



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 26-Oct-2020 | Report No: PIDC30263

**BASIC INFORMATION****A. Basic Project Data**

Country Uzbekistan	Project ID P174135	Parent Project ID (if any)	Project Name Uzbekistan Resilient Landscapes Restoration Project - SOP I (P174135)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date Jul 05, 2021	Estimated Board Date Sep 07, 2021	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency State Committee on Forestry, Executive Committee of International Fund for Saving the Aral Sea (EC-IFAS)	

**Proposed Development Objective(s)**

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

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	150.00
<b>Total Financing</b>	150.00
<b>of which IBRD/IDA</b>	142.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	142.00
IDA Credit	138.00



IDA Grant	4.00
<b>Non-World Bank Group Financing</b>	
Trust Funds	8.00
Miscellaneous 1	8.00

Environmental and Social Risk Classification  
Substantial

Concept Review Decision  
Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

#### *Regional context*

1. **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, have led to land degradation, erosion, and loss of vegetation cover. This, in turn, has affected the productivity of agriculture, the resilience of transport and infrastructure, and the potential for tourism development, while increasing the fragility of the region. The region is increasingly exposed to intense weather events and natural disasters, which further degrade the landscapes, the living conditions, and the economic opportunities of people. Climate change impacts are expected to worsen the condition of countries’ natural resources and the overall resilience of their populations and ecosystems.

2. **Land degradation is particularly prevalent in border areas<sup>1</sup>, causing acute regional externalities, and has vast economic costs for the region.** Much of the degradation is found along the countries’ borders, and these areas demonstrate low land productivity, high poverty, and unemployment. They also experience degradation-related natural disasters, such as landslides and floods, that impact key infrastructure in the region and possible tourism development along the Silk Road. Given the importance of Central Asia’s transboundary corridors for biodiversity (some critically endangered), road connectivity, watersheds, and trade, a joint vision and collaborative action are needed by the region’s

<sup>1</sup> This could be explained, *inter-alia*, by the slowdown of transboundary pastoralism after the breakdown of the Soviet Union, which has restricted the mobility of livestock between pastures to this day. This restriction of seasonal pastures (e.g., from mountains of Tajikistan to plains of Uzbekistan) results in overuse of pasture resources along the borders. With nomads forced to settle during the Soviet period, transhumance is not an issue in Central Asia countries. Source: Quill rou, E., Thomas, R.J., Guchgeldiyev, O., Ettling, S., Etter, H., & Stewart, N. (2016). Economics of Land Degradation (ELD) Initiative: Broadening options for improved economic sustainability in Central Asia: a synthesis of national studies. Report for the ELD Initiative from the Dryland Systems Program of CGIAR c/o ICARDA, Amman, Jordan. Available from [www.eld-initiative.org](http://www.eld-initiative.org).



governments to increase the resilience of shared landscapes. Land degradation costs, on average, 4 percent of the countries' Gross Domestic Product (GDP), with the cost of inaction being 5 times higher than the cost of action<sup>2</sup> due to a strong dependency of the forestry and agriculture sectors on landscapes. Since 1990, degradation-related disasters have affected the lives of over 10 million people in Central Asia and caused damages worth around US\$2.5 billion.<sup>3</sup> One key example is the degraded Aral Seabed that produces massive sand and salt storms with tragic impacts on livelihoods and health of communities in Kazakhstan and Uzbekistan. Another example is the increased frequency of landslides and mudflows in Tajikistan and Kyrgyz Republic that has led to an economic cost of about US\$750 million to Tajikistan alone in the last decade.<sup>4</sup> Arresting the degradation of regional public goods (water and land) will improve the livelihoods of the poor, and increase global interest in Central Asia's vast and largely pristine natural resource endowment for 'clean and green' agricultural exports and tourism.<sup>5</sup>

**3. Investing in landscape restoration is critical to address the complex nexus of local livelihoods, land degradation, climate change, environmental security, and economic growth.** As noted in the 2019 Special Report on Climate Change and Land of the Inter-governmental Panel on Climate Change (IPCC)<sup>6</sup>, restoring degraded landscapes is key to mitigating and adapting to climate change. The RESILAND CA+ Program provides a mechanism for tackling these issues, and, thus, increasing the resilience of landscapes and people in the region.

