

## **Draft Executive Summary of the Environmental and Social Management Framework (ESMF) on proposed "Agriculture Modernization Project" with participation of the World Bank disclosed for consultation**

**Project Name:** Uzbekistan Agricultural Modernization Project for Environmental and Social Management Framework (ESMF), Labor Management Procedure (LMP), and Stakeholder Engagement Plan (SEP)

**Implementing Agency:** Uzbekistan Agroindustry and Food Security Agency (UZAIFSA)

Tashkent  
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### **EXECUTIVE SUMMARY**

**This Environmental and Social Management Framework (ESMF) is prepared for the Uzbekistan Agriculture Modernization Project.** The Project is implemented by the Ministry of Agriculture and the Uzbekistan Agroindustry and Food Security Agency (UZAIFSA) and funded by the World Bank (WB). The purpose of the Environmental and Social Management Framework is to outline expected environmental and social risks and impacts of the project and to provide a system for monitoring and managing such impacts during project implementation. Additionally, this framework describes institutional roles and responsibilities for managing environmental and social risks under the project, and the feedback and grievance mechanisms by which citizens and other interested parties can interact with the project implementation agency.

**Project objective.** The proposed project development objective is to enable transition to market-oriented and inclusive agriculture sector in Uzbekistan.

**Project components and activities.** The Project is composed of the following components:

**Component 1: Strengthening Generation and Delivery of Key Agricultural Services.** This component will support institutional strengthening and development of mechanisms to bring research, extension, and private sector together for better defining applied research priorities that would address constraints faced by farmers and agribusinesses in a timely and coordinated manner and extent research results to the end beneficiaries. The sub-components are:

**Sub-component 1.1 Applied Agricultural Research and Development.** Under this sub-component, the project will provide support with: (i) construction (of new), rehabilitation/renovation (of existing), and refurbishment (of both new and existing) office, laboratory etc. buildings; (ii) construction (of new), renovation/rehabilitation (of existing) and equipping (of both new and existing) research infrastructure, including greenhouses, glass houses, and lath houses; (iii) upgrading of irrigation infrastructure/facilities on research farms; (iv) establishment and/or upgrading of ICT infrastructure/facilities; (v) establishment and/or strengthening of demonstration plots and orchards; (vi) procurement of laboratory equipment, reagents, field equipment, farm machineries and vehicles; (vii) procurement (acquisition) of germplasm; and (viii) human resource development, including training (short and long term), workshops, seminars, conferences and study tours.

**Sub-component 1.2 Seed and Seedling Production.** The sub-component will strengthen the public variety registration, seed production, and seed quality assurance to achieve the above stated objective. The support will include: (i) construction (of new), rehabilitation/renovation (of existing), and refurbishment (of both new and existing) office, laboratory etc. buildings; (ii) upgrading of irrigation infrastructure/facilities on state seed farms; (iii) establishment and/or upgrading of ICT infrastructure/facilities; (iv) procurement of laboratory equipment, reagents, field equipment, farm machineries and vehicles; and (v) support of accreditation of laboratories, including to the International Seed Quality Control Agency's requirements; and (vi) human resource development, including training (short and long term), workshops, seminars, conferences and study tours.

**Sub-component 1.3 Soil Fertility Management.** Investments under this sub-component will include: (i) upgrading soil testing laboratory infrastructure; (ii) strengthening soil mapping capacities (technical assistance, critical equipment, ICT and software, network) and digitalizing map information with open-date

access; (iii) developing best practice guidelines on soil monitoring, mechanization practices/techniques, and fertilizer use adjusted to different soil types and agro-ecological zones as a part of the GAP guidelines, while making this information available to farmers through field-based extension services; (iv) supporting design of climate-smart and small farm suitable machinery and equipment; and (v) piloting new digital technologies for soil testing/scanning and procuring portable field-based soil testing equipment to allow extension services to provide immediate feedback to farmers on soil quality and proposed adjustments needed to enhance soil fertility. The sub-component will also support capacity building to experts, scientists and local communities in soil fertility management.

