



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 12/23/2020 | Report No: ESRSC01780



BASIC INFORMATION

A. Basic Project Data

| | | | |
|---|--|--------------------------|----------------------------|
| Country | Region | Project ID | Parent Project ID (if any) |
| Uzbekistan | EUROPE AND CENTRAL ASIA | P174135 | |
| Project Name | Uzbekistan Resilient Landscapes Restoration Project | | |
| Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date |
| Environment, Natural Resources & the Blue Economy | Investment Project Financing | 7/5/2021 | 9/7/2021 |
| Borrower(s) | Implementing Agency(ies) | | |
| Ministry of Finance | State Committee on Forestry, Executive Committee of International Fund for Saving the Aral Sea (EC-IFAS) | | |

Proposed Development Objective

The Project Development Objective is to increase adoption of landscape restoration practices by rural communities in selected regions and promote collaboration by Central Asia countries on transboundary landscape restoration

| Financing (in USD Million) | Amount |
|----------------------------|---------------|
| Total Project Cost | 150.00 |

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The project will be implemented over a 5-year period under the leadership of the National Forestry Committee (CF). Two main fields of action will be addressed through a programmatic approach, with both national and regional partners engaged in a coordinated manner:

Public Disclosure



Component 1: Strengthen Institutions and Policies, and Regional Collaboration. This component will finance (i) development and/or revision of enabling policies for landscape management, (ii) development of a national strategic plan for forest development, (iii) development of a state-of-the-art National Forest ICT Platform, (iv) capacity building of stakeholders. In addition, the component will support the development of a regional platform that will connect governments, non-government entities, prominent regional organizations and academic institutions, development partners, and the private sector across Central Asia and Afghanistan to fulfill the Forest Peace Initiative and other regional and global commitments through a regional IDA grant to EC-IFAS.

Component 2: Enhance Resilient Landscape Management and Livelihoods. This component will support integrated landscape planning and the implementation of plans, including: (i) restoration of existing natural forest, including protected natural areas, through assisted natural regeneration, silvicultural measures, and enrichment planting, (ii) afforestation and greening with focus on saxaul trees, and (iii) establishment of agrosilvopastoral systems on degraded pasture lands. The component also provides climate-smart livelihood opportunities, vocational skills, and nature-based tourism development in the targeted landscapes.

Component 3: Project Management (including M&E) and Coordination. This component will also finance project management costs, including M&E.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

Drylands in Central Asia are one of the most rapidly degrading and climate-vulnerable areas in the world. A mix of natural arid conditions and increasing anthropogenic pressures, such as converting land to intensified commercial agriculture, logging, and pasturing, and extreme weather events have led to land degradation, erosion, and loss of vegetation cover. This, in turn, has affected the productivity of agriculture, the resilience of transport/infrastructure, and the potential for tourism development, while increasing the fragility of the region.

Uzbekistan is a lower-middle-income, mineral-rich, landlocked country that borders all other Central Asian countries. The country has the largest population in Central Asia—34 million as of 2019, which is growing annually at about 1.7 percent in recent years. Its total area is about 44 million hectares, and approximately 63 percent of the population is concentrated in rural areas.

Over the past decade, Uzbekistan has maintained high and stable economic growth rates and has gradually diversified its economy while official poverty estimates have declined from 27.5 percent in 2001 to 11.4 percent in 2018. Despite the steady decline in poverty, Uzbekistan still has a high number of poor, especially among the rural population. The unemployment rate is 5.9 percent and the most vulnerable groups at risk of poverty remain those with low education levels, households with three or more children, families in rural areas relying on self-employment, women, and the elderly. Rural poverty persists due to low agricultural productivity, limited access to productive assets, and the informality of rural labor markets.

