

Republic of Uzbekistan
Entrepreneurship Development Company

STAKEHOLDER ENGAGEMENT PLAN (SEP)
for
Financial Access for Growth, Returns, And
Opportunities for Work MPA Phase 1 - Uzbekistan
(P511700)

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1. Introduction/Project Description

The Financial Inclusion for Growth, Returns, And Opportunities for Work (FINGROW) Multiphase Programmatic Approach (MPA) Phase 1 in Uzbekistan (the Project) aims to increase the number of businesses using credit and equity financing in Uzbekistan, and thus support job creation particularly for women and youth.



Figure 1: Map of Uzbekistan highlighting the regions that will benefit from the project

The WB will lend directly to Entrepreneurship Development Company (EDC) with Ministry of Economy and Finance of Uzbekistan (MEF) sovereign guarantee to (i) reform the governance and design of EDC's Partial Credit Guarantee Scheme (PCGS) by establishing a dedicated subsidiary and new guarantee product, and (ii) establish a private equity Fund of Funds, with additional support provided to strengthen the capacity of project implementing entities. The project consists of three main components:

Component 1. Reforming and scaling up EDC's partial credit guarantee scheme (PCGS) (\$50 million). The current loan-by-loan PCGS suffers from weak internal controls and risk management, unclear eligibility, no claim payouts to date, and no Monitoring & Evaluation (M&E) framework, eroding lender trust, usage, and Central Bank of Uzbekistan (CBU) capital relief. The project will create a dedicated EDC subsidiary, CBU-supervised under the amended Law on Non-Bank Credit Organizations and fully aligned with World Bank (WB) Principles, to launch a best-practice portfolio guarantee with target 75% coverage with quick payouts, prioritize green sectors and women-owned businesses, and significantly scale guarantees. A web portal will streamline applications and claims. The scheme will include a disaster-risk clause enabling bridge loans for Small and Medium Enterprises (SMEs) in affected regions, supported by an application to the Global Shield Financing Facility for Recipient-

Executed Trust Funding (RETF) and Bank-Executed Trust Funding (BETF). Early bank feedback is positive, and CBU may reduce risk weights based on design and performance. The facility will be open to banks, Microfinance Organizations (MFOs), and leasing companies to spur lending to competitive SMEs (greening operations, jobs, exports). It will leverage alternative credit data, including psychometric scoring (especially for loans by Participating Financial intermediaries (PFIs) and MFOs) and utility/tax data for thin-file borrowers, complementing CBU and private credit bureau initiatives. PFIs will be incentivized to offer digital accounting and disclose annual financials to broaden lender competition for follow-on financing, including for Micro, Small and Medium Enterprises (MSMEs) and sole proprietors.

Component 2. Private equity (fund of funds-FOF) for scaling up SMEs with high growth potential (\$47 million).

The Fund of Funds (FOF) will be a limited liability company (LLC) wholly owned by EDC (parent entity) and will invest to scale high-growth firms, especially women-led businesses and those aligned with Uzbekistan's National Green Taxonomy. Its primary objective is to create high-value, sustainable jobs in Uzbekistan with at least 50% of total investments and across Central Asia (CA). Secondary objective is to crowd in institutional and strategic private investors to build champion enterprises, targeting a strong private-capital multiplier. The FOF will back private equity (PE) impact funds that invest in Uzbek-owned champions registered in Uzbekistan and CA countries. These impact funds will be run by competitively selected private fund managers as general partners (GPs), with the FOF participating as a limited partner (LP). Globally recognized GPs may invest regionally to build supply chains and deepen CA trade integration. As part of their management fees, subsidiary-fund GPs will operate accelerator and mentorship programs in Tashkent, candidate regions, and other CA countries to create a robust pipeline. Operating modalities will be defined in the Project Operational Manual (POM). The International Finance Corporation (IFC) may take LP stakes in select subsidiary funds, subject to best-practice governance and/or co-invest at the deal level. The project will also build a data-driven scouting tool, the Chamber of Commerce will run a structured, nationwide survey capturing qualitative "soft" growth signals, while the National Statistical Committee and the Tax Administration will supply firm demographics, financials, supply-chain, and sector data. Combined, these inputs will systematically surface high-potential SMEs, strengthen the FOF's market assessment, and enable faster, more transparent deployment into a clear, evidence-based pipeline of investable opportunities.

Component 3. Implementation and technical assistance support (\$3 million). The project will provide technical support for project implementing agencies, including EDC and MEF's Department for SME Development. Notably, the project will support the development of robust governance structures and risk management across EDC functions and innovative M&E frameworks leveraging big data, alternative data sources, technology, and AI. To that effect, the team will work with the Development Economics Vice-Presidency (DEC), Development Impact (DIME) unit, and Consultative Group to Assist the Poorest (CGAP), reflect the latest advances in M&E frameworks for state financial support impacts. To build capacity for implementation and advance preparation, the project has received US\$1.2 million in Grant Facility for Project Preparation (GFPP) grant funding and is currently in the process of recruiting PCGS and FOF advisors.