**Component 2: Developing Inclusive Value Chains.** This kind of long-term financing is still lacking in the domestic banking sector and the project will propose the following special financing windows to promote inclusion of small farmers in modern value chains:

**Sub-component 2.1: Credit window for farm cooperatives.** This window will provide credit to members of farm cooperatives for investments in infrastructure, machinery and equipment, and other assets to promote their collective actions. Typical investments would be in intensive orchards and greenhouses, horticulture processing and storage facilities, and adoption of climate-smart water-saving technologies for intensive orchards and greenhouses. Farm cooperatives will be supported by subcomponent 1.4 that seeks to strengthen their business capacity and help them prepare bankable business plans to receive loans. The credit line will be implemented through participating financial institutions (PFIs).

**Sub-component 2.2: Credit window for productive partnerships.** This window will provide credit to agribusinesses entering into formal contract agreements with farmers and farm cooperatives by establishing productive partnerships and/or provide value chain financing like provision of working capital financing between businesses within a supply chain. The credit line will be implemented through participating financial institutions (PFIs).

**Component 3: Facilitating trade.** The objectives of this component are to reduce transaction/trading costs and increase the geography of export with the focus on improving: (i) agro-logistics; (ii) phytosanitary capacity; and (iii) agricultural market information collection and dissemination.

**Sub-component 3.1 Establishing Agro-Logistical Centers** The project will finance construction of agro-logistical centers (ACLs), tentatively in Bukhara and Khorezm regions, which will be the part of an integrated network of ACLs.

**Sub-component 3.2 Strengthening plant protection and phytosanitary capacity.** The investments under this sub-component will include: (i) infrastructure (laboratory building and border inspection points) and equipment for pest identification for the central laboratory of SPQI and the border inspection points; (ii) plant protection's equipment and training; and (iii) capacity development for pest control to perform phytosanitary inspection, testing and certification actions regarding key exporting crops. The sub-component will also include strengthening links between SPQI and adoption of good agricultural practices.

**Sub-component 3.3 Strengthening market information system.** The objective of this sub-component is to strengthen the market information system at the MOA.

**Component 4: Project management.** This component will finance project management activities, including monitoring and evaluation.

**Project location.** The project will be open to beneficiaries located in all 13 regions of Uzbekistan. The focus will be on the districts specialized in horticulture. At appraisal stage, there were 55 such specialized districts in the country. Uzbekistan is one of the largest countries in Central Asia, sharing its borders with Kazakhstan (north), the Kyrgyz Republic (east), Tajikistan (southeast), Afghanistan (south), and Turkmenistan (southwest). Covering an area of 447,000 km<sup>2</sup>, it extends 1,425 km from east to west, and 930 km from north to south. Uzbekistan's physical environment varies markedly: from mountain peaks in the east, to the flat, desert topography of central and western areas that comprises the majority of the nation's lands. Overall, Uzbekistan's climate is classified as continental, with generally hot summers, often exceeding 40°C, and cool winters of around -2°C but sometimes below -30°C. The nation is extremely arid, with annual precipitation of only 100-200 mm, mostly falling during winter and spring. The nation's water supplies are provided through a number of rivers, lakes and reservoirs, with two rivers, namely the Amudarya and Syrdarya, being essential to the nation's agricultural sector.

**Project potential environmental and social risks and impacts.** The project will generate positive social and economic benefits through the creation and maintenance of the necessary infrastructure. However, certain types of activities may result in adverse impacts due to which the project should put in place strong environmental and social screening, mitigation, and monitoring systems.

**Environmental risks and impacts** are mainly related to the construction phase of the planned sub-projects. These may include waste generation, noise, dust and air pollution, water and soil pollution, impacts from possible pesticide use, health and safety risks for communities and workers. Other environmental risks during the project implementation are related to handling of hazardous materials and wastes. There is a possibility that project activities will involve demolishing of existing buildings with asbestos contained roofs. To mitigate this impact template of Specific Asbestos Management Plan is presented in the ESMF. Specific requirements for the handling of pesticides for the project activities on demonstration plots and orchards also reflected into the Pest Management Plan presented into the Annexes as well. It is expected that they all be typical of small-scale construction/rehabilitation work, temporary in nature and site-specific, and they can be mitigated by applying the best construction methods and appropriate mitigation measures.