About 8.6 percent of the country's land area is covered by forests (3.68 million ha), functioning mainly as a protection element of soil and water, with negligible wood production functions. Most of the forest is part of the State Forest Fund (SFF) that comprises 12.2 million ha of land. There is a total 13.2 million ha of Protected Natural Areas (PNAs), some of which are under the SFF. Uzbekistan's PNA system categorization is not fully aligned with the international



system and comprises of state reserves, natural parks, biosphere reserves, sanctuaries, etc. The State Forest Fund is administered by decentralized forest enterprises (Ieshoz), strategically guided and administered by the State Committee on Forestry. The largest forest areas are located in cold desert areas and consist mainly of low saxaul forests, which have the characteristics of woodlands.

Uzbekistan is heavily affected by the impacts of climate variability and change, which act as a degradation and poverty multiplier. Climate change intensifies land degradation and desertification processes and thus affects forest and pasture productivity, biodiversity, and other environmental services of these landscapes. Forests and woodlands are becoming more vulnerable to pests and diseases, fire, wind, and dust. The reduced productivity of pasture and forests are expected to worsen rural livelihoods. These consequences affect the national economy: the estimated economic cost of land degradation is 3 percent of GDP or US\$0.83 billion per year. In rural areas, women are likely more vulnerable to the impacts of degradation as they are mainly responsible for collecting and selling fruits, nuts, medicinal herbs, seedlings, etc.

The geographical focus of the project will be the degraded and poor areas in Uzbekistan bordering other Central Asia countries within the regions of Ferghana (areas bordering the Kyrgyz Republic), Karakalpakstan (areas near the highly degraded Aral Sea bed, which is shared also with Kazakhstan), Sirdarya (areas bordering Kazakhstan and Tajikistan), Jizzakh (areas bordering Tajikistan), and Surkhandarya (areas bordering Tajikistan and Afghanistan).

D. 2. Borrower’s Institutional Capacity

The implementing agency for the project will be the State Committee of Forestry of the Republic of Uzbekistan (CF). A Project Implementation Unit (PIU) will be created and will sit within the department of International Relations and Ecotourism Development (IRED). The CF has no prior experience in implementing World Bank-funded projects and has no internal capacity to implement World Bank-financed projects at the moment. Thanks to a project preparation grant (PPG) secured through the ECA PDEV trust fund, a grant coordination unit will be set up during project preparation. A Grant Coordinator, a Finance Management Specialist, and a Procurement Specialist, will prepare the project documents with the support of technical consultants, including Environmental and Social consultants. The Grant Coordinator, who will have forestry management related background, will be responsible for the oversight of environmental and social assessment documents and will strengthen his unit with one Environmental and one Social specialist for the project preparation period.

Going forward, the Grant Coordination Unit's will serve as the PIU. Prior to start of project activities, the PIU must have hired at least one Environmental and one Social Specialist, with possibility to add more ESF-focused specialists as needed. At this time, the Borrower's capacity to manage the E&S risks will be specifically assessed during the project preparation to determine capacity gaps and developed through project-specific training on ESF and on other environmental and social management aspects. Specific PIU capacity building measures such as training needs will be identified and listed in the ESCP.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

Public Disclosure



The Environmental Risk Rating is tentatively assessed as Substantial because the locations and types of sub-activities are not fully known. The risk rating will be re-assessed during project preparation when the scope of potential sub-activities is better defined.. The risk rating is also justified by the current legal and regulatory framework on environmental issues where strengthening is needed at all levels in the enforcement of national environmental laws and regulations. The project will support landscape restoration, reforestation (including assisted natural regeneration in Protected Natural Areas), silvo-cultural and enrichment planting measures, pasture management and introduction of food production systems (horticulture, agroforestry) . The geographical focus of the project is on the degraded and poor areas of Uzbekistan bordering the neighboring countries: Ferghana, Karakalpakstan, Sirdaryo and Surkhandaryo regions. The project also has a cross-boundary dimension through promoting regional activities in landscape restoration with the neighboring countries. At this stage, the exact detailed number of locations, scale and boundaries of proposed landscape management activities are not known, but they are expected to be mostly of medium, with some of large scale.