The project is being prepared under the World Bank's Environment and Social Framework (ESF). Per Environmental and Social Standard ESS10 on Stakeholder Engagement and Information Disclosure, the implementing agencies should provide stakeholders with timely, relevant, understandable, and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination, or intimidation.

2. Objective/Description of SEP

The overall objective of this SEP is to define a program for stakeholder engagement, including public information disclosure and consultation throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project activities or any activities related to the project.

3. Regulatory Framework

3.1. Relevant National Laws and Regulations

The key national legal framework for consultations and stakeholder engagement comprises regulations on access to information, statutory requirements governing public consultations, and established grievance-redress channels are listed in **Table 1**.

Table 1: Key National Laws Related to Consultation, Stakeholder Engagement, and Access to Information

Legislation	Description
The Constitution of the Republic of Uzbekistan (adopted on December 8, 1992, last amended on May 1, 2023)	everyone has the right, both individually and jointly with others, to submit applications, proposals, and complaints to state bodies and organizations, bodies of citizens' self-government, officials, or people's representatives. Applications, proposals, and complaints must be considered in the manner and within the time limits established by law (Chapter VIII, Article 40).
The Law "On Environmental Expertise, Environmental Impact Assessment, and Strategic Environmental Assessment" (2025)	The objective of the Law is to govern activities and relationships related to environmental review, environmental impact assessment (EIA), and strategic environmental assessment (SEA). The Law requires that public hearings be conducted on proposed and/or planned or ongoing economic and other activities prior to the conduct of the state environmental review.
The Law "On Nature Protection" (adopted on December 9, 1992, last amended on February 7, 2024)	Residents have the right to unite in public associations for environmental protection, and to request and receive information about the state of the natural environment and the measures being taken to protect it. The powers of public associations operating in the field of environmental protection are determined by their charters, adopted in accordance with the legislation of the Republic of Uzbekistan (Articles 12-13)
The Labor Code of the Republic of Uzbekistan (adopted on April 30, 2023)	The Code regulates individual labor relations and directly related social relations on the basis of ensuring a balance and coordination of the interests of employees, employers, and the state. The main tasks of this Code are: - Establishing state guarantees of employees' labor rights and freedoms, including the right to work, the freedom to choose employment, fair and safe working conditions, and protection against unemployment. - Ensuring the realization of employers' rights in recruiting, staffing, and organizing an efficient labor process. - Encouraging and developing social partnership in the sphere of labor. - Ensuring the protection of the rights and legitimate interests of employees and employers. - promoting the effective functioning of the labor market.
The Law "About Appeals of Individuals and Legal Entities" (adopted on September 11,	The purpose of this Law is to regulate relations in the field of appeals of individuals and legal entities to state bodies and state institutions, as well as

Legislation	Description
2017, last amended on April 21, 2021)	to their officials. This Law also applies to organizations with state participation and citizens' self-government bodies.
The Law "On Guarantees and Freedom of Information Access" (adopted on April 24, 1997)	The Law governs the relations arising in the implementation process of the constitutional right of everyone freely and to unimpeded seek, receive, research, to transfer and distribute information.
The Law "On Principles and Warranties of Freedom of Information" (adopted on December 12, 2002, last amended on April 18, 2018)	The main objectives of this Law are to ensure compliance with the principles and guarantees of freedom of information, the exercise of the right of everyone to seek, receive, research, disseminate, use and store information, as well as ensure the protection of information and information security of the individual, society and the state freely and unimpededly.

4. Stakeholder Identification and Analysis

4.1. Methodology

Meaningful engagement of stakeholders across the project lifecycle is critical to achieving results. Stakeholders will continue to participate throughout implementation and in monitoring outcomes. Their participation strengthens accountability and sustainability and provides structured feedback loops to refine implementation and improve performance. The SEP will facilitate effective collaboration between project teams and targeted stakeholders and support the identification and management of environmental and social risks associated with project activities. Consistent with good international practice, the EDC and other implementing agencies will apply the following principles to stakeholder engagement:

