

Annual report on monitoring of safeguards measures

For FI operations

Project number: 3535-UZB

Reporting period: January-December 2019

Republic of Uzbekistan: "Affordable Rural Housing Program - Result based lending with participation of Asian Development Bank"

Financed by ADB

Developed by: ESMS Coordinator B. Turakulov

Name of the organization: JSCB «National Bank for Foreign Economic Affairs of the Republic of Uzbekistan»

Country, city: Republic of Uzbekistan, Tashkent

Executing Agency: Ministry of Economy and Industry of Uzbekistan

Approved by: Deputy Chairman of the Board of JSCB «National Bank for Foreign Economic Affairs of the Republic of Uzbekistan» B. Jalilov

Part I. Introduction

The Program for the construction of affordable houses on updated typical projects in rural areas for 2017-2021 was initiated by the Government of the Republic of Uzbekistan in accordance with the Resolution of the President of the Republic of Uzbekistan No.PP-2812 dated from March 2, 2017 “On additional measures to implement the Program for construction of affordable houses on updated typical projects in rural areas for 2017-2021 with participation of Asian Development Bank”.

In pursuance of the Resolution of the President of the Republic of Uzbekistan No. PP-2812 dated from March 2, 2017 Loan Agreement No.3535-UZB of 06.07.2017 for 500.0 million dollars between the Republic of Uzbekistan and ADB was signed, which entered into force on July 18, 2017.

The aim of the project is to support in implementation of the Program to increase the number of rural families that responsible for the criteria of social justice and getting benefits from affordable housing built to national quality standards in 9 regions of Uzbekistan: in the Republic of Karakalpakstan, Bukhara, Kashkadarya, Namangan, Samarkand, Surkhandarya, Tashkent, Ferghana and Khorezm regions in 2017-2021. According to the Loan Agreement, construction of 29,000 houses in the specified regions is envisaged, in this, construction of 7,250 houses annually from 2018.

A specific feature of the Program’s financing is a selected financing mechanism - results-based lending, which provides funding from ADB based on the results of the corresponding target indicators for each disbursement linked indicator (DLI).

Table 1

In accordance with the Loan Agreement, the project consists of two following components:

№	Project components and brief description	mln USD
1.	Credit line for providing mortgage loans	499,0*
2.	Capacity-building and project management support	1,0
	Total	500,0

**) The distribution of ADB loan is carried out among the participating commercial banks in accordance with concluded agreements (National Bank of Uzbekistan (NBU) - \$179.0 million, JSCB “Ipoteka Bank” - \$170.0 million and JSCB “Qishloq Qurilish Bank” (QQB) - \$150.0 million).*

In accordance with the requirements of the Resolution of the President of the Republic of Uzbekistan No. PD-2812 dated March 2, 2017 “On additional measures for the implementation of the Program on the construction of affordable houses according to updated typical projects in rural areas for 2017-2021 with the participation of the Asian Development Bank”, by the protocol of the Management Board of the Bank No.433 dated from March 18, 2017 developed and approved the operating procedure for the units of the joint-stock company of the National Bank for Foreign Economic Affairs of the Republic of Uzbekistan for working on the environmental and social management system under rural housing program with the participation of the Asian Development Bank.

One of the disbursement linked indicators (DLI-2) for 2019 is signing as minimum 7,256 mortgage contracts with selected Program’s beneficiaries, of which at least 25% are women.

These 7,256 mortgage contracts were distributed among three participating commercial banks as follows:

- JSCB “Qishloq Qurilish Bank” - 2,183 preferential mortgage loans;
- JSCB “Ipoteka Bank” - 2,472 preferential mortgage loans;
- National Bank of Uzbekistan - 2,601 preferential mortgage loans.

