THE REPUBLIC OF UZBEKISTAN

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

EXECUTIVE SUMMARY
Digital CASA – Uzbekistan (P166615)

Tashkent

EXECUTIVE SUMMARY

1. The Government of Uzbekistan (GOU) and the World Bank are currently engaged in preparing the Digital CASA Project. The Project is to assist in increasing access to more affordable internet, crowd-in private investment in the ICT sector, and improve the government's capacity to deliver digital government services in Uzbekistan, by contributing to the development of a regionally integrated digital infrastructure and enabling environment. The Project will adopt a forward-looking approach, which will help establish sound foundations for the growth of the digital economy in Uzbekistan.

2. The Project components will be structured as follows:

Component 1. Regional Digital Connectivity Infrastructure: This component is designed to improve regional digital connectivity by supporting the establishment of redundant and resilient regional and national backbone networks. The activities included here are designed to maximize benefits for public institutions and to leverage the private sector to address bottlenecks within different parts of the internet value chain identified to have a large impact on costs, competitiveness and reliability of internet connectivity, including in rural areas.

This component consists of the following subcomponents:

      1.1. Improving regional connectivity;
      1.2. Development of national data network infrastructure;

Component 2. Datacenters, Digital Platforms and Smart Solutions: This component will focus on establishing solid technology foundations for the digital economy and digital government including regionally integrated shared datacenter infrastructure and digital platforms that can be reused at regional and national levels for improved service delivery in key sectors. By establishing a shared digital government infrastructure, the Government can significantly reduce the cost and time taken to develop and maintain new digital services by sectoral ministries and reduce overall costs of e-services delivery.

This component consists of the following subcomponents:

      2.1. Regional Datacenters;
      2.2. Regional Digital Platforms, Shared Services and Smart Solutions;

Component 3. Enabling Environment for Digital Transformation: The aim of this component is to strengthen and harmonize-at the regional and national levels-the enabling environment for the digital transformation, in particular, the laws, regulations, institutional, and human capacity, to make Uzbekistan an attractive destination for digital transformation investments. This will be accomplished by strengthening the many inter-related "analog" foundations that characterize a thriving digital ecosystem – creating and implementing forward-looking laws, regulations and policies; strengthening the capacity and accountability of institutions, including through citizen engagement approaches, and supporting digital leadership and strategic communications; and developing the necessary digital skills to take advantage of the benefits of the digital transformation. Given the importance of the latter for the government of Uzbekistan, it has been highlighted as a separate component (component 4, below).

This component consists of the following subcomponents:

      3.1. Legal, Regulatory and Institutional framework for Digital Transformation;
      3.2. Digital Leadership Institutions, Capacity Building, Strategic Communications and Citizen Engagement.

Component 4. Digital Innovations and Skills: The aim of this component is to make Uzbekistan a more attractive and competitive place to invest and innovate while ensuring that the benefits of digital technology are reaching all citizens.

This component consists of the following subcomponents:

  4.1. Digital Entrepreneurship and Innovations;
  4.2. Regional Center of Excellence for Digital Skills and Centers for Digital Transformation.

Component 5. Project Management: This component will finance project management activities and associated institutional capacity building, including, among others, the establishment and operation of a Project Implementation Unit (PIU), as well as office equipment, various operating costs, training for PIU staff as well as funding for audits, logistics and operational overhead, as well as M&E activities.

Social and environmental perspective

3. From social and environmental perspective, these components mean, broadly, the following hardware/construction activities: construction of new buildings and/ or repair and rehabilitation of the existing buildings; and laying of fiber optic cables. The social dimensions relate, chiefly to outreach viz., inclusion, transparency, accountability, data/ information and privacy.

4. **Project location.** The project's duration is five years and expected to be implemented through out the country viz., 188 Rayons (districts) across 12 Oblasts (Regions), Tashkent City, and the Republic of Karakalpakstan. Number of buildings are expected to be about 15 and cable, 78000 Km (estimates). The project will be implemented country wide. It will connect the domestic fiber optic backbone of the country with other countries in the region and will also further develop the domestic fiber optic backbone. Although the exact locations are unknown at this stage, the client plans to use existing rights of way of the Government including roads and power transmission lines for fiber optic networks. In Tashkent city, the existing IT park is being expanded currently, will allocate the premises for the regional datacenter in one of the new constructing buildings in its territory. These activities will be, for purpose of convenience, planned in a number of contracts. Each contract constitutes a subproject. At appraisal, details of the subprojects are not known. This becomes known only during implementation after completion of feasibility studies. Subsequently, Environmental and Social Impact Assessments (ESIA) will need to be undertaken in respect of each subproject to determine the nature and extent of impacts, both positive and negative and draw plans to address the impacts.