- **Openness:** Public consultations during preparation and throughout implementation will be conducted in an open, transparent manner, free from external manipulation, interference, coercion, or intimidation. Venues will be convenient and accessible, and not requiring no long travel, entrance fees, or prior authorization.
- **Cultural appropriateness:** Engagement activities, including their format, schedule, and locations, will be designed and conducted in a manner that is respectful of local customs, cultural norms, and practices.
- **Informed participation and feedback:** Relevant information will be disclosed to all stakeholders sufficiently in advance, in accessible and appropriate formats. Stakeholders will have multiple opportunities to provide feedback, and their comments and concerns will be systematically recorded, analyzed, addressed, and, where appropriate, responses communicated back.
- **Inclusivity:** Consultations will be inclusive of all segments of the local community, including persons with disabilities, older persons, and other vulnerable groups. Where needed, the implementing agencies will provide reasonable accommodations and logistical support (e.g. assistance for those with limited mobility, financial constraints, transportation barriers, etc.) to enable participation in project-organized public meetings.
- **Gender sensitivity:** Consultations will be designed to ensure equal access for women and men. Where appropriate, the implementing agencies will hold separate meetings and focus group discussions for women and men, engage facilitators of the same gender as participants, and provide any additional support needed to enable participation. In addition, EDC will ensure that consultations are meaningful, consistent with the requirements of ESS10.

More specifically, meaningful consultation is a two-way process grounded in the following principles:

- Initiates early in project planning to gather initial views and inform project design.

- Invites and incorporates stakeholder feedback, including on the identification and mitigation of environmental and social risks and impacts.
- Continues on an ongoing basis as risks and impacts evolve.
- Is informed by prior disclosure of relevant, transparent, objective, and accessible information—shared in a timely manner, in culturally appropriate formats and relevant local language(s), and understandable to stakeholders.
- Considers, records, and responds to stakeholder input.
- Promotes active and inclusive engagement with project-affected parties.
- Is conducted free from external manipulation, interference, coercion, discrimination, and intimidation.
- Is systematically documented and publicly disclosed.

4.2. Affected parties and other interested parties

ESS10 recognizes two broad categories of stakeholders: “Project-affected parties” and “Other interested parties”. The latter includes “those likely to be affected by the project because of actual impacts or potential risks to their physical environment, health, security, cultural practices, wellbeing, or livelihoods. These stakeholders may include individuals or groups, including local communities”. They are the individuals or households most likely to observe changes from the environmental and social impacts of the project. Project affected parties are described as following:

- **Project-affected parties (PAPs)** – persons, groups, and other entities within the project area of influence that is directly or indirectly, positively, or adversely affected (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures.
- **Other Interested Parties (OIPs)** – individuals/groups/entities who consider or perceive their interests as being affected by the project and/or who have the potential to influence the project outcomes and the process of its implementation in some way.
- **Vulnerable Groups** – persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status, and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project(s)

One of the primary goals of the SEP is to identify stakeholders on which the project interventions can have positive and negative impacts on people’s lives and the sustainability of livelihoods. Thus, a list of key stakeholder groups has been identified by the EDC in the following levels as:

Project Affected Parties (PAPs)

High:

- **Entrepreneurship Development Company (EDC)**, as the implementing agency will lead the design, management, and monitoring of the credit guarantee scheme and, under the Fund-of-Funds (FoF) model, serves as fund manager or sponsor overseeing fund structuring and operations. EDC’s interest is to build credible, well-governed financing mechanisms that attract qualified managers, effectively manage guarantee exposure, and deliver measurable impact for SMEs, thereby advancing its institutional mandate. Key risks include capacity gaps, weak internal controls, and limited expertise in private-equity fund management. These can be mitigated through targeted technical assistance, robust risk-management systems and operational procedures, and by recruiting experienced fund management professionals and engaging specialized technical partners.

- **Partner Commercial Banks** are essential stakeholders as they provide the actual loans to SMEs under the partial credit guarantees. Their interest lies in expanding their SME portfolios while reducing risk exposure. Although the guarantee lowers credit risk, banks may still be reluctant to lend due to procedural or institutional inertia. It is important to structure the guarantee in a way that provides clear, timely coverage and includes incentives for higher-risk lending.
- **Small and Medium Enterprises (SMEs)** — The primary beneficiaries of the program across both instruments. Under the credit guarantee scheme, SMEs seek improved access to bank financing on more favorable terms despite common constraints such as limited formal financial records and managerial capacity. Under the Fund-of-Funds model, SMEs (target companies) aim to access non-debt growth capital that is scarce in traditional markets, though many may be unfamiliar or uncomfortable with equity financing, ownership dilution, and investor requirements. These gaps can be mitigated through complementary support measures, including financial literacy and business development services, awareness-raising on equity finance, investment-readiness programs, and legal advisory support.
- **Private Equity and Venture Capital Funds** are the intermediary vehicles that receive investments from the FoF and make direct investments in SMEs. Their interest lies in accessing patient capital (especially anchor investments) and demonstrating strong financial performance. A major risk is the limited number of credible, experienced fund managers in Uzbekistan. This challenge can be addressed by allowing regional or international funds to participate, alongside capacity-building for local fund managers.
- **International General Partners (GPs) and Co-investors** are external investors who may participate alongside the FoF in co-investments or parallel funds have a stake in the fund's credibility, governance, and return potential. Their participation can enhance leverage and bring in global best practices but also adds scrutiny and demands high transparency and professionalism in fund operations.