At the same time, the distribution of mortgage loans issued under the Program with participation of ADB in 2019, broken down by regions, massifs and number of houses was as follows:

Table 2

Distribution of mortgage loans issued by NBU in 2019 under the Program with participation of ADB by regions, massifs and number of houses

№	Region	Massifs	Number of houses (apartments)	3-4-storey 2 and 3-room houses		1-storey 3-room houses
				Number of houses	Number of apartments	Number of apartments
TOTAL			2601	95	2280	321
Republic of Karakalpakstan			308	10	240	68
1	Beruniy	Kukkuz	44	1	24	20
2	Muynok	Muynok	144	6	144	
3	Turtkul	Ullubog	88	2	48	40
4	Chimbay	Konshi	8			8
5	Qarauzak	Qutlimakon	24	1	24	
Kashkadarya region			281	9	216	65
1	Kasbi	Tinchlik	24	1	24	
2	Kasbi	Kasbi	6			6
3	Kitob	Yangiobod	96	4	96	
4	Nishon	Nuriston	48	2	48	
5	Nishon	Mexnatobod	6			6
6	Chiroqchi	Dam	24	1	24	
7	Chiroqchi	Kuktosh	8			8
8	Chiroqchi	Koraburug	8			8
9	Chiroqchi	Jar	7			7
10	Guzor	Obod	24	1	24	
11	Guzor	Yonkishlok	10			10
12	Guzor	Amir Temur	20			20
Namangan region			420	15	360	60
1	Kosonsoy	Kozokovul	20			20
2	Kosonsoy	Buston	10			10
3	Kosonsoy	Obod	72	3	72	
4	Kosonsoy	Gurmiron	72	3	72	
5	Mingbulok	Yoshlik	10			10
6	Mingbulok	Mustakillik	24	1	24	
7	Namangan	Kumkurgon	72	3	72	
8	Namangan	KichikToshbulok	72	3	72	
9	Pop	Navbaxor	10			10
10	Pop	Yangituda	10			10
11	Torakorgon	Uzbekistan	48	2	48	
Samarkand region			600	25	600	0
1	Pastdarqom	Guzalkent	96	4	96	
2	Pastdarqom	Eski Juma	72	3	72	
3	Paxtachi	Suluv	24	1	24	
4	Jomboy	Kattakishlok	72	3	72	
5	Narpay	Narpay	72	3	72	
6	Kattaqorqon	Mundiyon	72	3	72	
7	Kattaqorqon	Madrasa	24	1	24	
8	Oqdaryo	Bozorjoy	24	1	24	
9	Payariq	Birlashuv	48	2	48	
10	Payariq	Yangixayot	48	2	48	
11	Samarqand	Gazichilar	48	2	48	
Surkhandarya region			258	8	192	66
1	Denov	Yangixazarbog	34			34
2	Termiz	Manguzar	192	8	192	
3	Sherabod	Mehrobod	20			20
4	Sherabod	Galaguzar	12			12
Tashkent region			194	6	144	50
1	Bo'stonliq	Qoranko'l	10			10
2	Kibray	Shalola	48	2	48	
3	Quyichirchiq	Navkiron	24	1	24	
4	Quyichirchiq	Surum	10			10
5	Zangiota	Buzsuv	20			20

№	Region	Massifs	Number of houses (apartments)	3-4-storey 2 and 3-room houses		1-storey 3-room houses
				Number of houses	Number of apartments	Number of apartments
6	Bekobod	Zafar Yangiobod	48	2	48	
7	Yangiyo'l	Ko'sh-yog'och	10			10
8	Yangiyo'l	Gulbaxor (Gulbog)	24	1	24	
Ferghana region			540	22	528	12
1	Beshariq	Xalqlar do'stligi	24	1	24	
2	Beshariq	Saxovat	24	1	24	
3	Kuvasoy	Pakana	144	6	144	
4	Buvayda	Koratepa	24	1	24	
5	Buvayda	Oydinkul	12			12
6	Quva	Kaykubbod	48	2	48	
7	Rishton	Markaz	48	2	48	
8	Sux	Istiqlol	24	1	24	
9	Farg'ona	Mindonobod	192	8	192	

The selection of beneficiaries is carried out in accordance with the Regulations on procedure for participation of the applicant in Affordable Rural Housing Program on updated typical projects for 2017-2021, approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No.103 dated from February 9, 2018.