5. **Project potential environmental and social impacts.** Conducted Project's Environmental Assessment (EA) concluded that the Project will generate mostly positive social and environmental benefits due to the improvement of digital infrastructure, digital platforms and intelligent solutions on the participating cities. At the same time, the proposed project activities (civil works) might generate a series of various adverse environmental and social impacts. All of them are expected to be typical for small scale construction/rehabilitation works, temporary by nature and site specific, and can be easily mitigated by applying best construction practices and relevant mitigation measures.

6. Anticipated adverse environmental impacts during the project implementation were assessed with consideration of wide range of activities, which could be implemented during the whole project: Components 1 and 2 of the project will include physical works that may lead to adverse environmental and social impacts including occupational health and safety issues. Such works include, but are not limited to (a) completion of the regional backbone consisting of the existing regional fiber optic networks, newly laid backbone, and newly established cross-border fiber optic links; and (b) construction and rehabilitation of facilities needed for various purposes: datacenter (which includes servers, data storage equipment, power, and conditioning/cooling systems), junction centers, and hub stations. The expected temporary environmental and social impacts are limited and typical to small/medium scale construction works, such as generation of dust, noise

and vibration; movement of the construction vehicles and machinery; piling of construction materials; and accumulation of demolition/construction waste. Some associated risks may also include improper disposal of construction waste; asbestos; minor operational or accidental spills of fuel and lubricants from the construction machinery; improper reinstatement of construction sites upon completion of works; and labor safety issues. These risks can be managed by following good construction practices and site-specific environmental management plans. For each type of anticipated impacts set of generic measures are developed.

7. Key adverse social impacts chiefly relate to: (i) safeguards- securing of lands for buildings and optical fiber cables; ; (ii) gender; (iii) forced labor; (iv) citizen engagement encompassing GRM; (v) data/ information privacy. As regards safeguards, it is likely that securing lands could result in temporary/ permanent physical and / or economic displacement as well as restriction on access. In repect of GRM, the country has well laid out systems and procedures for addressing grievances, but the implementation has substantial scope for improvement. Data/ information privacy is quite new to Uzbekistan and is likely to assume serious proportions in the days to come. The project needs to ensure adequate and appropriate measures to safeguard the interests of citizens.

8. **Triggered WB Operational Policies (OP).** The OP 4.01 on Environmental Assessment is triggered as the Components 1 and 2 of the project will include physical works as improvement and newly laying of backbone cross-border fiber optic links, as well as construction and rehabilitation of datacenter, junction centers, and hub stations that may lead to adverse environmental and social impacts. Involuntary Resettlement (OP 4.12) is triggered due to the potential need for small scale land acquisition (temporary or permanent), restriction of access and economic resettlement in relation to activities under Components 1 and 2.

9. Results of comparison of WB and National environmental and social regulatory bases showed that the main differences are related to categorization (3 categories in WB and 4 categories in Uzbekistan), requirements for development of separate ESMP (there is no such requirement in Uzbekistan for environmental assessment process), conduction of Public Consultations and Information disclosure. A comparison has also been made between the resettlement policy of Uzbekistan and that of the World Bank, and harmonization attempted. While the safeguard issues will be managed in accordance with WB's OP 4.12, other development issues will be addressed through the project designing.

10. **Project environmental category.** In accordance with the Bank's safeguard policies and procedures, including OP 4.01 Environmental Assessment, the project is placed into the Bank's Category B. As at this stage the project activities are not yet identified the Bank requires, that client will screen all of them, ensuring that the beneficiaries carry out appropriate Environmental and Social Assessment for each proposing activity. For this purpose, the Client has to prepare an Environment and Social Management Framework (ESMF).