Medium:

- **The World Bank**, as the donor and technical partner has a high stake in ensuring project objectives are met efficiently and transparently. The Bank provides funding, capacity-building, and fiduciary oversight. Delays in implementation, mismanagement of funds, or weak monitoring systems can threaten project outcomes. This risk is mitigated through strong procurement planning, monitoring & evaluation systems, and periodic audits
- **Ministry of Economy and Finance of the Republic of Uzbekistan (MEF)** provides policy direction and regulatory oversight to ensure the PCG/Fund-of-Funds initiatives align with national priorities such as innovation-led growth, industrial diversification, and job creation. The ministries help create a supportive policy environment, including recognizing equity financing as a legitimate SME instrument, and may offer fiscal or financial support to EDC. EDC operates under the authority of the MOF and reports thereto. To safeguard independence and avoid operational interference, government participation should be in an advisory (non-operational) capacity via steering committees. Key risks include policy misalignment and delays in regulatory approvals; these can be mitigated through a formal inter-agency coordination platform, clear terms of reference for advisory roles, regular policy dialogue, and agreed timelines for approvals.
- **Central Bank of Uzbekistan** has an oversight role regarding the financial sector's soundness. It must be engaged to ensure the guaranteed mechanism aligns with prudential regulations. Regulatory uncertainty or conflict with banking supervision frameworks could hinder implementation. Early engagement and alignment with central bank guidelines are essential.
- **SME Associations and Chambers of Commerce** – These institutions can play a valuable role in identifying suitable SME candidates, advocating for the project, and offering support services. Their influence is moderate but can be increased through formal engagement mechanisms.
- **National Agency of Perspective Projects (NAPP)** is the regulatory body overseeing investment funds, capital markets, and institutional investors must be engaged to ensure the legal framework supports fund formation, equity investment, and capital repatriation. Regulatory bottlenecks or ambiguous legal provisions can deter

investor participation. These risks should be addressed through early legal and regulatory assessments, and if needed, targeted reform or sandbox initiatives.

- **Ministry of Employment and Poverty Reduction of Uzbekistan** — Leads national policy on employment, labor relations, labor migration, and poverty reduction. Oversees cross-government implementation, including monitoring sectoral roadmaps and program delivery.
- **Farmers' Council of Uzbekistan** — Serves as the representative body for farmers, advocating for their rights and interests; proposes reforms to agricultural legislation; supports farmers' financial and organizational capacity; and acts as an intermediary with public authorities, suppliers, and service providers.
- **Committee on Family and Women of the Republic of Uzbekistan** — Protects the rights and legitimate interests of women, advances national gender-equality policy, and coordinates a nationwide institutional network (including regional and district offices). Reports to the Republican commission on women's advancement, gender equality, and family issues.
- **Mahalla Committee of Uzbekistan** — Functions as a local self-government institution, delivering community welfare and social assistance, facilitating grassroots governance, and within the legal framework, providing neighborhood-level coordination and oversight.

Low:

- **Legal and Tax Advisors** are equity investment structures require clarity on taxation, ownership rights, and exit mechanisms. Tax and legal uncertainties can deter both investors and SMEs. To mitigate this, standardized investment templates, tax clarity, and legal advisory support should be integrated into the FoF design.
- **International financial consulting and audit companies** provide due diligence, transaction advisory, and independent audits for EDC, participating financial intermediaries (PFIs) and funds.
- **Uzbekistan Banking Association** serves as the sector's coordination and advocacy platform, working to elevate commercial banks to international standards and support their integration into the global banking system. The Association also protects the rights and legal interests of its member banks and provides overarching support to strengthen the resilience, transparency, and competitiveness of the national banking sector.

Other Interested Parties

Other Interested Parties (OIPs) are individuals, groups, or organizations that have an interest in the Project due to its location, characteristics, potential impacts, or broader public-interest considerations. Given EDC's engagement with multiple public institutions, numerous ministries and agencies may be directly or indirectly affected.

The Project's OIPs include:

- Civil society organizations, research centers, and NGOs monitoring financial sector performance in Uzbekistan.
- Youth and women's groups that stand to benefit from improved economic opportunities.
- Local government bodies, including relevant ministries, committees, and agencies.
- Mass media and affiliated organizations (print, broadcast, and digital/web-based outlets and associations).
- International development partners active in socio-economic development.