The participating commercial banks (PCB) concluded 7,256 mortgage contracts with selected beneficiaries for the construction of affordable rural houses under the Program with participation of ADB, including: the National Bank of Uzbekistan - 2,601.

Thus, based on the above data, it can be argued that the NBU fully complied with all the requirements of the indicator associated with the withdrawal of borrowed funds (DLI-2).

It should be noted that all residential buildings that are being built according to the updated typical projects in the framework of the 2019 Program, fell into category B. Information on the results of the categorization of massifs is given in **Table 3**:

Table 3

Results of categorization of massifs selected by NBU for construction of affordable rural houses under 2019 Program with the participation of ADB

№	Region	Bank branch	Massifs	Project category on screening sheet on ecology	Project category on screening sheet on sociology	The presence of the conclusion of environmental expertise
Republic of Karakalpakstan						
1	Beruniy	Turtkul branch	Kukkuz	B	C	Yes
2	Muynok	Kungirat branch	Muynok	B	C	Yes
3	Turtkul	Turtkul branch	Ullubog	B	C	Yes
4	Chimbay	Karakalpakstan branch	Konshi	B	C	Yes
5	Qarauzak	Karakalpakstan branch	Qutlimakon	B	C	Yes
Kashkadarya region						
1	Kasbi	Mubarek branch	Tinchlik	B	C	Yes
2	Kasbi	Mubarek branch	Kasbi	B	C	Yes
3	Kitob	Shakhrisabz branch	Yangiobod	B	C	Yes
4	Nishon	Karshi branch	Nuriston	B	C	Yes
5	Nishon	Karshi branch	Mexnatobod	B	C	Yes
6	Chiroqchi	Shakhrisabz branch	Dam	B	C	Yes
7	Chiroqchi	Shakhrisabz branch	Kuktosh	B	C	Yes
8	Chiroqchi	Shakhrisabz branch	Koraburug	B	C	Yes

№	Region	Bank branch	Massifs	Project category on screening sheet on ecology	Project category on screening sheet on sociology	The presence of the conclusion of environmental expertise
9	Chiroqchi	Shakhrisabz branch	Jar	B	C	Yes
10	Guzor	Guzar branch	Obod	B	C	Yes
11	Guzor	Guzar branch	Yonkishlok	B	C	Yes
12	Guzor	Guzar branch	Amir Temur	B	C	Yes
Namangan region						
1	Kosonsoy	Namangan branch	Kozokovul	B	C	Yes
2	Kosonsoy	Namangan branch	Buston	B	C	Yes
3	Kosonsoy	Namangan branch	Obod	B	C	Yes
4	Kosonsoy	Namangan branch	Gurmiron	B	C	Yes
5	Mingbulok	Turakurgan branch	Yoshlik	B	C	Yes
6	Mingbulok	Turakurgan branch	Mustakillik	B	C	Yes
7	Namangan	Namangan branch	Kumkurgon	B	C	Yes
8	Namangan	Namangan branch	KichikToshbulok	B	C	Yes
9	Pop	Namangan branch	Navbaxor	B	C	Yes
10	Pop	Namangan branch	Yangituda	B	C	Yes
11	Torakorgon	Turakurgan branch	Uzbekistan	B	C	Yes
Samarkand region						
1	Pastdargom	Pastdargom branch	Guzalkent	B	C	Yes
2	Pastdargom	Pastdargom branch	Eski Juma	B	C	Yes
3	Paxtachi	Kattakurgan branch	Suluv	B	C	Yes
4	Jombay	Djambay branch	Kattakishlok	B	C	Yes
5	Narpay	Nurabad branch	Narpay	B	C	Yes
6	Kattaqor'gon	Kattakurgan branch	Mundiyon	B	C	Yes
7	Kattaqor'gon	Kattakurgan branch	Madrasa	B	C	Yes
8	Oqdaryo	Registan branch	Bozorjoy	B	C	Yes
9	Payariq	Djambay branch	Birlashuv	B	C	Yes
10	Payariq	Djambay branch	Yangixayot	B	C	Yes
11	Samarqand	Registan branch	Gazichilar	B	C	Yes
Surkhandarya region						
1	Denov	Denau branch	Yangixazarbog	B	C	Yes
2	Termiz	Termez branch	Manguzar	B	C	Yes
3	Sherabod	Termez branch	Mehrobod	B	C	Yes
4	Sherabod	Termez branch	Galaguzar	B	C	Yes
Tashkent region						
1	Bo'stonliq	Gazalkent branch	Qoranko'l	B	C	Yes
2	Kibray	Chirchik branch	Shalola	B	C	Yes
3	Quyichirchiq	Yangiyul branch	Navkiron	B	C	Yes
4	Quyichirchiq	Yangiyul branch	Surum	B	C	Yes
5	Zangiota	Yangiyul branch	Buzsuv	B	C	Yes
6	Bekobod	Bekabad branch	Zafar Yangiobod	B	C	Yes
7	Yangiyo'l	Yangiyul branch	Ko'sh-yog'och	B	C	Yes
8	Yangiyo'l	Yangiyul branch	Gulbaxor (Gulbog)	B	C	Yes
Ferghana region						
1	Beshariq	Besharik branch	Xalqlar do'stligi	B	C	Yes
2	Beshariq	Besharik branch	Saxovat	B	C	Yes
3	Kuvasoy	Kuvasay branch	Pakana	B	C	Yes
4	Buvayda	Buvaydi branch	Koratepa	B	C	Yes
5	Buvayda	Buvaydi branch	Oydinkul	B	C	Yes
6	Quva	Kuva branch	Kaykubbod	B	C	Yes
7	Rishton	Rishtan branch	Markaz	B	C	Yes