**4. The objective of the RESILAND CA+ Program is to increase the resilience of regional landscapes in Central Asia.** The Program will comprise analytics and advisory (funded by Bank Budget and Bank-executed Trust Funds such as PROGREEN), a regional IDA/TF-financed Series of Projects (SOP) and a GEF-financed project. Over time, financing from other development partners will be explored. The regional SOP will include at least three IDA countries (Uzbekistan, Tajikistan, Kyrgyz Republic, and potentially Afghanistan) and support activities with regional spillovers, namely (i) improved connectivity and integrity of natural resources across borders, (ii) increased resilience of key regional infrastructure prone to the impacts of land degradation (e.g., roads, railways, and dams), and (iii) increased resilience of transboundary communities benefitting from more productive landscapes and livelihood opportunities. The SOP will also help establish a regional platform for high-level dialogue to support harmonization of policies and approaches between countries on landscape restoration, designed as a component of the first SOP. The component will be financed through a regional IDA grant to the Executive Committee of International Fund for Saving the Aral Sea ([EC-IFAS](#)).<sup>7</sup>

**5. A regional program on landscape restoration and management is considered the most effective approach to making a difference in the region, as opposed to individual country-specific projects.** Since transboundary areas are hotspots for land degradation and poverty, and restoring land can provide a dual benefit of increased productivity and improved livelihoods, and address risks to communities and infrastructure, regional cooperation is needed to harmonize approaches and harness the ecological and economic benefits across shared corridors. In this context, national approaches would not be as effective in affecting landscape restoration. A regional program is also aligned with the

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<sup>2</sup> Ibid.

<sup>3</sup> EM-DAT International Disaster Database, Université Catholique de Louvain (UCL)-CRED, D. Guha-Sapir, Brussels, Belgium, <https://www.emdat.be/>.

<sup>4</sup> According to World Bank data.

<sup>5</sup> World Bank Group Regional Engagement Framework for Central Asia (REFCA, June 2020).

<sup>6</sup> [https://www.ipcc.ch/site/assets/uploads/2019/08/4.-SPM\\_Approved\\_Microsite\\_FINAL.pdf](https://www.ipcc.ch/site/assets/uploads/2019/08/4.-SPM_Approved_Microsite_FINAL.pdf).

<sup>7</sup> EC-IFAS was established in 1997 by the five Central Asia Governments as a working body of the International Fund for Saving the Aral Sea, an international organization. EC-IFAS is working for regional cooperation in the fields of water resources and environmental management. The Executive Committee is based in Almaty, Kazakhstan. The mission of EC-IFAS is to coordinate cooperation at national and international levels in order to use existing water resources more effectively, and to improve the environmental and socio-economic situation in the Aral Sea Basin. EC-IFAS serves as a platform for a dialogue among the countries of Central Asia, as well as the international community.



changed vision of Central Asia countries in addressing degradation of regional public goods by coming together as one region.

6. This Concept Note describes the Uzbekistan Resilient Landscapes Restoration Project – SOP I. See Annex 1 for a full description of the RESILAND CA+ Program, including a Program-level Theory of Change.

#### *Country context*

7. **Uzbekistan is a lower-middle-income, natural resource and mineral-rich, landlocked country that borders all other Central Asia countries.** The country has the largest population in Central Asia - 34 million as of 2019, with an annual growth rate of about 1.7 percent in recent years. With a total area of about 44 million hectares<sup>8</sup>, approximately 63 percent of the population is concentrated in rural areas.<sup>9</sup>

8. **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.**<sup>10</sup> Despite the steady decline in poverty, Uzbekistan still has a high level of poverty, especially among the rural population.<sup>5</sup> The unemployment rate is 5.9 percent and the groups most vulnerable to 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. Uzbekistan's per capita gross national income rose from US\$560 in 2001 to US\$1,910 in 2019.<sup>11</sup> These gains, however, have relied largely on an economic model driven by the State's dominance in major productive sectors, and a small, but restricted, small and medium business sector.

9. **Since 2017, Uzbekistan's economic policy has been reoriented towards a competitive, market-led, private sector economy.** Simultaneously, a series of social and political reforms have focused on reorienting the public sector to be responsive, citizen-centric, and deliver high-quality public services for all citizens. In mid-2017, with advisory support from the World Bank Group, the government launched economic reforms and the authorities have since enacted notable structural reforms. The reforms have benefitted from strong popular support, with about 95 percent of respondents in a World Bank survey (titled '[Listening to the Citizens of Uzbekistan](#)') expressing support.