4.3. Disadvantaged/Vulnerable Individuals or Groups

Disadvantaged or vulnerable individuals and groups may be disproportionately affected by the Project and less able to access its benefits, owing to barriers in accessing and/or understanding information about project activities, environmental and social impacts, and proposed mitigation measures. Vulnerability may arise from

factors such as origin, gender, age, health status, limited income, or financial insecurity. These groups may also be unaware of stakeholder engagement opportunities and the Project's grievance mechanism (GM).

Project information, including the SEP, periodic updates, and GM procedures, will be disclosed on the EDC website (www.edcom.uz) in Uzbek and Russian. Where internet access is limited, conventional communication channels will be used to reach and engage vulnerable groups. At this stage, involvement of vulnerable groups has primarily included women from relevant ministries and institutions; additional consultations to identify and engage other vulnerable groups will be undertaken during implementation.

To facilitate inclusive disclosure and participation by vulnerable groups, the Project will:

- Use social media and conventional media (e.g., official social network pages of EDC and newspapers) for project announcements.
- Publish all project information, including GM procedures, in Uzbek and Russian.
- When public events (workshops or meetings) are organized, hold them in locations that are easily accessible to women and that provide appropriate access for persons with disabilities; where feasible, convene meetings in public venues or women's civil society organizations.

4. Stakeholder Engagement Program

4.1. Summary of Stakeholder Engagement Done During Project Preparation

During project preparation phase, EDC, with support from the World Bank, conducted an initial stakeholder consultation to introduce the FINGROW Project and discuss its design, implementation requirements, and anticipated environmental and social considerations. The meeting was held at 12:00 a.m. on October 10, 2025 in the conference room of the EDC office at 1 Koratosh Street, Tashkent, 100027, Republic of Uzbekistan (7th floor of the Uzbekistan Banking Association building), as well as translated in online format via ZOOM. Participants included representatives from commercial banks, ministries, and associations. The session reviewed the Project's overall scope and examined draft environmental and social instruments, including this SEP, the ESCP, and the ESMS Policy, prepared in accordance with the World Bank's Environmental and Social Framework (ESF). The agenda covered participant introductions, a presentation and discussion on stakeholder engagement, and a Q&A session. The consultation outcomes will inform finalization of the Project's environmental and social instruments and strengthen stakeholder ownership. The minutes of the consultation and list of participants are provided in **Annex 1**.

4.2. Summary of Project Stakeholder Needs and Methods, Tools, and Techniques for Stakeholder Engagement

Targeted outreach measures, including seminars and workshops, will be carried out as part of a project information campaign in remote and lagging areas to ensure equitable access to information on grant programs and other project activities, considering local technical conditions and cultural norms. All project information and application materials will be provided in Uzbek and Russian to facilitate participation by groups and individuals who may face language barriers. The project website will incorporate accessibility features to meet the needs of persons with visual and hearing impairments. The SEP will further specify inclusion and non-discrimination provisions to ensure the stakeholder engagement process is accessible to all groups and to reduce barriers so that project benefits are more inclusive.

Where engagement with local individuals and communities relies significantly on community representatives, EDC will make reasonable efforts to confirm that these representatives reflect community views and that they appropriately facilitate two-way communication.

4.2.1. Meaningful Consultation

EDC will conduct a process of meaningful consultation that provides stakeholders with clear opportunities to express views on project risks, impacts, and mitigation measures and enables EDC to consider and respond to those views. Consultations will be continuous throughout the project lifecycle as issues, impacts, and opportunities evolve. This two-way process will:

- a) Start early in project planning to capture initial perspectives and inform design.
- b) Encourage stakeholder feedback to shape design and to identify and mitigate environmental and social risks and impacts.
- c) Continue on an ongoing basis as new risks and impacts emerge.
- d) Rely on prior disclosure of relevant, transparent, objective, and accessible information, provided in a timely manner, in culturally appropriate formats and relevant local languages, and understandable to stakeholders.
- e) Consider and respond to stakeholder inputs.
- f) Promote active and inclusive engagement with project-affected parties.
- g) Be conducted free from manipulation, interference, coercion, discrimination, and intimidation.
- h) Be documented and disclosed by EDC.

4.2.2. Engagement During Implementation and External Reporting

EDC will maintain ongoing engagement with project-affected parties (PAPs) and other interested parties (OIPs) throughout the project lifecycle, providing information in ways that are proportionate to their interests and to the project's environmental and social risks and impacts. Stakeholder engagement will continue in accordance with this SEP, building on established communication channels. EDC will regularly solicit feedback on the project's environmental and social performance and on the implementation of mitigation measures set out in the ESCP.

If material project changes introduce additional risks or impacts, particularly those affecting project-affected parties, EDC will disclose relevant information, consult with affected stakeholders on proposed mitigation measures, and publish an updated ESCP reflecting any additional actions.

