

## Uzbekistan : National Bank of Uzbekistan COVID-19 Credit Line Project

### 1. Project Information

Project ID:	P000420	Instrument ID:	L0420A
Member:	Uzbekistan	Region:	Central Asia
Sector:	CRF-Finance/Liquidity	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:200.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	
ES category:	FI	Borrowing Entity:	National Bank of the Republic of Uzbekistan for Foreign Economic Activity' Joint Stock Company
Implementing Entity:	National Bank of the Republic of Uzbekistan for Foreign Economic Activity' Joint Stock Company		
Project Team Leader:	Stefen Shin		
Responsible DG:	Najeeb Haider		
Responsible Department:	BNK2		
Project Team Members:	Thomas Dollmaier, Team Member; Qianna Ma, Team Member; Anatole Douaud, Team Member; Goktug Ersoy, Team Member; Christopher Damandl, Project Counsel; Liu Yang, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Zhixi Zhu, OSD - Environment Specialist; Chitambala Sikazwe, OSD - Procurement Specialist; Anatole Douaud, Back-up PTL		
Completed Site Visits by AIIB:			
Planned Site Visits by AIIB:			
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/08		

### 2. Project Summary and Objectives

The Project is be financed under the COVID-19 Crisis Recovery Facility by a medium-term sovereign-backed credit line to the National Bank of Uzbekistan (NBU), and supports a portfolio of small and medium enterprises (SMEs) operating in infrastructure and other productive sectors (OPS) in overcoming liquidity constraints and/or working capital shortages brought on by the COVID-19 pandemic. With such support, SMEs can overcome liquidity constraints and maintain operations and investments in infrastructure and other productive sectors that may have to be curtailed, delayed or suspended in the absence of AIIB financing.

**Objective:**

To alleviate working capital shortages and liquidity constraints brought on by the pandemic to SMEs operating in the private infrastructure and OPS.

**3. Key Dates**

Approval:	Nov. 25, 2020	Signing:	Dec. 30, 2021
Effective:	Mar. 30, 2022	Restructured (if any):	
Orig. Closing:	Nov. 30, 2022	Rev. Closing (if any):	Dec. 31, 2023

**4. Disbursement Summary (USD million)**

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	10.96	Most recent disbursement (amount/date):	10.96/Apr. 21, 2022
Undisbursed:	189.04	Disbursement Ratio (%) <sup>1</sup> :	5.48

**5. Project Implementation Update**

The Loan was declared effective on March 30, 2022.

First disbursement was processed on April 21, 2022.

The Front-end fee of US\$ 0.500mn has been paid by NBU on May 4th, 2022.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Direct lending to NBU clients	One disbursement (US\$ 10.96mn) has been made through advance method.	Direct lending to NBU clients One disbursement (US\$ 10.96mn) has been made through advance method. The borrower could not submit eligible subprojects as defined in the Operational Manual. The PIU could not present evidence of compliance with the Environmental and Social (E&S) processes (including E&S screening, categorization, monitoring and reporting) consistent with the Environmental and Social Management System (ESMS) stated in the Operational Manual (OM). The submission of	Procurement will follow the requirements of the Operations Manual and this will be confirmed in the subsequent reports from NBU

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

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		the first Annual E&S Monitoring Report due in February 2023 has been delayed. Procurement will follow the requirements of the Operations Manual and this will be confirmed in the subsequent reports from NBU.	
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**Financial Management:**

Both the IUFs and internal audit reports are outstanding. The project audit report shall be due on June 30, 2023, and the entity audit report shall be due no later than Dec 31, 2023. There is no information on the project progress and utilization of funds.

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**6. Status of the Grievance Redress Mechanism (GRM)**

The NBU has an operational system for communication with citizens' appeals, which has been applied to the complaints received under this Project. The NBU GRM is available at the bottom of the NBU website (Contact center/hotline and the message form) in Uzbek, Russian and English language: <https://nbu.uz/en/#>. NBU ensures that all investment agreements for subprojects require sub-borrowers to have GRM in place for receiving and addressing E&S concerns and or complaints. No grievances/complaints related to this Project have been received by NBU to date. The first Annual E&S Monitoring Report is pending to verify the operation of GRM.

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**7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)**

Below is the approved result monitoring framework with projected result figures . As the frequency of reporting is Annual, no data has been provided yet by the borrower. These are expected to be received as of March 2023., but NBU has not provided them yet.

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**Remarks:**

As the frequency of reporting is Annual, no data has been provided yet by the borrower. These are expected to be received as of March 2023, but NBU has not provided them yet.

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Project Objective Indicators	Indicator level	Unit Measure of	Cumulative Target Values														Frequency	Responsibility	Comments	
			Baseline		2022		2023		2024		2025		2026		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Amount of Financing	Project	USD	2022	0	0		100		150		200		200			200		Annual	NBU	
Utilization rate of the components	Project	%	2022	0	0		47		95		100		100			100		Annual	NBU	
Number of Sub-borrowers (Direct Lending)	Project	#	2022	0	0		25		50		75		75			75		Annual	NBU	
Percentage of nonperforming loans in the SME portfolio	Project	%	2022	0	0		<10		<10		<10		<10			<10		Annual	NBU	
Percentage of loan value in Group 1 and 2 sectors	Project	%	2022	0	0		50		75		100		100			100		Annual	NBU	

Project Intermediate Indicators	Indicator level	Unit Measure of	Cumulative Target Values														Frequency	Responsibility	Comments	
			Baseline		2022		2023		2024		2025		2026		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Number of jobs created/retained by sub-borrowers (disaggregated by gender)	Project	#	2022	0	0		25		50		50		50			50		Annual	NBU	
Percentage of sub-borrowers with women owners or with one or more women in executive positions	Project	%	2022	0	0		5		10		15		15			15		Annual	NBU	