№	Region	Bank branch	Massifs	Project category on screening sheet on ecology	Project category on screening sheet on sociology	The presence of the conclusion of environmental expertise
8	Sux	Fergana branch	Istiqlol	B	C	Yes
9	Farg'ona	Fergana branch	Mindonobod	B	C	Yes

After completing the screening and categorization process of sub-projects the massifs and beneficiaries of the Program were selected according to the requirements. After the financing was opened and the construction work started, the specialists responsible for the implementation of ESMS in the field carried out audit of the implementation of each sub-project to make sure that the latter are being implemented in accordance with the requirements of the management of ESMS JSC “National Bank of Uzbekistan” and the Loan Agreement.

Information about the number of audits conducted by National Bank of Uzbekistan is provided in the following table:

Table 4

**Information about the number of audits conducted
by NBU under 2019 Program with participation of ADB**

№	Region	Bank branch	Massifs	Start date of construction	Number of audits performed	By whom the audit was held
Republic of Karakalpakstan						
1	Beryuniy	Turtkul branch	Kukkuz	June	7	
2	Muynok	Kungirat branch	Dustlik	June	7	
3	Turtkul	Turtkul branch	Ullubog	June	7	
4	Chimboy	Karakalpakstan branch	Konshi	June	7	
5	Korauzak	Karakalpakstan branch	Kutlimakon	October	3	
Kashkadarya region						
1	Kasby	Mubarek branch	Tinchlik	June	7	
2	Kasby	Mubarek branch	Kasby	June	7	
3	Kitob	Shakhrisabz branch	Yangiobod	June	7	
4	Nichon	Karshi branch	Nuriston	June	7	
5	Nichon	Karshi branch	Mainobt	June	7	
6	Chiracchi	Shakhrisabz branch	Dam	June	7	
7	Chiracchi	Shakhrisabz branch	Koktosh	June	7	
8	Chiracchi	Shakhrisabz branch	Koraburug	June	7	
9	Chiracchi	Shakhrisabz branch	Heat	June	7	
10	Guzar	Guzar branch	Rim	June	7	
11	Guzar	Guzar branch	Yongkishlok	June	7	
12	Guzar	Guzar branch	Amir Temur	June	7	
Namangan region						
1	Kasansai	Namangan branch	Kozokovul	June	7	
2	Kasansai	Namangan branch	Buston	June	7	
3	Kasansai	Namangan branch	Rim	June	7	
4	Kasansai	Namangan branch	Gourmiron	June	7	
5	Mingbulak	Turakurgan branch	Yoshlik	June	7	
6	Mingbulak	Turakurgan branch	Mustakillik	June	7	
7	Namangan	Namangan branch	Kumkurgon	June	7	
8	Namangan	Namangan branch	KichikToshbulok	June	7	