10. **Increase in productivity, innovation, and diversification of Uzbekistan's economy could depend to a great extent on how effectively it manages its natural capital.** As in the rest of the region, the country faces significant environmental challenges, especially with increasing pressures from climate variability and change, economic growth, population expansion, and COVID-19. The combined effects of climate change on land degradation, worsening of water availability and agricultural productivity, and intensification of water pollution and sedimentation, will increase the already high vulnerability of this area.

<sup>8</sup> Asian Development Bank (ADB). 2020. *Basic statistics 2020*. Manila, Philippines.

<sup>9</sup> UN. 2020. Country facts (<https://www.un.int/uzbekistan/uzbekistan/country-facts>).

<sup>10</sup> In 2018, 11.4 percent of Uzbekistan's population was living below the national poverty line. The World Bank notes that the methodology for measuring poverty needs to be brought to international standards. The official poverty estimate does not consider non-food items and the use value of assets. World Bank data sources suggest that the poverty rate at the lower-middle-income country line was approximately 9.6 percent in 2018.

<sup>11</sup> These figures are presented in estimated purchasing-power-parity terms. In current US dollars (Atlas method), gross national income per capita rose from US\$560 in 2001 to US\$2,111 in 2016.



## Sectoral and Institutional Context

11. **About 8.4 percent of the country's land area is covered by forests (3.68 million hectares)**<sup>12</sup>, 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, comprising 12.2 million hectares of lands).<sup>13</sup> The SFF is administered by decentralized forest enterprises (*leshoz*), strategically guided and managed by the State Committee on Forestry (CF). The largest forest areas are in cold deserts and consist mainly of low saxaul forests, which have the characteristics of woodlands.

12. **In recent years, destructive land use practices and weak governance have resulted in intense degradation of Uzbekistan's forests.** Forests have degraded due to a continuous expansion of agricultural lands, increase in livestock using forest areas as pasture<sup>14</sup>, harvesting of fuelwood and non-wood forest products (NWFPs), and industrial development.<sup>15</sup> Several systemic problems have resulted in underperformance of the sector with only small, direct economic contribution to the GDP of less than 1 percent.<sup>16</sup> These include: fragmentation of responsibilities among different entities; overlapping and proliferation of laws, decrees, and policy acts; low engagement of the private sector; communities without clear concession mechanisms; lack of quality and recent data for accounting and monitoring land types; lack of effective organization in hunting, ecotourism, consumer goods and processing systems; insufficient institutional and technical capacities within the government; lack of modern laboratories and conditions for research; and lack of structured regional collaboration. However, the sector's indirect contribution is an intangible asset that is not captured, where it provides critical habitats for biodiversity and other essential environmental benefits such as water regulation, soil and wind erosion regulation, and managing NWFPs, among others.

13. **The relatively new CF, which was re-installed by a Presidential Decree in 2017, is responsible for the implementation of forest and hunting policies; however, it lacks capacity to effectively carry out its mandate.** A gap analysis carried out by the CF in 2019 and the World Bank's 2020 draft Forest Policy Note found weaknesses in coordination with other State committees; overlapping policies, laws, and regulations and weak enforcement; revenue management; transboundary communication; availability of accurate data; and capacities for landscape restoration, among others. Afforestation and forest restoration programs are hampered by a lack of updated and consistent data on forest degradation and restoration potential<sup>17</sup>, lack of resources, and sectoral approaches that ignore the wider considerations of the landscape.

14. **Uzbekistan is highly vulnerable to the impacts of climate variability and change, which act as multipliers of degradation and poverty.** According to the [World Bank Group Climate Change Portal](#), climate change is expected to result in increases in monthly maximum temperatures across Uzbekistan, with an average temperature increase of 2.4°C by mid-century and nearly 5°C by end of the century. Uzbekistan will experience high variability of rainfall across different agroecological and climatic zones. Increased heat and precipitation variability will lead to increased glacier melting and

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<sup>12</sup> National Agency for Cadastre – 1<sup>st</sup> of January 2014 (GD. 432/2014).

<sup>13</sup> The amount of the area of the State Forest Fund varies according to the sources and the date of reference: 12.21 million ha are indicated by FAO-UNECE (2019); 11.4 million ha was the official figure up to 2017; and before 2017, an area of 9.4 million ha was indicated by the Ministry of Agriculture and Water.

<sup>14</sup> Between 1991 – 2007, cattle numbers increased by 46 percent and small ruminants by 25 percent. During the same period, pastures, and hayfields on agricultural lands (under the Goscomcadastre) have decreased by approximately 40 percent because of low land productivity.

<sup>15</sup> Source: UNECE, 2019.