11. **Environmental and Social Management Framework (ESMF).** As the technical evaluation (e.g., feasibility study, detailed design) and specific intervention locations under the project are not identified and/or ready and their specific impacts are not known by project appraisal, a framework approach is adopted. Accordingly, following a generic environmental and social assessment, an Environmental and Social Management Framework (ESMF) has been prepared. Additionally, towards addressing issues related to 'land', a stand-alone Resettlement Policy Framework (RPF) has been developed too. These documents describe the overall environmental and social safeguard procedures to be undertaking during whole cycle of the project implementation: rules and procedures for environmental and social screening of investments/subprojects; guidance for conducting subprojects Environmental and Social Impact Assessments (ESIA) and/or preparing simple Environmental and Social Management Plans (ESMPs) as well as the related ESMP

Checklists (as applicable); requirements for monitoring of ESIA/ESMPs implementation and reporting, and capacity building activities of Executing Agency (Ministry for Development of Information Technologies and Communications), regional offices, contractors and local agencies involved in the Environmental Social Assessment (ESA) conduction. These frameworks will be applied for each sub-projects and the following action plans will be prepared (as deemed appropriate): ESMP, Resettlement Action Plan (RAP), Citizen Engagement Plan (CEP), Gender Action (GAP), and Cultural Heritage (CHP).

12. For ESMF development number of meetings with the main stakeholders were conducted. Planning activities were discussed with project's team experts. Draft versions of ESMF and RPF were presented during public consultations in Tashkent and project cities. Comments received during public consultations are reflected in ESMF.

13. **Resettlement Policy Framework (RPF)** has been prepared to provide a framework to appropriately identify, address and mitigate adverse socioeconomic impacts that may occur due to the implementation of subprojects that involve the acquisition of land and the involuntary resettlement of affected families. RPF also serves the following specific purposes:
    • Review the existing legal framework, compare with Bank OP 4.12 for gaps, if any, and indicate gap filling measures;
    • Describe the approach to withdraw of land, assets and other common property resources;
    • Valuation process of impacted assets;
    • Defining the process of preparation of SIA and RAP and their review by PIU;
    • Defining the cutoff date for Title and Non-Title holders;
    • Consultation mechanisms/approaches to be adopted including disclosure of safeguards instruments;
    • Monitoring and Evaluation arrangements including Grievance Redress Mechanism;
    • Roles/responsibilities of different stakeholders.

14. **EA supervision and reporting.** The status of the compliance with the ESMPs' requirements shall be provided by the contractors to the Project Implementation Unit (PIU), and then to the Bank by the PIU 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 PIU 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. The RAP 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.

15. **Integration of the ESMPs into project documents.** The ESMP provisions will form part of the design documents for the project, and will be included in construction contracts for selected subprojects, both into specifications and bills of quantities. Respectively the Contractors will be required to include the cost of ESMP requirements in their financial bids and required to comply with them while implementing the project activities. The bidding documents for selecting the contractors will include specifications that would ensure effective implementation of environmental, health and safety performance criteria by the winning bidder.

16. **ESMF implementing arrangements.** The project Executing Agency is the Ministry for

Development of Information Technologies and Communications (MITC). A Project Implementation Unit (PIU), under the MITC is established at the national level to coordinate and implement the project, which will be working closely with the respective district and city Hokimiyats. In the regional level for project implementation will be responsible the local branches of JSC Uztelecom.

17. **Land Acquisition.** Where land acquisition is required, the Project needs to draw a strategy and implementation action plan to secure land. Two broad methods of securing land envisaged under the Project are: (i) voluntary donations; and (ii) involuntary acquisitions. The former is traditionally a well-accepted practice in community led initiatives. However, this could come handy while digging cables through the private lands. Yet, the Project lays out a series of "Dos and Don'ts" to ensure that donations are indeed 'voluntary' and that the land donor is not affected adversely as a result of the land donation, temporarily or on a permanent basis. Involuntary land acquisitions, however, requires much more focused and planned attention as it could result in economic and/ or physical displacement and consequently several adverse impacts. RPF defines the procedures for: (i) acquiring land (voluntary and involuntary 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.

18. Towards the above, Social Impact Assessments (SIA), following environmental and social screening, as well as an Environmental and Social Management Plan (ESMP), will be undertaken for each subproject to determine the magnitude of displacement and prospective losses, identify vulnerable groups for targeting, ascertain the costs of resettlement, and prepare a resettlement action plan (RAP) for implementation.