№	Region	Bank branch	Massifs	Start date of construction	Number of audits performed	By whom the audit was held
9	Pop	Namangan branch	Navbaxor	June	7	
10	Pop	Namangan branch	Yangi there	June	7	
11	Turakurgan	Turakurgan branch	Uzbekistan	June	7	
Samarkand region						
1	Pastdargom	Pastdargom branch	Guzalkent	June	7	
2	Pastdargom	Pastdargom branch	Eskizhuma	June	7	
3	Pakhtachi	Kattakurgan branch	Suluv	June	7	
4	Zhombay	Djambay branch	Kattakishlak	June	7	
5	Narpay	Nurabad branch	Narpay	June	7	
6	Kattakurgan	Kattakurgan branch	Mundiyon	June	7	
7	Kattakurgan	Kattakurgan branch	Madras	June	7	
8	Okdaryo	Registan branch	Bozorzhoy	June	7	
9	Payarik	Djambay branch	Birlaszow	June	7	
10	Payarik	Djambay branch	Yangi barks	June	7	
11	Samarkand	Registan branch	Gazichilar	June	7	
Surkhondaryo region						
1	Denov	Denau branch	Yangihazarbog	June	7	
2	Termiz	Termez branch	Manguzar	June	7	
3	Sherabod	Termez branch	Mehrobod	June	7	
4	Sherabod	Termez branch	Galaguzar	June	7	
Tashkent region						
1	Bustanlik	Gazalkent branch	Corankul	June	7	
2	Kibray	Chirchik branch	Shalola	October	3	
3	Kuyichirchik	Yangiyul branch	Navkiron	June	7	
4	Kuyichirchik	Yangiyul branch	Surum	June	7	
5	Zangiota	Yangiyul branch	Buzsuv	June	7	
6	Becabod	Bekabad branch	Zafar Yangiobod	June	7	
7	Yangiyul	Yangiyul branch	Kush-ego	June	7	
8	Yangiyul	Yangiyul branch	Gulbakhor (Gulbog)	June	7	
Ferghana region						
1	Becharik	Besharik branch	Halklar dustligi	June	7	
2	Becharik	Besharik branch	Sugar	June	7	
3	Kuvasoy	Kuvasay branch	Pakan	June	7	
4	Bouvaida	Buvaydi branch	Koratepa	June	7	
5	Bouvaida	Buvaydi branch	Oydinulus	June	7	
6	Kuva	Kuva branch	Kaikubbod	June	7	
7	Rishtan	Rishtan branch	Marcaz	June	7	
8	Dry	Fergana branch	Istiklol	June	7	
9	Ferghana	Fergana branch	Mindonobod	June	7	

**) The audit was conducted by credit officers, specialists of the branches on ESMS*

Implementation of reporting requirements for sub-projects.

As it was mentioned above, by the Decree of the President of the Republic of Uzbekistan No. PD-2812 dated from March 2, 2017 “On additional measures for the implementation of the Program on the construction of affordable houses according to updated typical projects in rural areas for 2017-2021 with the participation of the Asian Development Bank” and by the protocol of the Management Board of the Bank No.433 dated from March 18, 2017 developed and approved the operating procedure for the units of the joint-stock company of the National Bank for Foreign Economic Affairs of the Republic of Uzbekistan for working on the environmental

and social management system under rural housing program with the participation of the Asian Development Bank.