<sup>16</sup> GoU expects to increase income from forestry to approximately 1 trillion soums by 2030. Source: October 2020 Presidential Resolution on the Forest System Development Concept to 2030 (PP-4850).

<sup>17</sup> Proper inventories of forested land have not been undertaken over the past 30 years and most of the current data represents extrapolations of Soviet era figures.



evapotranspiration in summer months, resulting in a decrease in river flowing conditions. These conditions will intensify land degradation and desertification processes and, thereby, impact forest and pasture productivity, biodiversity, and other environmental services of these landscapes. The resulting reduced productivity of pasture and forests is expected to worsen rural livelihoods. With the economic cost of land degradation at an estimated 3 percent of GDP or US\$0.83 billion per year<sup>18</sup>, such issues are expected to further impact the national economy.

15. **In rural areas, women are more vulnerable to the impacts of land degradation** as they are mainly responsible for collecting and selling fruits, nuts, medicinal herbs, seedlings, etc. Women in rural areas are mostly employed in the agriculture sector where their participation tends to be informal, seasonal, part-time, and unregulated. Women also face a range of barriers to entrepreneurship and employment opportunities, including lack of technical skills, business knowledge, financial literacy, and traditions and norms that cast them as primary caregivers. Many rural women in Uzbekistan also have limited access to financial services. Despite a growing number of female entrepreneurial activities, as of 2015, only 14 percent of women were involved in self-employment.<sup>19</sup> Women also account for just four percent of the total staff working in public forest institutions, including one *leshoz* female manager out of 55 *leshozes*.<sup>20</sup> Global research indicates that gender inequalities have widened because of the COVID-19 pandemic (due to mobility restrictions, increased care burden, etc.) and the rate of gender-based violence has increased.<sup>21</sup>

16. **The enabling environment for addressing forest degradation has dramatically improved in the past year, wherein on October 6, 2020, Uzbekistan adopted the Presidential Resolution on the Forest System Development Concept to 2030 (PP-4850).** The Concept defines the sector's strategic goals, policy priorities, and implementation mechanisms, and prioritizes (a) development of State Forest policy and improvement of forest legislation and regulatory framework, (b) capacity enhancement of the CF to execute its mandate, (c) afforestation, reforestation, and other forest protection activities, (d) accelerated establishment of forest plantations and green areas around populations and economic facilities vulnerable to environmental conditions, (e) introduction of long-term private concession incentives for the private on SFF lands, (f) improvement of the forest monitoring system and research capacities, and (g) expansion of economic activities in forestry, including ecotourism. The Concept is aligned with the August 23, 2019 Presidential Resolution on "Additional Measures to Increase the Efficiency of Forest Use in the Republic" (PP-4424), and with the Decision of the Cabinet of Ministers in August 2020 on the "Creation of Industrial Plantations of Fast-growing Trees" (no. 520). These call to increase the country's forest area to 6 million hectares in ten years by farmers and Public-Private Partnerships (PPPs) through scientific research and incentive-based agroforestry. In addition, the agencies responsible for forest management in Uzbekistan and Tajikistan recently prepared a draft roadmap highlighting joint activities for cooperation in the forestry sector.

17. **The recent Resolution and the Forest System Development Concept to 2030 operationalize and go well-beyond Uzbekistan's global commitments.** Under the 2018 Bonn Challenge, Uzbekistan committed to restoring 500,000 hectares of degraded land by 2030 and additional 500,000 hectares with the support of the international community.<sup>22</sup> In 2017, the Government of Uzbekistan (GoU) submitted its Intended Nationally Determined Contribution (INDC), committing to

<sup>18</sup> Source: Quillérou, E., Thomas, R.J., Guchgeldiyev, O., Ettlting, S., Etter, H., & Stewart, N. 2016. Economics of Land Degradation (ELD) Initiative: Broadening options for improved economic sustainability in Central Asia: a synthesis of national studies. Report for the ELD Initiative from the Dryland Systems Program of CGIAR c/o ICARDA, Amman, Jordan.

<sup>19</sup> United Nations Development Programme (UNDP) Uzbekistan. 2017. Women Entrepreneurs in Uzbekistan: Challenges and Opportunities. Policy Brief. <https://www.undp.org/content/uzbekistan/en/home/library/poverty/women-entrepreneurs-in-uzbekistan--challenges-and-opportunities.htm>.

<sup>20</sup> According to FAO forest resources assessments of 2014 and 2017.