**Social risks and impacts** related to the physical footprint of the project are predictable and manageable via measures included in the ESMF and in the Resettlement Policy Framework (RPF) of the project. Direct social risks under the project relate to land acquisition or land use restrictions, as well as to community, health and safety and labor safety risks in project activities. No significant risks related to labor influx, gender-based violence (GBV) or community health and safety are expected under the project, as most project workers will be recruited locally. Additional and indirect social risks relate to the broader context of the agriculture sector, to the capacity-building needs of UZAIFSA staff and other key stakeholders (local government, PFIs, etc.) on adhering to the principles of the WB's Environmental and Social Framework. These relate to the transparency and equity of land allocation and land tenure security, information constraints and overall ability of smaller farmers to partake in benefits of the project, risks of reduced access to land and productive assets due to land reallocation, and the capacity of state institutions and financing institutions to monitor labor and working conditions across rural enterprises. E&S procedures to be put in place under the project have to take into account these contextual risks, manage and monitor them as they relate to project-supported activities, and provide adequate attention to capacity-building activities of the involved implementing institutions.

Social risks under each sub-project will be screened, mitigation measures proposed, and monitored via the following steps: initial screening and risk categorization of the sub-project; preparation of ESMP/ESMP Checklist, and where applicable RAP; for large civil works sub-projects inclusion of contractor requirements to prepare and implement Contractor's ESMP, LMP, and other relevant sub-management plans (e.g. traffic safety, community engagement, emergency response plan, etc.); inclusion of requirements for PFIs and credit beneficiaries to adhere to environmental and social standards as listed in the present ESMF, in the project RPF and LMP; implementation of stakeholder engagement by UZAIFSA as outlined in SEP.

**Overall project environmental and social risks.** Considering the potential environmental and social risks, described above, as well as the high uncertainty over sectoral policy priorities and directions, and diverse areas of potential investments the project environmental and social risks are assessed as **Substantial**.

**Relevance of World Bank Environmental and Social Standards (ESS).** The project will be implemented in accordance with the WB Environmental and Social Framework (ESF) including ten Environmental and Social Standards (ESS). All ESSs, with the exception of ESS 7, are relevant to the project (more detailed description is given in Section 3.5). All investments to be financed by this project will apply national environmental laws and regulations as well as the relevant WB environmental and social standards.

**Environmental and Social Management Framework (ESMF).** As the technical evaluation (e.g., feasibility studies, detailed designs) and specific intervention locations under the project are not identified at project preparation stage, a framework approach is adopted. Respectively, in accordance with the ESS1, an Environmental and Social Management Framework (ESMF) has been prepared, which specifies rules and procedures for the activities and subprojects' Environmental and Social Impact Assessment (ESIA) and for preparing adequate Environmental and Social Management Plans (ESMPs). The main goal of the Environmental and Social Management Framework (ESMF) is to define the measures, ways and mechanism for avoiding, minimizing and/or mitigating potential negative environmental and related social impacts that may occur as the result of implementation of the project. The ESMF ensures that the identified subprojects in the course of project implementation will be correctly assessed from environmental and social perspective to meet WB's Environmental and Social Standards alongside with

Uzbekistan's Environmental and Social Laws and Regulations. The ESMF will guide the ESIA process and in this regard covers the following: (i) rules and procedures for environmental and social screening of project activities and subprojects to be supported under the project; (ii) guidance for conducting subprojects ESIA and/or preparing simple ESMP or ESMP Checklist which including monitoring plans; (iii) mitigation measures for possible impacts of proposed subprojects; (iv) safety measures while handling treated seeds and applying pesticides and a template for the Pest Management Plan (PMP); (v) requirements for preventing risks and impacts related to biodiversity and ecosystem services by introducing new seed varieties<sup>1</sup>; furthermore, the ESMF provides the main requirements of the "International Best Practice in Safety of Research Laboratories" developed by the US National Institutes of Health; (vi) curricular for environment-related TA activities under Components 1, 2 and 4, in particular in the area of sustainable water and land use; Integrated Pest Management; managing environmental risks and impacts, etc.; (vii) requirements for Participating Financing Institutions and credit line beneficiaries under the Component 2. With regard to credit line beneficiaries, the ESMF specifies the criteria for a preliminary screening of these activities and for identifying the correct type of environmental and social instruments to mitigate impacts and monitor sub-project activities; (viii) implementation and monitoring arrangements for ESIA/ESMPs; (ix) overview of the capacity of UZAIFSA for environmental and social risk management and measures to fill any gaps in capacity.