During the reporting period, no changes were made into the document. However, due to the fact that in 2018, ADB developed new “Guidelines for Monitoring the Implementation of Environmental Protection Measures”, it is also planned to make some corresponding changes in NBU ESMS in 2019. The implementation of this event was postponed to 2020.

In accordance with the NBU ESMS’s requirements, the ESMS’s coordinator was appointed at the head office of the bank, and specialists responsible for the implementation of ESMS requirements in the place in the Banks’ branches. Information about assigned coordinator and ESMS specialists in the bank’s regional branches are listed below.

Table 5

Information about the appointed coordinator and specialists on ESMS in places in the system of NBU in the project regions within 2019 Program

№	Region	Bank branch	Full name	Position	Number and date of order assigning
1	Tashkent city	Head office	Turakulov B.	ESMS coordinator	
2	Republic of Karakalpakstan	Nukus branch	Ubbiniyazov P.	Responsible for the ESMS	№KB-72 dated from April 2, 2018
3	Kashkadarya region	Karshi branch	Juraev K.	Responsible for the ESMS	№ 28K dated from January 25, 2017
4	Samarkand region	Samarkand branch	Kuchkorov K.	Responsible for the ESMS	№ 257 dated from February 23, 2018
5	Surkhandarya region	Denau branch	Ishniyazov J.	Responsible for the ESMS	№07 dated from January 9, 2019
		Sherabad branch	Abdullaev A.	Responsible for the ESMS	№08 dated from January 9, 2019
6	Namangan region	Namangan branch	Turdiyev D.	Responsible for the ESMS	№ 47 dated from March 30, 2018
7	Ferghana region	Ferghana branch	Abdurakhimov Sh.	Responsible for the ESMS	№466K dated from December 23, 2016
8	Tashkent region	Tashkent regional branch	Nosirov A.	Responsible for the ESMS	№ 380 dated from October 30, 2019

Part II. Environmental issues

During the reporting period, environmental monitoring in the project regions was carried out by responsible specialists on ESMS. As indicated in the ESMS guideline, the environmental monitoring of each massif, where the construction of affordable rural houses was carried out according to the updated typical projects, was carried out on monthly base. During 2019, NBU’s specialists on ESMS regularly carried out environmental monitoring, during which checklists were filled in accordance with the template developed by the ADB national consultant.

In the course of the monitoring conducted during 2019, no non-compliance of environmental standards were detected, and there were no accidents or incidents on construction sites.

Table 6

**Information on identified problems during environmental monitoring conducted by specialists
of NBU on ESMS within 2019 Program**

№	Region, Bank branch	Number of audits	Identified discrepancies in:					
			Noise and vibration	Air pollution	Water pollution (visual)	Flora and fauna (visually)	Safety	Accidents
1	Republic of Karakalpakstan, Nukus branch	11	not found					
	Turtkul branch	16	not found					
	Kungrad branch	8	not found					
2	Kashkadarya region, Karshi branch	16	not found					
	Guzar branch	24	not found					
	Mubarek branch	16	not found					
	Shakhrisabz branch	40	not found					
3	Namangan region, Namangan branch	56	not found					
	Turakurgan branch	21	not found					
4	Surkhandarya region, Termez branch	21	not found					
	Denau branch	7	not found					
5	Samarkand region, Pastdargam branch	16	not found					
	Kattakurgan branch	24	not found					
	Djambay branch	24	not found					
	Nurabad branch	8	not found					
	Registan branch	16	not found					
6	Tashkent region, Yangiyul branch	35	not found					
	Chirchik branch	3	not found					
	Gazalkent branch	7	not found					
	Bekabad branch	7	not found					
7	Ferghana region, Ferghana branch	14	not found					
	Besharik branch	14	not found					
	Buvaydi branch	14	not found					
	Kuva branch	7	not found					
	Rishtan branch	7	not found					
	Kuvasay branch	7	not found					

**Part III: Compliance with ADB's Social Security Requirements
and List of Prohibited ADB Investment Activities**

Before signing of mortgage contracts for the construction of affordable houses on updated typical projects in rural areas in the frame of the Program with participation of ADB in 2019 with selected beneficiaries, responsible specialists on ESMS conducted assessment of the sub-projects against compliance with prohibited investment activities list of ADB (PIAL). During the assessment, no any sub-project was identified that would match the PIAL.