<sup>21</sup> Source: World Bank. 2020. *Gender Dimensions of the COVID-19 Pandemic*. Policy Note. Washington, DC.

<sup>22</sup> <https://www.iucn.org/news/forests/201807/caucasus-and-central-asia-demonstrate-impressive-political-will-restoration-and-bonn-challenge>.



decreasing specific emissions of GHG per unit of GDP from the 2010 level by 10 percent by 2030, and continuing its efforts on climate adaptation-related capacity building. Being party to the United Nations Convention to Combat Desertification (UNCCD), Uzbekistan is in the process of defining land degradation neutrality (LDN) targets.

#### Relationship to CPF

18. **The WBG Regional Engagement Framework for Central Asia (REFCA, June 2020) gives the highest priority to programs that improve the connectivity and sustainability of regional public goods, both of which will be supported by the project.** The REFCA further emphasizes the impact of land degradation on road connectivity, critical hydropower dams, and environmental investments. Accordingly, the REFCA recognizes RESILAND CA+ as one of two key WBG programs that address the Climate, Environment, and Disaster Risk Management Priority under Pillar 2 (Regional Public Goods).

19. **The project will implement key strategic actions identified in the WBG Country Partnership Framework (CPF) for FY16-21** (Report No. 105771-UZ) and the draft Second Systematic Country Diagnostic (SCD) for Uzbekistan. Under Focus Area 1 of the CPF (Private Sector Growth), the project will support small and medium enterprises (SMEs) to stimulate innovation, increase value, and generate employment in agribusiness and ecotourism, among others. Under Focus Area 2 (Agricultural Competitiveness), the project will support the diversification of farm production into higher-value, more labor-intensive but less water-intensive crops, mainly in rural areas. The CPF's Cross-Cutting Areas of Engagement (data and information availability, gender equality, and resilience to climate change) will be integrated into the project design, namely: (i) improvement of data availability and reliability in the forestry sector to support policy dialogue and underpin planned investments and citizen engagement in planning; (ii) gender equality by bridging the aforementioned identified gender gaps, i.e., engaging women in multi-stakeholder platforms to identify challenges and opportunities in the project landscapes, hiring women to paid planting programs, providing targeted technical and vocational skills to rural women, entrepreneurs and civil servants in the sector, and providing rural women with financial resources to develop climate-smart livelihoods opportunities and nature-based tourism development-related activities within the targeted transboundary landscapes. The project will conduct a full gender analysis during analysis and develop and gender action plan that will be implemented by the project; and (iii) increasing climate resilience through diversification to adaptive crops, introduction of water saving techniques, collection of better data on climate change and water flows, and mitigation by increasing the forestry sector's sink capacity. The draft SCD recognizes that Uzbekistan's natural resources – its largest source of wealth – are used inefficiently and unsustainably and calls for early investment in environmental sustainability.

20. The project aligns with the **WBG Action Plan on Climate Change Adaptation and Resilience** (Report No. 136368), Objective 1 of Boosting Adaptation Financing. The Action Plan identifies forests and integrated landscape management as one of the six adaptation themes that the WBG will support. It states that the WBG is seeking to support interventions that apply an integrated landscape management approach for avoiding deforestation and promoting landscape restoration or sustainable forest management across 120 million hectares of forests in 50 countries.

21. **The project will support the WBG COVID-19 crisis response efforts.** While not considered a COVID-19 response operation, the project will support the green recovery aspects of the World Bank's response strategy as articulated in the June 2020 COVID-19 Crisis Response Approach Paper under Pillar 4 (Strengthening Policies, Institutions, and Investments for Rebuilding Better) during the Resilient Recovery Stage. It will do so by (i) assisting the GoU to further regulate and implement the new Concept, focusing on almond, walnut orchards, and paulownia plantations. This will increase the resilience of the landscape and create a vibrant Forest Economy; (ii) financing the restoration of degraded lands through sustainable land and water management with a "green wager" program; and (iii) financing training for vocational skills



for livelihoods activities linked to natural resource management and agriculture.

### C. Proposed Development Objective(s)

22. The proposed Uzbekistan Resilient Landscapes Restoration Project – SOP I, is part of the Regional RESILAND CA+ Program, whose objective is to increase the resilience of regional landscapes in Central Asia.

23. The proposed SOP I Project Development Objective (PDO) 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.

#### Key Results (From PCN)

24. The following indicative list of indicators will measure the achievement of the SOP I PDO. A full results framework, including indicators that measure PROGREEN-related outcomes, will be developed during project preparation.