The ESMF serves also to provide details on procedures, criteria, and responsibilities for subproject environmental and social screening, preparing, implementing and monitoring of subproject specific ESIA's.

In addition to the ESMF, the following documents have been prepared by UZAIFSA in accordance with the WB environmental and social standards:

**Labor Management Plan (LMP).** The LMP identifies the main labor requirements and risks associated with the project, and helps the Borrower to determine the resources necessary to address project labor issues. The LMP is a living document, which is initiated early in project preparation, and is reviewed and updated throughout development and implementation of the project.

Mainly two type of workers are expected to be involved in the project implementation: Direct workers and Contracted workers. Total number of UZAIFSA employees as direct workers, dedicated to this project, is estimated to be approximately 25: 21 residing in Tashkent City. The precise number of project contracted workers who will be employed are not known as of now. However, preliminary estimation is about 450 workers may be involved in total in all contracted works under the project.

It is estimated that women would represent about 5-10 percent of the workforce, and those would likely be technical (engineering) and/or staff working in the operation offices and camps. Based on the experience under previous projects implemented by UZAIFSA, all workers will be over 18 and will be on average 30-40 years old. No direct and contracted workers under 18 will be recruited.

No child, forced, involuntary or unpaid labor will be used in any civil works activities, contracted by or directly associated with the project. This will be monitored by UZAIFSA and will be included in the training to be provided to UZAIFSA staff, staff of Participating Financing Institutions (PFIs), and local government officials in participating regions. These provisions will also be included in the Subsidiary Agreements signed between Ministry of Finance , UZAIFSA and PFIs.

It is assessed that key labor risks would be associated with health and safety risks related to the construction of agro-logistics centers and rehabilitation of buildings such as exposure to physical, chemical and biological hazards during construction activities, use of heavy equipment, trip and fall hazards, exposure to noise and dust, falling objects, exposure to hazardous materials and exposure to electrical hazards from the use of tools and machinery. As the construction activities will involve hazardous work, persons under the age of 18 will not be employed by the Project. Within the Project, UZAIFSA will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, as far as reasonably practicable, the causes of hazards.

UZAIFSA within the Project will develop GRM for its workers (Direct workers) as per the LMP. Contractors will develop Contractor's LMP including provision to establish and maintain GRM for their employees.

**Resettlement Policy Framework (RPF).** Civil works to be undertaken for implementation of the project activities will be conducted on public lands that have been designated for this purpose and on the premises of existing public institutions. As such, they are not expected to lead to involuntary land acquisition or

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<sup>1</sup> As per FAO guidelines: <http://www.fao.org/agriculture/crops/thematic-sitemap/theme/biodiversity/en/>

resettlement. Nevertheless, some impacts on land and restrictions on land use are possible. All site-specific investments under the project will be screened for adverse land or resettlement impact and, where such impacts are identified, will follow the compensation and mitigation procedures as described in the Project Resettlement Policy Framework.

The project will avoid to the extent possible adverse impacts on private or privately-used land and property, and will clearly document all efforts made to avoid land restriction and resettlement impacts. Where such impacts are unavoidable, they will be minimized to the extent possible, and the project will follow the procedures laid out in the RPF to ensure that adequate compensation and rehabilitation measures have been provided to the project affected people. The RPF defines the procedures for: (i) acquiring land (after all technical alternatives have been exhausted), (ii) dealing with any residual impacts from land acquisition (i.e. identifying, establishing the valuation of, and compensating people that suffer economic losses or loss of private property, (iii) monitoring and verification that policies and procedures are followed, and (iv) grievance redress mechanisms.

This RPF is based on relevant National laws and Decrees as well as the World Bank ESS 5: Land Acquisition, Restriction on Land and Involuntary Resettlement. The guidelines of the RPF apply to all the investments financed by the Agriculture Modernization Project. The policy framework applies to all economically and/or physically displaced persons regardless of the total number affected by the severity of impact and whether or not they have legal title to the land. Particular attention will be paid to the needs of vulnerable groups among those women headed household, low-income household, a household headed by elderly with no support and household headed physically challenged people.