In the medium to long term, the project is expected to bring significant environmental benefits such as reforested degraded lands, increased soil and water control, reduced dust and salt migration, improved conservation and sustainable use of biodiversity in selected ecosystems. Risks to the environmental and human health can be significant, but expected to be known, temporary and predictable, avoidable or reversible through management measures and investment. Mitigation measures may be designed and can be reliable. Environmental risks include temporary local disturbances to biodiversity and living natural organisms, dust, soil loss related to planting, dust; and temporary, construction related, air or water pollution as well as impacts from the use of pesticides.. The Project is not expected to conduct any activities in Critical Habitats (CH assessment to be done during project preparation as part of the ESMF). The proposed project does not involve any major civil works, though some small-scale repairs or upgrades on existing facilities may be required at visitor’s centers, which are to be located within special protected zones. So there may be potential impact from small-scale rehabilitation activities of these facilities.

Social Risk Rating

Substantial

The Social risk is tentatively rated as Substantial mainly due to the contextual risks associated with the project and the capacity of the implementing agency to implement the ESF. The project activities will be implemented in conjunction with the local government at provincial (Ferghana, Karakalpakstan, Sirdaryo, Jizzakh, and Surkhandarya) and district levels and jointly with its subordinated leshozes (state forest enterprise). These institutions have limited capacity to implement the ESF, and some have never worked before with the World Bank. Major social risks and impacts include potential changes of land-use practices and restriction of access to pastures, forest land, and forest products traditionally used by local communities of targeted landscapes due to the development and implementation of integrated land use plans (ILUPs) and implementation of management plans for protected areas. Contextual risks include the competing interests and demands of different land and water users, and the need to consider tradeoffs between different stakeholder interests and avoid elite capture, social exclusion during public consultations, exclusion of disadvantaged and vulnerable groups and individuals, and poor management of grievances and expectations. There will be a need for in-depth stakeholder involvement during project design, planning, and implementation. Labor influx risk is estimated as low as it is anticipated involvement of targeted communities or local residents. Labor-related risks associated with the civil works contractors and their compliance with ESS 2 are assessed as moderate. Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks associated with civil works are currently assessed as low. SEA/SH and Gender Based Violence (GBV) risks will be assessed during preparation using the Bank’s assessment tool.



B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

Both the Environmental and Social Risk ratings are Substantial. As described below, these risks are covered by ESS 1, ESS 2, ESS 3, ESS 4, ESS5, ESS 6, ESS 8, and ESS 10.

The project will support landscape restoration, reforestation (including assisted natural regeneration in Protected Natural Areas), sylvo-cultural and enrichment planting measures, pasture management and introduction of food production systems (horticulture, agroforestry). The geographical focus of the project is on the degraded and poor areas of Uzbekistan bordering the neighboring countries: Ferghana, Karakalpakistan, Jizzakh, Sirdaryo and Surkhandaryo regions. The project also has a cross-boundary dimension through promoting regional activities in landscape restoration with the neighboring countries. At this stage, the exact detailed number of locations, scale, and boundaries of proposed landscape management activities are not known, but they are expected to be mostly on medium, some on large scale. Once such details will be better defined, risk categories of the project may be reassessed.

In the medium to long term, the project is expected to bring significant environmental benefits such as reforested degraded lands, increased soil and water control, reduced dust and salt migration, improved conservation, and sustainable use of biodiversity in selected ecosystems. Risks to the environmental and human health can be significant, but expected to be known, temporary and predictable, avoidable, or reversible through management measures and investment. Mitigation measures may be designed and can be reliable. Environmental risks include temporary local disturbances to biodiversity and living natural organisms, dust, soil loss related to planting activities. The Project is not expected to conduct any activities in Critical Habitats (CH assessment will be done during project preparation as part of the ESMF). The proposed project does not involve any major civil works, though some small-scale repairs or upgrades on existing facilities may be required. So there may be a potential impact from small-scale rehabilitation activities of these facilities.