- i. Land Degradation Neutrality target set (Yes/No)
- ii. Land area under sustainable landscape management practices (CRI, hectare)
- iii. Beneficiaries adopting landscape restoration practices (number, disaggregated by sex)
- iv. Transboundary sustainable landscape management policies harmonized (Number)<sup>23</sup>

### D. Concept Description

25. **The Uzbekistan Resilient Landscapes Restoration Project - SOP I will be financed by a US\$138 million IDA credit, a US\$4 million IDA grant, and a US\$8 million PROGREEN grant.** The project will be implemented by the CF over a six-year period, in partnership with EC-IFAS, which will implement regional activities.

26. **The geographical focus of the project will be based on a combination of several criteria, including poverty incidence, potential for integrated landscape restoration, regional and transboundary corridors, and complementarity with government resolutions, among others.** The project will focus on areas in Uzbekistan that border other Central Asia countries within the five regions/oblasts 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, including transboundary protected areas), Jizzakh (areas bordering Tajikistan), and Surkhandarya (areas bordering Tajikistan and Afghanistan) as shown in figure 2. Landscape restoration interventions will focus on improving connectivity and strengthening transboundary corridors for biodiversity, transport, the ecohydrological performance of watersheds, and trade. Interventions will be prioritized according to the main drivers of degradation in each area and their relative impact.

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<sup>23</sup> Examples of policies could include a regional MoU/ roadmap for integrated landscape restoration endorsed by the countries, a knowledge platform, etc. – developed and implemented and/or operational.



Figure 2. Project area



27. The project is expected to benefit poor rural communities in the 5 project regions/oblasts, including private farmers and farmer groups, and resource user groups/communities, in villages that are interested in adopting landscape restoration practices. The project will provide technical and financial support to beneficiaries to help implement targeted interventions to result in improved livelihoods and increased resilience, while also contributing to the restoration of ecosystem functions. Other stakeholders, including government agencies, are expected to benefit from the project through technical support for integrated landscape planning and management that will result in reconciliation of different land uses at national and regional scales. The government will also benefit from financing for restoration activities in forest and protected areas.

28. The project will be prepared using a Project Preparation Grant (PPG). The Recipient-Executed Trust Fund (US\$423,000 ECAPDEV) will be managed by the CF’s Department of International Relations and Ecotourism Development (CF IRED) through a team of technical staff and consultants. The PPG will finance technical, environmental, and social assessments, the development of a results framework, fiduciary assessments, a gender gap analysis, consultation and communication, and the preparation of a Project Operational Manual and a Project Grants Manual. The PPG will also finance the training and capacity building of local stakeholders as needed. Project preparation will also benefit from a Bank-Executed PROGREEN TF (and tentative financing from the Government of Korea Green Growth TF/KGGTF). The project design will also be informed by several studies in Central Asia countries, including those financed by CAWEP, Wealth Accounting and the Valuation of Ecosystem Services (WAVES), and the NDC Partnership. During project preparation, innovative technologies and approaches will be used for consultations with stakeholders to overcome COVID-19-related travel restrictions.

29. Project objectives will be achieved through targeted interventions grouped under the following components:

Component 1: Strengthen Institutions and Policies, and Regional Collaboration, (US\$11 million)



30. This component will finance consulting services, goods, training and workshops, and operating costs. It will have a technical assistance and regional focus in support of cross border landscape restoration and vibrant Forest Economies.

#### Sub-component 1.1: Strengthen Institutions and Policies (US\$7 million)

31. This sub-component will finance (i) development and/or revision of policies and regulations governing the forestry sector to ensure clear mandates and responsibilities and to incorporate landscape management considerations. These include categorization of protected areas; improvement of the concession allocation policy to enhance private sector and community engagement in forestry; development of a model for community forestry co-management; and studying the possibility of utilizing carbon taxes and new fees for payment for environmental services;; (ii) development of a state-of-the-art National Forest Information, Communication and Technology (ICT) Platform that will support the GoU to plan, execute, and evaluate forestry action plans during the course of the project and in the future; and (iii) institutional and technical capacity building of the CF central and decentralized offices, including CF IRED, forest research laboratories, and other entities engaged in forest management. The project will finance the training of female CF staff to become strong candidates for managerial positions at the central and *leshoz* levels. This sub-component will also help the country establish its LDN targets. In addition to the above interventions, as incentives for progress on the reform agenda, the project will provide targeted technical assistance and training by bringing in lessons from global experience in various fields for e.g., forest concession models, and regional collaboration, among others.