4.3. Stakeholder Engagement Plan

Project Stage	Estimated Date/Time Period	Topic of Consultation/ Message	Method Used	Target Stakeholders	Responsibilities
Preparation Phase	<i>Q4 2025</i>	Project information disclosure and introduction of project activities, information about time, date, venue of trainings ESMS Policy disclosure SEP and Grievance Mechanism (GM) disclosure Receive feedback on the project's potential impact, expectations, concerns and specific needs (capacity needs, future staff, trainings)	Formal meetings (plenary and/or bilateral) Official correspondence (letters and memos) Email communications	Project Affected Parties (PAPs)	EDC
Implementation Phase	<i>Q1 2026 and beyond</i>	Project status Update on project specific activities (time, date, venue) Information on specific capacity building trainings, Disclose project GM E&S aspects Reports, including a number of grievances received within the reporting period (semiannually) and the number of those resolved Satisfaction with project activities	Formal meetings (plenary and/or bilateral) Official correspondence (letters and memos) Email communications Satisfaction surveys	PAPs Other Interested Parties (OIPs) Disadvantaged and Vulnerable Groups	EDC
Post Implementation Phase	-	Project outcomes, overall progress, and major achievements Satisfaction with SEP activities and GM process. Satisfaction with project activities	Formal meetings (plenary and/or bilateral) Official correspondence (letters and memos) Email communications Satisfaction surveys	PAPs Other Interested Parties (OIPs) Disadvantaged and Vulnerable Groups	EDC

EDC will disclose project information to enable stakeholders to understand the Project's risks, impacts, and potential opportunities. Information will be provided as early as possible prior to appraisal and within a timeframe that allows for meaningful consultation on project design. At a minimum, disclosures will cover:

- the Project's purpose, nature, and scale
- the expected duration of proposed activities
- potential community-level risks and impacts, together with proposed mitigation measures, highlighting any disproportionate effects on vulnerable or disadvantaged groups and the differentiated measures to avoid or minimize these
- the stakeholder engagement process and the ways stakeholders can participate
- the timing and locations of public consultation meetings, and how meetings will be notified, summarized, and reported
- the grievance mechanism, including how grievances can be submitted and how they will be addressed

An information campaign will introduce the Project's concept, objectives, scope, timeline, and target audiences. Project materials and updates will be shared on the EDC website, and through mass media, and will include consultations with potential beneficiaries and other stakeholders in the grant programs. All information on the Project and future engagement activities will be available on EDC's official website and disclosed in relevant local languages in formats that are accessible and culturally appropriate. Disclosures will consider the needs of groups that may be differentially or disproportionately affected or have specific information needs (for example, related to disability, literacy, gender, mobility, language, or accessibility).

A mix of communication methods will be used to reach the widest range of stakeholders, with choices tailored to context and clearly justified. For remote stakeholders, the SEP will provide for online disclosure and additional documents placed in the public domain, including via newspapers, posters, radio, and television; official correspondence and meetings; and the Project website and social media.

4.4. Reporting Back to Stakeholders

A semiannual report will include relevant information for the Project's Implementation Status and Results (ISR) Reports. The Project will also strengthen EDC's communications and outreach capacity by recruiting experienced communications specialists to design and deliver training on project components, lead public education campaigns, and establish feedback loops.

Information on public engagement undertaken throughout the project lifecycle will be shared with stakeholders through:

- Publication of a standalone annual report on stakeholder engagement
- Ongoing monitoring and reporting of key performance indicators (KPIs), including:
 - frequency of stakeholder engagement activities
 - number of grievances received within the reporting period (e.g., monthly, quarterly, or annually) and the share resolved within prescribed timelines
 - number of press and media pieces published or broadcast at local and national levels

5. Resources and Responsibilities for Implementing Stakeholder Engagement Activities

5.1. Management Functions and Responsibilities

The EDC will lead stakeholder engagement, coordinating closely with relevant entities such as local authorities, media outlets, beneficiaries, and other partners. All engagement activities will be recorded in semiannual progress reports and shared with the World Bank. Given the project's scope, effective implementation will rely on strong partnership and coordination mechanisms between national and local stakeholders.

Table 2: Responsibilities of Key Actors and Stakeholders in SEP Implementation

Actor	Stakeholder Responsibilities
EDC	• Planning and implementation of the SEP and other relevant plans. • Leading stakeholder engagement and public consultations activities. • Management and resolution of grievances. • Coordination and supervision of financial intermediaries (FIs) on SEP, ESCP and ESMS Policy commitments. • Monitoring of and reporting on social performance to the World Bank.
Project Affected Parties (PAPs) and Other Interested Parties (OIPs)	• Invited to engage and ask questions about the project at public consultations meetings and through discussions where it is of interest or of relevance to them. • Lodge their grievances using the Grievance Mechanism defined in the SEP.
Other stakeholders/interested parties	• Engage with EDC regarding project design. • Raise concerns to help the project to be inclusive.

