) **Miscellaneous laws related to Environmental Assessment and Nature Protection related to participation and information access** – The Law “On nature protection” (2018) regulates the right of citizens to unite for nature protection, to request and receive information about the status of environment and measures taken for its protection. It provides for environmental protection as a right for citizens, self-governing bodies and through Non-Governmental Organizations (NGOs). The Law on Environmental Expertise requires developers to publish details of the project after the environmental assessment and allow for its public review, directly, or through NGOs (Article 23). It also provides for public hearings and needs to document in the Environmental Impact Statement how people’s suggestions and objections were addressed. In case of Category I and II projects, as per Environmental screening, Law “On State Environmental Expertise” (2001) makes public consultation mandatory. It also allows for Public Environmental Expertise to be carried out by civil society at their own cost and provide recommendations for the consideration of State Expertise.