19. However, preparing RAPs at appraisal is not possible as the subprojects will become known only during the implementation phase. While the broad category of activities and impacts is foreseen, exact magnitudes can become known only after detailed subproject designs are made. Hence, towards preparing a RAP, Project preparation included the development of a Resettlement Policy Framework (RPF). The key objective of the RPF is to provide a framework through which to appropriately identify, address and mitigate adverse socioeconomic impacts that may occur due to the implementation of subprojects that involve the involuntary acquisition of land and the subsequent resettlement of affected families.

20. In Uzbekistan, involuntary acquisitions leading to demolition of structures and physical displacements have been occurring on a significant scale. A number of grievances have surfaced in the recent times as common people have been impacted adversely. Concerns have been raised on local authorities not following due processes and not providing resettlement and rehabilitation assistance adequately and appropriately and in a reasonable time frame. Hence, the project will ensure monitoring of resettlements continuously and rigorously.

21. **Gender.** A diagnostic study of barriers for strengthening livelihoods of low-income rural women in Uzbekistan[1] shows that, while agriculture remains the main employment option in rural areas, women's participation is mostly informal, unregulated, with low remuneration and part-time work. Thus, households that rely solely on women's earnings, as is the case in female-headed households, tend to have lower incomes. Many women working in their family household plots (tomorkas), on small farms and in their households, typically self-identify as unemployed and are considered as such by others. Despite the efforts of the Government, (as of December 2018) there are more than 13,000 women still living in difficult living conditions and are unemployed.

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[1] Diagnostic study of barriers for strengthening livelihoods of low-income rural women in Uzbekistan, World Bank, 2017

22. ICTs can open up new prospects for women to expand their participation in the economy by creating opportunities for women to engage in commercial activities and employment as founders and project managers based on access to ICTs. According to the analysis, today the total number of women employed in the ICT sector is about 30%, including in universities and colleges the average number of girls who choose the IT sector is about 15% and 27%, respectively. Statistics show that over the past 4 years, the trend of enrollment among female students at IT departments remains stable and is at the level of 15-25%.[2]

23. The project will make efforts to increase the interest and participation of women and girls in the field of ICT. It will organize IT events and contests such as the Technovation Challenge (organized by Technovation ambassadors in Uzbekistan), DigiGirlz (in partnership with Microsoft), Women Techmakers (in partnership of Google), ITWomenUz (launched in 2019 by the Women's Committee). The project will develop further on the Ministry's MOU with the International Telecommunication Union (ITU) on creation of digital skills center for women and youths in Uzbekistan under IT-Park.

24. To decrease the gender gap in the use of digital technologies, the Digital CASA – Uzbekistan Project will include activities under Components 3 and 4 that will be directly targeted at women and girls. This will include, but not be limited to, the provision of digital skills capacity building activities, enabling employment opportunities and supporting women entrepreneurs (e.g. through Women in Technology Start-up Acceleration Center under IT-Park), establishment of "Digital Technology" centers in the regions that also focuses on increase of ICT (including basic computer skills) and business skills among women (including mothers who stay at home with their children, creation of "smart jobs", as well as development of digital services, including for women. Amongst other activities, the project's commitment to ensure that 50% of all trainees in digital skill trainings are women would benefit all but particularly those female employees and new recruits whose lack of digital skills may be an obstacle to them progressing in their careers and/or venturing in different 'male-dominated' domains.

25. **Labor**. Three dimensions merit discussion – child labor, forced labor, wages, and migrant labor. The project emphasizes and adopt ILO's concept of 'decent work'. This implies: Work that is free, fairly paid, safe, socially protected, not diminishing human dignity, opening equal starting opportunities for all, guaranteeing participation in making management decisions and personal development. These fundamental principles of decent work will underscore implementation of subprojects. Over the past four years, ILO's third-party monitoring (TPM) has demonstrated Uzbekistan's major progress in eradicating child labor and forced labor in the cotton sector. Systematic or systemic child labor can no longer be considered a serious concern. Yet, a considerable number of forced labor cases are still observed in the cotton sector. In addition, the media has recently reported on a number of alleged forced labor incidents in public works projects. Consequently, considerable work remains to be done. There is a continued strong political commitment and clear communication from the government of Uzbekistan to eradicate forced labor. The government is continuing to strengthen the labor inspectorate. In 2018, the ILO trained 200 inspectors on forced labor investigations and the Government deployed them throughout the country to investigate alleged forced labor cases. As plenty of labors are available in the rural areas, there is no problem of labor influx. Most works will deploy laborers locally. However, capacity building measures will ensure that the local Mahalla Committees and District Authorities as well as other Service Providers will take due note of the decrees of the GOU and ensure avoiding Forced and Child Labor deployment.