5.2. Resources

EDC will be responsible for carrying out stakeholder engagement activities for the project. The stakeholder engagement activities will be documented as part of the project progress reporting requirements, and as indicated in the Environmental and Social Commitment Plan (ESCP). The costs are covered under EDC budget lines under Component 3.

Table 3: Budget Resources of Stakeholder Engagement Plan Implementation

Budget Category	Quantity	Unit Costs	Times/Years	Total Costs	Remarks
1. Estimated staff salaries* and related expenses					
1a. Environmental and Social Specialist	1	TBD UZS		TBD UZS	
1b. Travel costs for staff]					
2. Events					
2a. Organization of stakeholder consultations	5	TBD UZS		TBD UZS	
3. Communication campaigns					
3a. Social media campaign	5	TBD UZS		TBD UZS	
4. Trainings					
4a. Training on E&S issues for EDC and PFIs staff	2	TBD UZS		TBD UZS	
4b. Training on gender-based violence (GBV) for EDC and PFIs staff	1	TBD UZS		TBD UZS	

Budget Category	Quantity	Unit Costs	Times/Years	Total Costs	Remarks
5. Beneficiary surveys					
5a. Mid-project perception survey	3	TBD UZS		TBD UZS	
5b. End-of-project perception survey	1	TBD UZS		TBD UZS	
6. Grievance Mechanism					
6a. Training of GM committees of EDC and PFIs	1	TBD UZS		TBD UZS	
6b. GM communication materials		TBD UZS		TBD UZS	
TOTAL STAKEHOLDER ENGAGEMENT BUDGET:				TBD UZS	

Note: *Salary costs can be indicative.

6. Grievance Mechanism

The GM is designed to provide a timely, effective, and efficient process for resolving complaints to the satisfaction of all parties. It establishes a transparent and credible pathway to fair, durable outcomes and strengthens trust and cooperation as part of broader community engagement, enabling corrective action where needed. Objectives of GM are:

- Provide project-affected individuals with accessible channels to submit complaints and raise disputes arising during implementation.
- Ensure appropriate, mutually acceptable redress measures are identified, implemented, and communicated to complainants.
- Offer a non-judicial avenue for resolution, thereby reducing the need to resort to courts.

The EDC will establish and operate a project-specific GM to manage citizen grievances and project-related requests. The EDC is responsible for GM implementation and reporting, with the Environmental and Social Specialist designated as the GM focal point.

6.1. Grievance Resolution Process

Information on the GM will be disseminated through public and community communication channels (e.g., website, social media). Printed materials (e.g. brochures, posters) will be displayed in public venues, EDC office, subproject offices, and on notice boards. GM details will also be available on the EDC official website. The GM process will follow six steps, as outlined in Figure 1 below.

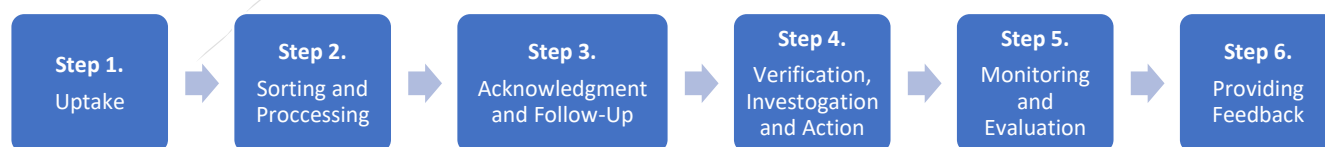


Figure 2: Grievance Resolution Process

Step 1: Uptake. Project stakeholders will be able to provide feedback and report complaints through several channels: contacting EDC by mail, telephone, email, social media, SMS, and Telegram messages. Grievance submission form is presented in **Annex 2**.

Step 2: Sorting and processing. Complaints and feedback will be compiled by the Environmental and Social Specialist at EDC and recorded in a register. These are assigned to the respective individuals/agencies to address. They are expected to discuss/ deliberate with the complainant and arrive at a resolution, within 15 days of receipt.

Step 3: Acknowledgement and follow-up. Within seven (7) days of the date a complaint is submitted, the responsible person/ agency will communicate with the complainant and provide information on the likely course of action and the anticipated timeframe for resolution of the complaint. If complaints are not resolved within 15 days, the responsible person will provide an update about the status of the complaint/question to the complainant and again provide an estimate of how long it will take to resolve the issue.