The social risks and impacts are related to potential changes of land use practices (under sub-component 2.1) of forests, and pastures traditionally used by local communities as a result of the implementation of Integrated Land Use Plans (ILUPs) supported by the project. To comply with ESS1 requirements the CF will prepare, consult upon and disclose an Environment and Social Management Framework (ESMF), which will include a social, legal, and institutional analysis in order to identify potential economic and social risks and impacts of the ILUPs and regulation, and appropriate measures to minimize and mitigate them, in particular those that affect poor and vulnerable groups. Once specific sites are chosen, the project will prepare site-specific Environmental and Social Impact Assessment (ESIA)s .

The sub-component 2.2 will support climate-smart livelihood activities to be funded through grants for community groups. At this stage, data on the potential beneficiaries are not available. The project design will need to ensure transparency in the selection process and clear criteria in how grants are awarded. To ensure that project benefits are more inclusive a portion of the grants will be earmarked to the most vulnerable members of the village. Grants



eligibility, selection, awards, financing, reporting, and monitoring will be described in a detail in the Project Grants Manual, which will be developed by CF and agreed upon with the Bank.

Towards addressing the risks, the following instruments will need to be prepared by the Borrower, consulted on, and approved by the Bank prior to appraisal: (i) ESMF; (ii) Stakeholder Engagement Plan (SEP); (iii) Terms of reference for a Process Framework (PF) and (iv) Labor Management Procedures (LMP).

The ESMF will outline the guiding principles of environmental screening, assessment, review, management, and monitoring procedures for landscape restoration, reforestation, and pasture management activities, including the Biodiversity Management Plan (BMP) and special provisions for Protected Natural Areas. CH assessment for project areas and guiding principles will be done as part of the ESMF. The ESMF will also provide a check-list for determining if and when site-specific Environmental and Social Impact Assessments (ESIA)/Environmental and Social Management Plans (ESMP) might be required for proposed activities. When required, those ESIA/ESMPs will be prepared, consulted on, and disclosed. The reforestation is expected to utilize native species of trees and plants (reforestation within PAs should use locally appropriate native species). The sustainable pasture management activities will focus on a multi-species approach to pasture management (based on native/local species) that encourages increased carbon sequestration. The landscape planning and management activities (including fire management strategies) will address natural habitat considerations in both the site-specific and landscape context.

The CF will develop a PF by which local communities who have a stake, especially in protected areas, participate in land and natural resources management through informed and meaningful consultations and negotiations to develop and implement perspective plans. The CF will also develop/update a SEP based on the stakeholder analysis developed for the ESMF. The SEP and PF will include elements to minimize exclusion risks and put a strong focus on inclusive stakeholder engagement.

Areas where “Use of Borrower Framework” is being considered:

The Borrower’s framework is not being considered for this project.

ESS10 Stakeholder Engagement and Information Disclosure

Stakeholder Engagement includes the following: (i) stakeholder identification and analysis; (ii) planning for stakeholder engagement; (iii) grievance mechanism; (iv) consultations on the ESMF, PF, and SEP; and (v) continuous interface with and reporting to the stakeholders. The project activities will take place in five regions of Uzbekistan. Individuals and groups likely to directly benefit are expected to be identified during project preparation and then further defined once specific pilot activities are agreed upon. At this stage the following primary project beneficiaries are identified: villages and rural/village communities, private farmers (including livestock producers), herders, and resource user groups (e.g., for pasture), local governments interested in adopting landscape restoration practices. Other interested parties include working group (consisting of a wide range of specialists), scientists, research institutions, local nearby communities, NGOs and river basin organizations, regional and national government agencies.