Subproject-specific RAPs will be prepared in accordance with the RPF. The corresponding safeguards document for other social and economic impacts not associated with land acquisition and restrictions is the Environmental and Social Management Framework.

**Stakeholder Engagement Plan.** By its design, the project does not envision negative impacts on any stakeholders such as households or businesses who may be impacted by land reallocation, employees who may lose employment, etc. However, the project may influence the activities of various stakeholders in positive or negative ways. Thus, a list of key stakeholder groups can be identified as potentially affected parties. These should be engaged throughout the life of the project and impacts on them should be monitored and mitigated. The project will undertake stakeholder engagement activities to ensure that these groups are not disproportionately affected and have equal opportunity in partaking in project benefits. Such activities will include awareness and information campaigns including targeting women and mahalla-level meetings which community members of all backgrounds can join, distributing information materials through multiple channels such as media, social media, and mahalla leaders, emphasizing the rules and principles of equity and non-discrimination for example in relation to employment opportunities in all training and consultation activities. Activities envisioned under the Stakeholder Engagement Plan aim to enable stakeholder views to be taken into account throughout the project life, promote and provide means for inclusive engagement, ensure that appropriate project information is disclosed to stakeholders in a timely, understandable, accessible, and appropriate manner and format, provide citizens with accessible and inclusive means to raise issues and grievances and enable the project implementing entity to respond to and manage such grievances. Details on the stakeholder engagement and information disclosure activities are provided in the Stakeholder Engagement Plan.

**ESA supervision and reporting.** The status of the compliance with the ESMPs' requirements shall be provided by the contractors to the UZAIFSA, and then UZAIFSA will send it to the World Bank in form of their semi-annual report. Environmental and social monitoring during sub-projects implementation should provide information about key environmental and social aspects of the sub-projects, particularly its environmental impacts, social consequences of impacts and the effectiveness of taken mitigation measures. Such information enables the UZAIFSA to evaluate the success of mitigation measures as part of project supervision and allows corrective action(s) to be implemented in a timely manner, when needed.

PIU/Regional will carry out regular monitoring of sub-projects during construction and operation to ensure that ESMP/checklists are properly implemented. If PIU/Regional notices any problems in implementation, it will inform the relevant contractor and agree with him on corrective action to be taken. The PIU will present its findings to the WB in the project progress report twice a year or more frequently and bring issues to the attention of the WB as necessary. The WB project team will also visit the sub-project sites as part of the project supervision, as appropriate and appropriate.

The Resettlement Action Plan implementation monitoring will involve (i) administrative monitoring to ensure that implementation is on schedule and problems are dealt with on a timely basis and (ii) overall monitoring to assess status of project affected persons in terms of compensation and assistance and alternate land allocation with land development etc. Monitoring will include daily planning, implementation, feedback and troubleshooting, individual affected person file maintenance, community relationships, dates for consultations, number of appeals placed and progress reports

**Integration of the ESMPs into project documents.** All sub-project bidding documents shall include a requirement for implementation of the ESMP/checklist, and the documents shall be attached to the bidding documents and then to the construction contracts. The ESMF requirements will be integrated in the Project Operational Manual while the ESMPs requirements, - in construction contracts for all sub-projects, both into specifications and bills of quantities, and the Contractors will be required to include the cost for ESMP implementation in their financial bids. Based on the ESMF there will be highlighted the roles and responsibilities of all involved parties in the ESA process. Lastly, based on the ESMF and ESMPs requirements, monitoring and evaluation of mitigation/avoidance measures identified in the site-specific review and in the ESMPs will constitute integral part of the subproject implementation, including into them the contracts binding the and the contractors will need to carry out the environmental and social obligations during civil works. Furthermore, all contractors will be required to use environmentally acceptable technical standards and procedures during carrying out of works. Additionally, as specified in the ESMF, the contract clauses shall include requirements towards compliance with all national construction, health protection, safeguard procedures and rules as well as on environmental protection.