26. **Data/ Information Privacy**. Information privacy relates to: access, use and collection of data, and

[2] http://infocom.uz/2017/05/31/rol-zhenshhin-v-razvitii-ikt-v-uzbekistane/

the data subject's legal right to the data. This encompasses the following elements: (i) prohibiting unauthorized access to, and inappropriate use of, private data; (ii) ensuring accuracy and completeness of the data; (iii) availability of the content and the data subject's right to access (ownership); and (iv) rights to inspect, update or correct these data. One should recognize that privacy also implies trust and security which are governed by laws and ethics. Given the ever-emanating technology advances, the project needs to recognize that protecting data privacy is paramount important, however much it may be complex. Safeguard measures need to be put in place to ensure that citizens are fully informed of the various contours and the risks in a transparent and easily accessible environment. Relevant data privacy policies, standards, guidelines and processes are appropriately put in place/ enhanced, communicated and complied with, and effective mitigation measures are implemented. The policies or standards need to be ethically consistent and socially acceptable. Uzbekistan has adopted a special law in July 2019 to regulate the protection of personal data. This provides a range of legal obligations for persons whose activities involve personal data. The project will, besides appraising the implementation of the law, will review the existing laws, systems and procedures on data privacy in the country; and improve on it, as appropriate.

27. **Citizen Engagement**. The Project's design ensures citizen engagement throughout the Project cycle. Under Component 1, **Citizen engagement will be central to the design and implementation of the Project.** The Project team will seek input and feedback from a broad range of stakeholders at all stages of the Project design, appraisal, implementation and conclusion. Wherever possible, the Project will use innovative technologies alongside traditional tools of engagement to ensure that the Project's intended beneficiaries are also active participants. Active outreach, upskilling and capacity-building activities will be a strong Project focus. The results framework will include indicators tied to citizens' satisfaction with the quality of the Project's outcomes. will emphasize collecting feedback from citizens in relation to the design of the Program, the regulatory framework, and in relation to the services provided as well as cyber security. It will be tracked through a specific citizen engagement indicator to track citizen satisfaction with the services provided under the project. The feedback loop will be closed through a dedicated Grievance Redress Mechanism (GRM).

28. **The Grievance Redress Mechanism.** Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to the project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). Project specific GRM is developed drawing upon the existing complaining handling mechanism and encompasses establishing external committees at different levels to redress the grievances.

29. Grievance Redressal Committee (GRC) will be established at three-levels – District, Regional and National – to receive, evaluate and facilitate the resolution of displaced persons concerns, complaints and grievances. The GRC will provide an opportunity to the local people to have their grievances redressed prior to approaching the judiciary. The GRC is aimed to provide a trusted way to voice and resolve concerns linked to the project, and to be an effective way to address aggrieved person's concerns without allowing it to escalate resulting in delays in project implementation.

30. The GRC will aim to provide a time-bound and transparent mechanism to voice and resolve social and environmental concerns linked to the project. The GRC is not intended to bypass the government's inbuilt redressal process, nor the provisions of the statute, but rather it is intended to address displaced persons concerns and complaints promptly, making it readily accessible to all segments of the displaced persons and is scaled to the risks and impacts of the project.

ESMF disclosure and Public consultation. ESMF and RPF preparation has been highly

participatory. Extensive consultations have been held with various stakeholders including the public communities, local / district/ regional authorities, other departmetns and service providers. The stakeholders' expectations and the related issues/ concerns have been taken due note of while preparing these instruments. The draft ESMF and RPF in English and Russian languages were disclosed on February 21, 2020 on the MIT website. A disclosure workshop was held in Tashkent city on ------------, 2020. Based on suggestions received during the consultation workshops, the ESMF and RPF documents have been updated, finalized and published on the MITC website. The same are available on the external WB website.