Given the diverse stakeholder profile and that their expectations and orientation, as well as the capacity to interface with the project, are different, a SEP will need to be developed. This will enable the project to identify different stakeholders and provide an approach towards engaging with them throughout the project’s life. The SEP will also



identify impediments, if any, at reaching out to stakeholders as well as reflect/build the capacity of the client in engaging with stakeholders. At this stage, under a PPG, a draft SEP has been prepared by the client to support continuous interactions and early stakeholder engagement in project design. The SEP will be updated as preparation advances. The client will also update and maintain a Grievance Mechanism to enable stakeholders to air their concerns/ comments/ suggestions. The SEP will also detail procedures for consulting and disclosing all ESF instruments to be prepared for the project.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The project could encompass the following categories of workers: civil servants, direct, contracted, and community workers. Direct workers could be either PIU staff and/or those deployed as ‘technical consultants’ by the project. They will be governed by mutually agreed contracts. The government civil servants working in connection with the project will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement unless there has been an effective legal transfer of their employment or engagement to the project. Any gaps between existing civil service employment contracts and ESS 2 requirements will be addressed in the labor-management procedures (LMP). Workers within rural communities will be involved in the pilot project activities, and the Bank will assess whether such workers may meet the criteria of community workers as per ESS2 and if so, this will be reflected in the LMP. Contract workers will be employed as deemed appropriate by contractors, sub-contractors, and other intermediaries, details of which will be known as and when activities' implementation begins. The project will not engage forced or child labor, per the requirements of ESS 2.

Potential OHS risks for project workers are associated with the rehabilitation of existing facilities, handling of pesticides (if any), and COVID-19. The project will regularly integrate the latest Technical Notes, COVID-19 guidance and best practices as it evolves which will also include: setting out grievance arrangements for project workers; putting in place SEA/SH measures; and incorporating labor requirements into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms.

The client will prepare a LMP which will set out details for project workers’ labor terms and working conditions. Provisions will be made to train and hire as many as possible from local community members where the activities are taking place. The ESMF will include sections on Environment Health and Safety (EHS) based on the World Bank Group EHS Guidelines (EHS checklists for expected types of works, codes of conduct; safety training, procedures for dealing with and disposing of hazardous materials like asbestos and lead-based paint, etc.). All contracted project workers will be expected to adhere to standard Codes of Conduct that address measures to prevent GBV/SEA/SH.

ESS3 Resource Efficiency and Pollution Prevention and Management

The ESMF will include assessment of risks and impacts and proposed mitigation measures related to relevant requirements of ESS 3, including for pesticide use, air pollution, soil erosion, possible hazardous materials from small



construction/rehabilitation activities. The ESMF will also set out requirements/guidance for preparation of site-specific/subproject-specific ESIA/ESMPs, including the requirements for Pest Management Plans if relevant.

ESS4 Community Health and Safety

Since local communities will be in the forefront of implementing the pilot activities, community health and safety issues are not expected to raise critical risks as the communities will only be directly involved in implementing small scale pilot activities and therefore not subject to high risk. However, the ESMF will include sections on occupational health and safety risks including those that might involve local communities; road safety; HIV/AIDS and sexually transmitted diseases; SEA/SH measures; COVID-19; noise and dust levels; site safety awareness and access restrictions; and labor influx. The ESMF will also include emergency preparedness and response plans to manage natural or man-made hazards/incidents (floods, fires, etc.) in the forest intervention areas during both implementation and operational stages of the project.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The project does not anticipate land acquisition and involuntary resettlement due to direct project construction works. However, there is a possibility of restriction of access to pastures, forests, and other natural resources located in protected areas of targeted landscapes. A PF will be prepared in a participatory manner with the affected communities, further consulted upon with other interested parties, disclosed, and applied by the project. The PF aims to enable the affected communities to participate in the design of project components; to ensure their livelihoods will not be negatively affected as a result of project implementation; to identify and provide them with alternative sources of livelihood and necessary support; and to actively involve them in the implementation and monitoring of relevant project activities.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Due to the nature of the project operations, that is based on the forest fund area management and operations, ESS 6 provisions will be integrated into the ESMF for the project.

