

Uzbekistan : Rural Infrastructure Development Project

1. Project Information

Project ID:	P000328	Instrument ID:	L0328A
Member:	Uzbekistan	Region:	Central Asia
Sector:	Rural Infrastructure and Agriculture Development	Sub-sector:	
Instrument type:	<input checked="" type="checkbox"/> Loan:82.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Economy and Finance, Uzbekistan
Implementing Entity:	Ministry of Economic Development and Poverty Reduction, Uzbekistan		
Project Team Leader:	Zacharias Ziegelhöfer		
Responsible DG:	Gregory Liu		
Responsible Department:	INF2		
Project Team Members:	Liu Yang, Project Counsel; Yi Geng, OSD - Financial Management Specialist; Jurminla Jurminla, OSD - Procurement Specialist; Gulru Azamova, OSD - Environment & Social Development Specialist; Manuel Cervero Bárcena, Back-up PTL; Yuyou Guo, Project admin		
Completed Site Visits by AIIB:	Jun, 2020 Virtual mission Aug, 2020 Virtual mission Feb, 2021 Virtual mission Jun, 2021 Virtual mission May, 2022 Physical mission Oct, 2022 Physical mission Apr, 2023 Physical mission Nov, 2023 Physical mission		
Planned Site Visits by AIIB:	Apr, 2024 Site visit by AIIB tentatively scheduled in Q2 2024.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2023/05		

2. Project Summary and Objectives

The project objectives are to (i) improve the quality of basic infrastructure and services and (ii) strengthen participatory local governance processes in targeted rural villages.

This is a multi-sectoral rural infrastructure project. The project has the following two components.

Component 1: Demand-driven investments in basic infrastructure and services. The project finances sub-projects comprising investments in basic infrastructure and services. The types of investments include access to water supply for drinking, irrigation, and agricultural production; sanitation services; rehabilitation of social facilities; rehabilitation of roads, footpaths and bridges; rural electrification, and energy efficiency improvements. Investments are subject to a negative list that includes housing construction and renovation or any investments that require physical displacement or resettlement of people.

Component 2: Project management, monitoring and evaluation, and institutional support. This component will support a project implementation structure within the Ministry of Finance and Economy (MoFE). The component provides financing for operational costs, consultants, essential equipment, technical assistance, and training. Funding is also provided for information dissemination, beneficiary assessments, periodic surveys, monitoring and evaluation (M&E) activities, a management information system (MIS), project audits, and a project-level grievance redress mechanism (GRM) that will handle grievances.

3. Key Dates

Approval:	Dec. 12, 2019	Signing:	May. 28, 2020
Effective:	Jun. 24, 2020	Restructured (if any):	Oct. 05, 2020
Orig. Closing:	Dec. 31, 2024	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	31.30	Most recent disbursement (amount/date):	2.80/Nov. 09, 2023
Undisbursed:	50.70	Disbursement Ratio (%) ¹ :	38.18

5. Project Implementation Update

The overall Implementation progress is rated moderately satisfactory by the lead co-financier World Bank (WB) and AIIB concurs. As of October 1, 2023, the physical progress of the works is 32 %, the disbursement progress of the works is 37%, and 69% of the implementation period under the project has elapsed. Until the end of the reporting period, 306 villages have been selected in the 5 target regions: Jizzakh, Syrdarya, Ferghana, Namangan and Andijan. Implementation of community mobilization activities continues to progress and is on track: works have been completed in 189 villages under Phase 1, and Phase 2 work will commence in the fourth quarter of 2023, covering the remaining 117 villages in Namangan, Fergana, and Andijan regions. Component 1a procurements of infrastructure investment activities have been delayed, particularly during the identification of local contracting organizations to carry out construction work. As of October 2023, 131 subprojects have been completed in the 5 regions where the program operates, benefiting over 180,000 people, over half of whom are women. Qishloq

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

(village) development plans (QDPs) have been completed in all 189 Phase-1 villages in the 5 regions, from which 410 subprojects have been prioritized and are at various stages of implementation. These include the rehabilitation of 111 drinking water supply systems, 73 improvements of the power supply system, 136 repairs of internal streets, 53 reconstructions of schools, 25 reconstructions of kindergartens, reconstruction of 6 bridges and 1 drainage system, 5 reconstructions of medical institutions 105 drinking water supply systems, 55 internal roads, 29 power supply systems and the rehabilitation or construction of 29 schools and 15 kindergartens. Moreover, in terms of social inclusion, Phase 1 of the project is making solid progress toward achieving its targets. All villages have established decision-making bodies, Mahalla Development Units (MCAs), with at least 50% female representation. During the last mission, the implementing agency, the MoEF, confirmed its intention to restructure the project to: (i) extend the project closing date by 18 months to June 30, 2026, (ii) revise certain intermediate results indicators that are no longer relevant or outside of the influence of project activities, and (iii) use cost savings from Components 1b and 2 (WB components) to support preparation of the proposed Second Rural Infrastructure Development Project (RIDP 2). The WB and AIIB expect to receive the request shortly and will duly consider the proposed changes.