#### Sub-component 1.2: Strengthen Regional Collaboration (US\$4 million)

32. This sub-component will be implemented by EC-IFAS and financed through a regional IDA grant. It will aim to fulfill the regional and global commitments of the Central Asia countries, raise their INDC mitigation ambitions, and foster transboundary sustainable landscape management collaboration between governments. This will be achieved by setting up a Regional Landscape Restoration Platform within EC-IFAS that will connect governments at the ministerial level, as well as non-government entities, prominent regional organizations, and academic institutions (for example, the Tajikistan-based University of Central Asia and Aral Sea organizations), development partners (ECCA30 partners, GIZ, UNEP, EU, Korean and Turkish governments), and the private sector across Central Asia, and Afghanistan. The Platform will work with governments to harmonize policies and strategies for landscape restoration through the development of joint roadmaps informed by field visits, joint analysis of gaps, and joint target setting exercises. It will also provide technical and scientific advice and training to government and non-government stakeholders and disseminate knowledge to and among stakeholders through workshops, dialogue, partner fora and events, and south-south exchanges. A RESILAND CA+ Program web portal will be developed within the Central Asia Regional Economic Cooperation's (CAREC) Central Asia Climate Information Platform<sup>24</sup> with data and virtual discussion platforms, regional communication programs and events, development and dissemination of analytical work, and monitoring of global restoration trends. Annual communication programs on specific topics will be developed and implemented. These activities and the overall monitoring of the RESILAND CA+ Program will be implemented by a Regional Coordination Unit (RCU) within EC-IFAS, that will be overseen by a Regional Steering Committee (RSC). The RSC will be composed of representatives of the region's governments and receive secretariat services from EC-IFAS. Both the RCU and RSC are currently functioning under the World Bank-funded Climate Adaptation and Mitigation Program for Aral Sea Basin project (CAMP4ASB - P151363). The project will finance the incremental operating costs of the RSC and RCU to support the project and carry out the additional activities. The RCU will monitor the RESILAND CA+ progress and submit annual collaboration work plans to the RSC for approval. Further details on institutional and implementation arrangements will be described in a Project Operational

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<sup>24</sup> <https://centralasiacimateportal.org>.



Manual.

## Component 2: Enhance Resilient Landscape Management and Livelihoods (US\$131.5 million)

33. This component will finance works, consulting services, non-consulting services, goods, training and workshops, and operating costs. It will support asset and job creation and attract private business to the forestry sector.

### Sub-component 2.1: Enhance Resilient Landscape Management (US\$81.5 million)

34. The project will support an integrated and climate resilient landscape management approach to promote forest landscape restoration within the project landscapes through nature-based solutions. This would entail the formation of multi-stakeholder platforms with women representation to identify challenges and opportunities in these landscapes, development of a shared understanding of the way forward, and the development and implementation of integrated land use plans. Based on the land use plans, the project will finance the upfront costs of a “green wagers” program<sup>25</sup> for restoration of degraded forest lands that serve protective purposes, including protected areas, through assisted natural regeneration, silvicultural measures, enrichment planting, afforestation and greening, establishment of agrosilvopastoral systems on degraded pasture lands, and introduction of food production systems, i.e., horticulture and agroforestry/commercial plantations of fast growing nut/fruit/silk producing trees in the walnut-fruit forest belt and in agricultural zones (shelterbelts). The “green wagers” program will focus on hiring women, training women entrepreneurs, providing targeted technical and vocational skills, and providing financial resources through a matching grants program. The private sector will be engaged in plantation of trees for commercial/productive purposes.

35. This sub-component will also support the implementation of management plans of protected areas within the targeted landscapes, including refurbishment of visitor and management centers, training of staff, marking of trails, and ecotourism activities. There will be strong focus on the use of both traditional and disruptive technologies for climate resilient forest restoration activities. As a result, biodiversity hotspots are expected to be linked to restored degraded forest and agriculture lands to create multi-functional “green corridors”, to boost economic, social, and environmental connectivity and generate a vibrant forest economy. Another expected impact is improvement of the resilience of key regional infrastructure to the effects of land degradation. Activities will be implemented in transboundary corridors within the 5 oblasts by the CF and targeted communities, which will result in regional spillovers. Details on formation of beneficiary clusters and other modalities of community engagement will be defined during project preparation.