**ESMF implementing arrangements.** The Agency for Implementation of Projects in the Field of Agroindustry and Food Security (UZAIFSA) is responsible for control and approval of feasibility studies under the project. UZAIFSA will establish a Central project coordination unit (PCU) within its current structure and will use its 13 regional offices in all provinces, located within the regional khokimiyat structure, to facilitate the day-to-day implementation of the project together with implementing partners. UZAIFSA will cooperate closely with implementing partners who will be responsible for the implementation of specific project activities.

In addition to already working Safeguards Specialists in UZAIFSA, the PIU will hire one environmental and one social safeguards specialists (SSs) who will maintain supervision over the overall coordination of the ESMF implementation and separate ESMPs, inform UZAIFSA and the World Bank regarding safeguards issues, as well as integrate the safeguards requirements into the tender and contract documents. The project will be implemented at the local level through the 13 regional offices of UZAIFSA in provinces which will cooperate closely with the respective regional khokimiyats. Regional Specialist besides his/her overall project coordination in region will be responsible for assurance of implementation of project activities in accordance with the safeguard procedures of the WB Environmental and Social Framework and national rules and procedures for environmental assessment.

The project will support a number of agricultural research institutes, the most of which report to the National Scientific Production Center under MOA. This Center will coordinate the activities of these institutes.

District Hokimiyats and local communities (makhallas) are the final beneficiaries of the project implementation; it is required continuous assistance and presence during all the progress of the project. They will be responsible for the coordination of the implementing procedures and execution of the compensation together with UZAIFSA/PIU.

The subprojects ESIA and ESMPs implementation will remain under the responsibility of the PFIs and of sub borrowers, including responsibilities for supervision and monitoring of proposed activities and selected subprojects. Compliance with the ESMPs and monitoring of the impact during the construction phase will be undertaken by the PFIs and periodically by UZAIFSA and Regional Offices Specialists as part of his/her contract supervisory duties.

**World Bank Assistance in complying with the ESSs.** The WB's environmental and social specialists will provide support to UZAIFSA to ensure smooth implementation of the project activities in consistency with the applicable WB environmental and social standards. Regular site visits will be carried out to monitor the compliance of the contractors with good construction practices and other requirements to be specified in site-specific ESMPs. Additionally, the social specialists will be reviewing the consistency of land acquisition with the requirements of the RPF and RAPs to be prepared for project activities. The WB task team will provide guidance in, and review, key environmental and social monitoring documents, such as

ESMPs, RAPs, RAP Completion Reports, and quarterly progress reports.

**Grievance Redress Mechanism (GRM).** The Project Grievance Redress Mechanism aims to enable beneficiaries and citizens to register any grievances on all project-related issues of concern. The GRM will operate at a local and national level. At the local level, citizens can submit their grievances first to the local mahalla or to the local UZAIFSA representative. If the grievance has not been considered or the citizen has not received a satisfactory response, he/she may file a grievance to the regional offices. RO's specialist will keep a record of the grievances received. This will be done by applying multiple absorption channels such as mail, email, phone, project website, personal delivery. Currently, citizens are actively using mobile networks, so the project will open special groups in Telegram and Facebook applications. It is recommended that in mahalla, where sub-projects will be implemented, logs for registration of grievances were placed.

Every grievance shall be tracked and assessed if any progress is being made to resolve them. It is expected that project will receive many grievances and should ideally have an electronic system for entering, tracking, and monitoring grievances. The project monitoring and evaluation information system should also include indicators to measure grievance monitoring and resolution.

**Public consultations and information disclosure.** For ESMF and SEP development, project sites were visited and number of meetings with the main stakeholders are planned to be conducted. Draft versions of ESMF, RPF, and SEP will be presented during public consultation in Tashkent. Comments received during public consultations will be reflected in ESMF. Public Consultations will be undertaken before finalizing the ESMF, RPF, and SEP. For this purpose, meetings will be conducted at the district level districts level with stakeholders involved in project implementation, such as affected people, khokimiats, land cadastre departments, territorial unit of environmental protection departments, as well as interested parties (farmers, enterprises, financial institutions, community leaders, etc.) and the general public. Public consultations will present the project's objectives, planning activities, anticipated environmental and social impacts and proposing mitigation measures, compensation measures in the event of any impacts, and grievance redress mechanism to participants. The ESMF, RPF, and SEP documents will be published on Implementing Agency website and further will be published on WB external website.