The project will not finance activities that involve any conversion or degradation of critical natural habitats and the ESMF will spell out selection criteria to prevent such activities from happening. The ESMF will provide guidance on preparing protected area management plans, biodiversity management plans, spatial planning for landscape restoration, pasture management, afforestation that considers local biodiversity and living natural resources, and on safeguarding against possible loss/reduction of ecosystem services in all project areas. Two of the project regions have Protected Areas – 1 state reserve in Surkhandarya and 1 state reserve + national park in Jizzakh, but the extent or type of activities in these areas will be determined during project preparation.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Based on the screening against ESS 7, this ESS is not considered relevant to the project.



ESS8 Cultural Heritage

It is hard to assess the relevance of ESS8 at this stage During project preparation, proposed project locations will be screened for existing heritage buildings and archaeological sites. The ESMF will include “chance find” procedures to be followed for proposed activities.

ESS9 Financial Intermediaries

This standard is not currently relevant as no financial intermediaries are party to the project implementation modality.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

There are no co-financiers.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

Prior to appraisal, the client will prepare, to a level acceptable to the World Bank, and disclose the following documents:

1. Prepare an ESMF acceptable to the Bank that includes the requirements of the relevant Environment and Social Standards as well as information on Uzbekistan's unique flora, fauna, PNA legislation, and cultural heritage;
2. Update the SEP and start implementing as early as possible during the preparation;
3. Prepare a terms of reference for a PF to facilitate community participation in/ around Protected areas; and
4. Prepare an LMP.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

1. Environmental and social screening of pilot activities based on the ESMF;



2. Preparation of site-specific ESIA/ESMPs, when and where required incl. BMPs, PMPs, as needed;
3. Continued stakeholder engagement throughout project implementation and beyond project closure;
4. Adoption and implementation of the LMP;
5. Preparation and implementation of a PF acceptable to the Bank;
6. Preparation of Operational Frameworks for all sub-project activities in protected areas to ensure long-term sustainable operations; and
7. Capacity building to enhance the environmental and social performance of the implementing agency and key stakeholders in ESF application and ESS compliance.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

03-May-2021

IV. CONTACT POINTS

World Bank

| | | | |
|----------|----------------|--------|--|
| Contact: | Paola Agostini | Title: | Lead Natural Resources Management Specialist |
|----------|----------------|--------|--|

| | | | |
|---------------|-----------------|--------|-------------------------|
| Telephone No: | +1-202-473-7620 | Email: | pagostini@worldbank.org |
|---------------|-----------------|--------|-------------------------|

| | | | |
|----------|-------------|--------|---------------------------------|
| Contact: | Banu Setlur | Title: | Senior Environmental Specialist |
|----------|-------------|--------|---------------------------------|

| | | | |
|---------------|-----------|--------|-----------------------|
| Telephone No: | 5220+6530 | Email: | bsetlur@worldbank.org |
|---------------|-----------|--------|-----------------------|

Borrower/Client/Recipient

Borrower: Ministry of Finance

Implementing Agency(ies)

Implementing Agency: State Committee on Forestry

Implementing Agency: Executive Committee of International Fund for Saving the Aral Sea (EC-IFAS)

V. FOR MORE INFORMATION CONTACT

Public Disclosure



The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

VI. APPROVAL

| | |
|-------------------------------|---|
| Task Team Leader(s): | Banu Setlur, Paola Agostini |
| Practice Manager (ENR/Social) | Varalakshmi Vemuru Recommended on 21-Dec-2020 at 17:09:35 GMT-05:00 |
| Safeguards Advisor ESSA | Agnes I. Kiss (SAESSA) Cleared on 23-Dec-2020 at 12:17:56 GMT-05:00 |