### Sub-component 2.2: Enhance Resilient Livelihoods (US\$50 million)

36. This sub-component will finance small grants for community groups, including women and youth groups, to support climate-smart livelihoods opportunities, vocational skills training, and nature-based tourism development-related activities within the targeted transboundary landscapes. Activities will target communities within the 5 project oblasts, leading to regional spillovers; they will be grouped into: (i) selection and implementation of climate-smart forest livelihood activities, namely farm and non-farm income-earning activities based on specific criteria and risk management;

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<sup>25</sup> The green wagers program will provide livelihood opportunities to daily wagers, especially youth and women, to enhance job creation and community engagement in afforestation, reforestation, and other greening activities. The program will draw from the experience of Pakistan’s Ecosystem Restoration Initiative’s Ten Billion Tree Tsunami Program which seeks to address climate change challenges in the country through ecosystem restoration.



(ii) support for the development of nature-based tourism activities; and (iii) vocational training and value chain development for villagers to enhance employment and livelihoods opportunities. Support will be based on local market demand and may include management skills to operate small businesses, timber-based enterprise skills, NWFP and food processing for value chains, and non-farm skills. A portion of the grants will be earmarked for the most vulnerable members of the villages, including women and youth. In addition, to help address gaps in economic opportunities and skills of women and youth, the sub-component will finance courses that respond to these groups' vocational interests and job market opportunities and encourage them to participate in relevant training. Small grants to communities will follow community driven approaches implemented in other Bank funded projects in agriculture, tourism, and socio-economic development. A Grants Manual will describe their design, methodology, and implementation modalities.

#### Component 3: Contingency Emergency Response Component (US\$0 million)

37. The Contingency Emergency Response Component (CERC) will provide swift response in the event of an eligible crisis or emergency. The government may then request the World Bank to reallocate project funds to support emergency response and rehabilitation or reconstruction. In the event of an eligible emergency, this component, with an initial zero cost allocation, will draw from uncommitted project resources to cover the emergency response. If there are no emergencies, crises, or natural disasters during the project's duration, the CERC will remain inactive.

#### Component 4: Project Management and Coordination (US\$7.5 million)

38. This component will finance consulting services, non-consulting services, goods, training and workshops, and operating costs.

39. The component will finance the operating costs and technical and operational training of a Project Implementation Unit (PIU) within the CF IRED. It will also finance the establishment and operation of a high-level multi-agency steering committee. Local activities at each of the five oblasts will be coordinated through the CF's decentralized units, whose operating costs will be supported by the project.

40. **The project will complement the CAMP4ASB project**, which has recently received additional financing from the Green Climate Fund. While CAMP4ABS supports the adoption of climate-resilient agriculture in Uzbekistan's Aral Sea Basin, the RESILAND CA+ SOP will add a much-needed emphasis on reversing land degradation, increasing landscape restoration and reforestation in border landscapes. The RESILAND CA+ Program web portal proposed under sub-component 1.2 will be added to the CAREC Central Asia Climate Information Platform, which is financed by CAMP4ASB through a financing agreement with EC-IFAS.

41. **The project design is based on a wealth of knowledge gained from a portfolio of landscape projects in the Environment, Natural Resources and Blue Economy Global Practice and Agriculture Global Practice.** Examples of national projects from which lessons have been drawn are the Ethiopia Climate Action through Landscape Management Program for Results (P170384), Burundi Landscape Restoration and Resilience Project (P160163), and Colombia Mainstreaming Sustainable Cattle Ranching Project (P104687). Regional Programs include the Climate Adaptation and Mitigation Program for Aral Sea Basin (P151363), the Central Asia South Asia Digital SOP (P156894/P160230), the Central Asia South Asia Electricity Transmission and Trade Project (P145054), and the multi-country Sahel and West Africa Program in Support of the Great Green Wall. The project design also considers lessons specific to Tajikistan and Uzbekistan, including the recently closed Tajikistan Environmental Land Management and Rural Livelihood Project (P122694), and experience from the World Bank partnership with the Global Landscape Forum, ECCA30, and PROGREEN, among others.



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

42. **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, Karakalpakistan, Sirdaryo, Jizzakh, and Surkhondaryo 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. The Project is not expected to conduct any activities in critical habitats. 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. Therefore, there may be potential impact from small-scale rehabilitation activities of these facilities.

43. **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 Environmental and Social Framework (ESF). The project activities will be implemented in conjunction with the local government at provincial (Ferghana, Karakalpakstan, Sirdaryo, Jizzakh, and Surkhondaryo) 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 assessed as low.

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