Regarding compliance with social protection requirements, under the Program with participation of ADB in 2019, there were no cases of involuntary resettlement of local people and no one was suffered during construction.

Part IV: ESMS activities

As it was mentioned above, construction sites for the purpose of environmental monitoring were regularly visited by ESMS specialists. Information on the number of such visits is given below:

Table 7

**Information on environmental monitoring conducted by specialists on ESMS
of NBU within 2019 Program**

№	Region, Bank branch	Number of audits	Purpose of audit	Note
1	Republic of Karakalpakstan, Nukus branch	11	Conformity assessment for protective measures	-
	Turtkul branch	16	Conformity assessment for protective measures	-
	Kungrad branch	8	Conformity assessment for protective measures	-
2	Kashkadarya region, Karshi branch	16	Conformity assessment for protective measures	-
	Kashkadarya region, Guzar branch	24	Conformity assessment for protective measures	-
	Mubarek branch	16	Conformity assessment for protective measures	-
	Shakhrisabz branch	40	Conformity assessment for protective measures	-
3	Namangan region, Namangan branch	56	Conformity assessment for protective measures	-
	Namangan region, Turakurgan branch	21	Conformity assessment for protective measures	-
4	Surkhandarya region, Termez branch	21	Conformity assessment for protective measures	-
	Surkhandarya region, Denau branch	7	Conformity assessment for protective measures	-
5	Samarkand region, Pastdargam branch	16	Conformity assessment for protective measures	-
	Kattakurgan branch	24	Conformity assessment for protective measures	-
	Djambay branch	24	Conformity assessment for protective measures	-
	Nurabad branch	8	Conformity assessment for protective measures	-
	Registan branch	16	Conformity assessment for protective measures	-
6	Tashkent region, Yangiyul branch	35	Conformity assessment for protective measures	-
	Chirchik branch	3	Conformity assessment for protective measures	-
	Gazalkent branch	7	Conformity assessment for protective measures	-
	Bekabad branch	7	Conformity assessment for protective measures	-
7	Ferghana region, Ferghana branch	14	Conformity assessment for protective measures	-
	Besharik branch	14	Conformity assessment for protective measures	-
	Buvaydi branch	14	Conformity assessment for protective measures	-
	Kuva branch	7	Conformity assessment for protective measures	-
	Rishtan branch	7	Conformity assessment for protective measures	-
	Kuvasay branch	7	Conformity assessment for protective measures	-

During the audit conducted in the project regions, no cases of non-compliance with the safeguards requirements were identified.

Table 8

Information about cases of non-compliance with protective measures identified during environmental monitoring conducted by ESMS specialists within 2019 Program

№	Region, Bank branch	Number of audits	Number of notifications issued by NBU	Announcement received by	What issues were addressed
1	Republic of Karakalpakstan, Nukus branch	11	-	-	-
	Turtkul branch	16	-	-	-
	Kungrad branch	8	-	-	-
2	Kashkadarya region, Karshi branch	16	-	-	-
	Kashkadarya region, Guzar branch	24	-	-	-
	Mubarek branch	16	-	-	-
	Shakhrisabz branch	40	-	-	-
3	Namangan region, Namangan branch	56	-	-	-
	Namangan region, Turakurgan branch	21	-	-	-
4	Surkhandarya region, Termez branch	21	-	-	-
	Surkhandarya region, Denau branch	7	-	-	-
5	Samarkand region, Pastdargam branch	16	-	-	-
	Kattakurgan branch	24	-	-	-
	Djambay branch	24	-	-	-
	Nurabad branch	8	-	-	-
	Registan branch	16	-	-	-
6	Tashkent region, Yangiyul branch	35	-	-	-
	Chirchik branch	3	-	-	-
	Gazalkent branch	7	-	-	-
	Bekabad branch	7	-	-	-
7	Ferghana region, Ferghana branch	14	-	-	-
	Besharik branch	14	-	-	-
	Buvaydi branch	14	-	-	-
	Kuva branch	7	-	-	-
	Rishtan branch	7	-	-	-
	Kuvasay branch	7	-	-	-

Due to the fact that according to the monitoring results, cases of non-compliance on environmental performance were not identified; there was no need to develop a corrective action plan.