Components	Physical Progress	Environmental & Social Compliance	Procurement
<p>Component 1: Demand-driven Investments in basic infrastructure and services. The project will finance sub-projects comprising investments in basic infrastructure and services which will be planned and prioritized jointly by participating district administrations and communities. The types of investments will include: access to water supply for drinking, irrigation, and agricultural production; sanitation services; rehabilitation of social facilities; rehabilitation of roads, footpaths and bridges; rural electrification, and energy efficiency improvements. Investments are</p>	<p>410 subprojects have been identified, including 111 drinking waters, 73 improving the power supply system, 136 repair of internal streets, 53 reconstruction of schools, 25 reconstruction of kindergartens, reconstruction of 6 bridges and 1 drainage system, and 5 reconstruction of medical institutions. 131 subprojects have been completed, benefiting almost 180,000 people.</p> <p>Implementation progress has accelerated substantially during the semester, and would be further advanced had cold weather and accompanying electricity and heating outages experienced in December 2022 and January 2023 not delayed civil works</p>	<p>Environmental and Social (ES) Staff at the Project Implementation Unit (PIU) and regional levels are onboard. ES screening and preparation of ES Impact Assessments (ESIAs), ES Management Plans (ESMPs) or ESMP checklists are conducted and implemented in line with the Project's ES Management Framework (ESMF) and the Project Operational Manual (POM).</p>	<p>The project implementation has accelerated recently, with cumulative disbursement at 38% at the end of the reporting period. Given the high number of small works contracts under implementation, the disbursement is expected to continue accelerating. More than 70% of the planned Phase 1 subprojects have been contracted already.</p> <p>In the 117 selected villages of Phase 2, the Facilitating Partner (FP) contract is expected to be signed in November 2023, meaning community mobilization activities and QDPs are expected to be finalized by the end of March 2024, after which the design services for the identified subprojects will commence in Andijan, Namangan and Ferghana regions.</p> <p>Implementation of community mobilization activities continues to progress and is on track, while component 1a</p>

<p>subject to a negative list that includes housing construction and renovation or any investments that require physical displacement or resettlement of people.</p>	<p>implementation by two months in many subproject sites.</p>		<p>procurements have been delayed, particularly during the identification of contracting organizations to carry out construction work.</p> <p>Despite the progress achieved, a risk of further delays remains given the Single Purchaser Service (SPS)'s capacity to handle agile procurement with high volume, use of consultants for conducting procurement by the SPS and payment issues.</p>
<p>Component 2: Project management, monitoring and evaluation, and institutional support. This component will support a project implementation structure within MoEF. The component will provide financing for operational costs, consultants, essential equipment, technical assistance, and training. Funding will also be provided for information dissemination, beneficiary assessments, periodic surveys, monitoring and evaluation (M&E) activities, a management information system (MIS), project audits, and a project-level grievance redress mechanism (GRM)</p>	<p>The project implementation structure has been established and activities are ongoing. Community participatory monitoring teams in 176 villages have completed the first round of social audits. Nearly all (93%) villages have established decision making bodies with at least 50% female representation. Community mobilization activities in 117 new communities in Andijan, Ferghana, and Namangan regions are expected to commence in the last quarter of 2023.</p>	<p>ES issues are monitored as per the POM.</p>	<p>Recent mission to the Regions demonstrated the positive work performed by the FPs in the sites. So far, they have provided basis for the full-scale implementation work. The associated risks would be re-considered by the WB by the end of the year to assess the progress and quality of the procurement.</p> <p>Shortcomings in the quality of project management, including technical supervision persist, which, if unaddressed, risk undermining the quality and sustainability of subprojects, as well as citizen satisfaction levels. The actions recommended by the lead co-financier to address these issues, such as engaging an international operations advisor and using project funds to finance the mobilization of additional technical supervisors by the regional SCS, had not been taken. The project management thus remains moderately unsatisfactory.</p> <p>The quality of monitoring indicators in the project</p>

that will handle grievances.			results framework has declined since the last mission and the PIU is expected to carry out pending actions identified to accelerate and improve the quality of implementation, including overcoming procurement-related bottlenecks, improving the quality of project management and technical supervision.
------------------------------	--	--	---

Financial Management:

The FM arrangements of the project are continuously maintained as acceptable. The FM arrangements in the PIU including accounting, budgeting and planning, reporting, internal controls, external audits, funds flow, organization and staffing are considered satisfactory, and the project's FM residual risk is rated as moderate. The interim financial statements and audit report were submitted in a timely manner and deemed acceptable to the Bank. By the end of Nov 31, 2023, Bank loan proceeds have disbursed USD31.30 million to the project, sufficient funds are available to support project implementation.