With regard to Grievance redress mechanism (GRM), in the NBU such a mechanism has been created and it is in operation.

Thus, in accordance with the decision of the Board of the Bank No.31 dated from October 18, 2016, a department for addressing appeals from entities and individuals in Bank headquarter was set up. In addition, in the branches of the bank, this function is assigned on legal advisers.

In accordance with the Law of the Republic of Uzbekistan "On Appeals of Physical and legal entities" received complaint or appeal must be considered by the bank within 15 days from it registration in bank. At the same time, persons affected by the project may contact a virtual reception of the Chairman of the bank's management by visiting the bank's website at www.nbu.uz.

During the reporting period, the NBU did not receive any complaint from individuals affected by the Affordable Rural Housing Program 2019.

Table 9

**Information on complaints received from persons affected
by the Affordable Rural Housing Program 2019**

№	Region, Bank branch	Number of complaints received	Type (in writing, orally, by phone)	Main topics for complaints	Number of complaints solved
1	Republic of Karakalpakstan, Nukus branch	-	-	-	-
	Turtkul branch	-	-	-	-
	Kungrad branch	-	-	-	-
2	Kashkadarya region, Karshi branch	-	-	-	-
	Kashkadarya region, Guzar branch	-	-	-	-
	Mubarek branch	-	-	-	-
	Shakhrisabz branch	-	-	-	-
3	Namangan region, Namangan branch	-	-	-	-
	Namangan region, Turakurgan branch	-	-	-	-
4	Surkhandarya region, Termez branch	-	-	-	-
	Surkhandarya region, Denau branch	-	-	-	-
5	Samarkand region, Pastdargam branch	-	-	-	-
	Kattakurgan branch	-	-	-	-
	Djambay branch	-	-	-	-
	Nurabad branch	-	-	-	-
	Registan branch	-	-	-	-
6	Tashkent region, Yangiyul branch	-	-	-	-
	Chirchik branch	-	-	-	-
	Gazalkent branch	-	-	-	-
	Bekabad branch	-	-	-	-
7	Ferghana region, Ferghana branch	-	-	-	-
	Besharik branch	-	-	-	-
	Buvaydi branch	-	-	-	-
	Kuva branch	-	-	-	-
	Rishtan branch	-	-	-	-
	Kuvasay branch	-	-	-	-

Part V: Conclusion and Action Plan

According to the results of the reporting period, it can be concluded that from the side of the NBU, all safeguards requirements met by the terms of the Loan Agreement signed during the second phase of the construction affordable rural housing program, where new "results-based lending" model is implemented.

In the annual report of the National Bank on the implementation of ESMS at the end of 2019, it was noted that the potential of the responsible specialists of the National Bank of Uzbekistan on ESMS requires strengthening through a series of trainings.

Nevertheless, in order to make ESMS more effective, NBU intends to take the following actions in 2020:

Table 10

Action Plan of JSCB "National Bank of Uzbekistan" for 2020

PCB	Issues	Actions required	Responsible	Period/data
NBU	Publication of the annual report of the NBU according to the results of 2019 on the NBU's website	After the approval of the submitting ESMS annual reporting of NBU by MMU and ADB to arrange the publication on the NBU's website	ESMS coordinator	1 st quarter of 2020
NBU	Conducting a series of trainings by ESMS Coordinator for the NBU's regional branch specialists	To develop the handouts and presentation materials and make a training schedule	ESMS coordinator	During 2020

Annex

- Photos