6. Status of the Grievance Redress Mechanism (GRM)

The project has established a telephone hotline, email address, online portal, mailing address and complaint boxes in all project districts and villages whereby anyone can submit queries/complaints regarding the project. These details are included in the GRM Manual annexed to the POM, approved by the WB and adopted by the line Ministry on May 18, 2020, and translated into Uzbek and Russian languages. The MoEF, the successor to the Ministry of Economic Development and Poverty Reduction (MoEDPR) following the administrative reforms introduced in December 2022, continues to operate the GRM.

As of Oct 1, 2023, the GRM received 198 queries. The majority of queries until 2023 were requests to accelerate implementation of civil works now, as the project implementation cycle has shifted to civil works, most queries submitted over this period related to subproject design issues (e.g. not all households within communities are covered by water supply or electricity modernization subprojects), or the pace of implementation, and requires frequent visits by PIU technical supervisors, Qishloq Engineers (QEs), and Qishloq Facilitators (QFs). Also, there was one collective query, received from Jizzakh region, related to differences in subproject design and community expectations. Many questions from communities are addressed during the frequent visits of QFs to villages. All queries were addressed in a timely manner.

7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)

During the WB's October 2023 implementation support mission, the implementing agency made a request to revise certain intermediate results indicators that are no longer relevant or outside of the influence of project activities. The WB and AIIB expect to receive the request for a project change shortly and will duly consider the proposed changes.

Remarks:

N/A

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values													Frequency	Responsibility	Comments
			Baseline		2020		2021		2022		2023		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual			
Percentage of sampled male and female respondents who report improvements in the quality of basic rural infrastructure (Percentage)	Project	%	2020	0.638 (total), 0.651(Female_)	0						0	0	2024	60% total;60% women		PIU	Measures the percentage of survey respondents in beneficiary communities who report improvements in the quality of basic infrastructure and services. The types of infrastructure that the project is financing cannot be identified ex ante. This indicator will be disaggregated by gender and infrastructure type. Baseline project monitoring survey data collection and analysis was completed in December 2021. Actuals to be reported from mid-line (scheduled for late 2023) and endline (scheduled for end 2024).	
Percentage of beneficiaries (male/female) who participate in planning, decision-making, or monitoring subprojects (Percentage)	Project	%	2020	0					62% total, 38% women		62% total, 38% women	62% total, 38% women	2024	62% total, 38% women		PIU	Data is reported from village-level qishloq development planning meetings from 176 villages. Total = 66,261 participant households from 107,576 total households. Of which female = 24,968 female participants / 66,261 total participants.	
Number of social audits that have been completed across the targeted rural qishloqs (Number)	Project	Number	2020	0						176		335	335	2024	300		PIU	The first set of social audits began in November 2021. 176 MCAs have completed the first round of social audits, and 159 MCAs have completed the second round of social audits.

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values													Frequency	Responsibility	Comments	
			Baseline		2020		2021		2022		2023		End Target						
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual				
Number of subproject investments (disaggregated by type) (Number)	Project	number	2020	0				52			36		131		2024	300		PIU	Measures the implementation progress of subcomponent 1a and specifically, the project's investments in basic rural infrastructure and services. At the time of the previous reporting period (April 2023) According to the civil contracts signed for 237 subprojects, construction work completed on 131 subprojects, reconstruction work is ongoing on 106 subprojects. 2 subprojects are in the process of contract tendering. 171 subprojects are

representation in the MCA project committees and social accountability roles (monitoring and oversight)													Roles				representation.	
Percentage of district project committee members that are female	Project	%	2020	11				8.4		8.4		8.4	2024	50			PIU	Measures progress against 50% women targets for Project roles at the district level. The baseline is based on the percentage (10.9 percent of deputy district hokimiyat positions) that women held as of 2017.
Percentage of infrastructure subprojects for which procurement data is publicly accessible.	Project	%	2020	0				100		95		95	2024	100			PIU	Data for 345 of 363 subproject tenders, including the tender announcements, winning contractor, and the amount of the contract, is available through the project MIS (available at http://ridp.uz/en/document/).
Percentage of grievances (gender disaggregated) which are received that are resolved	Project	%	2020	0				97		92		93	2024	100			PIU	
Percentage of qishloqs for which the required information is uploaded to the MIS in a timely fashion for project management to monitor results and for citizens to access	Project	%	2020	0				75		88		91	2024	80			PIU	