Step 4: Verification, investigation, and action. This step involves gathering information about the grievance to determine the facts surrounding the issue and verifying the complaint's validity and then developing a proposed resolution, which could include changes of decisions concerning eligibility for mitigation, assistance, changes in the program itself, other actions, or no actions. Depending on the nature of the complaint, the process can include site visits, document reviews, a meeting with the complainant (if known and willing to engage), and meetings with others (both those associated with the project and outside) who may have knowledge or can otherwise help resolve the issue. It is expected that many or most grievances would be resolved at this stage. All activities taken during this and the other steps will be fully documented, and any resolution logged in the register.

Step 5: Monitoring and evaluation. Monitoring refers to the process of tracking grievances and assessing the progress that has been toward resolution. The EDC will be responsible for consolidating, monitoring, and reporting on complaints, inquiries, and other feedback that have been received, resolved, or pending. This will be accomplished by maintaining the grievance register and records of all steps taken to resolve grievances or otherwise respond to feedback and questions.

Step 6: Providing Feedback. This step involves informing those to submit complaints, feedback, and questions about how issues were resolved or providing answers to questions. Whenever possible, complainants should be informed of the proposed resolution in person (communicating by telephone or other means).

6.2. Handling of Sensitive Grievances

To address sensitive grievances appropriately, the Project will adopt the following measures:

- **Gender-sensitive staffing:** Recruit stakeholder engagement and communications specialists for the region with attention to gender balance and sensitivity.
- **Capacity building on GBV:** Ensure stakeholder engagement and communications staff are oriented on GBV, including SEA/SH.
- **Worker training:** Incorporate GBV content, alongside socio-cultural considerations and non-violent communication, into worker trainings, covering:
 - Definitions of violence against women in national and international frameworks
 - Types of violence (physical, sexual, economic, emotional)
 - Applicable legal sanctions.
- **Confidential, accessible GM:** Maintain confidentiality of personal information and ensure multiple safe access points to the GM, including options for anonymous reporting.
- **Targeted information for women,** conducting outreach to inform women about:
 - Their rights
 - Self-protection strategies in cases of violence or sexual abuse
 - Emergency hotlines
 - Contact details for relevant institutions and organizations

- The GM's procedures and privacy policy
- All outreach materials will reiterate the GM's confidentiality provisions
- **Risk-Proportionate Mitigation and Contractor Requirements:**
 - The Project will apply additional mitigation measures commensurate with identified risks.
 - The contractor will develop workforce management procedures, occupational health and safety plans, and SEA/SH protocols applicable to their own and subcontractor personnel. These documents will be submitted to the EDC for review and approval prior to mobilization.
 - Contract provisions will explicitly prohibit child and forced labour and require measures to prevent and respond to SEA/SH. EDC staff responsible for contractor oversight will monitor compliance and report on the absence of forced labour and any SEA/SH incidents.
- **Data Protection and Confidentiality:**
 - All personal data and complaints received through the GM will be handled confidentially unless the complainant consents to disclosure.
 - Confidentiality will be strictly upheld for all sensitive matters, particularly SEA/SH-related grievances raised by community members.

6.3. Focal Point for GRM at PMU

The point of contact regarding the stakeholder engagement program is Environmental and Social Specialist.

Description	Contact Details
Name	Malika Khojaeva, Environmental and Social Specialist at PIU
Email	Info@edcom.uz ; edcom@exat.uz
Telephone	+998770042406
Website	https://edcom.uz/en/

6.1. World Bank Grievance Redress System

Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may also complaints directly to the Bank through the Bank's Grievance Redress Service (GRS) (<http://projects-beta.worldbank.org/en/projects-operations/products-and-services/grievance-redressservice>). A complaint may be submitted in English, Uzbek or Russian, although additional processing time will be needed for complaints that are not in English. A complaint can be submitted to the Bank GRS through the following channels:

- By email: grievances@worldbank.org
- By fax: +1.202.614.7313
- By mail: The World Bank, Grievance Redress Service, MSN MC10-1018, 1818 H Street Northwest, Washington, DC 20433, USA
- Through the World Bank Uzbekistan Country Office in Tashkent: 107B Amir Timur Street, Block C, 15th floor, 100084, Tashkent, Uzbekistan, tashkent@worldbank.org, Tel. +998 71 120-2400

The complaint must clearly state the adverse impact(s) allegedly caused or likely to be caused by the Banks upported project. This should be supported by available documentation and correspondence to the extent possible. The complainant may also indicate the desired outcome of the complaint. Finally, the complaint should identify the complainant(s) or assigned representative/s and provide contact details. Complaints submitted via the GRS are promptly reviewed to allow quick attention to project-related concerns. In addition, project-affected communities and individuals may submit complaints to the World Bank's independent Inspection Panel, which

will then determine whether harm occurred, or could occur, as a result of the World Bank's non-compliance with its policies and procedures. Complaints may be submitted to the Inspection Panel at any time after concerns have been brought directly to the World Bank's attention, and after Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

7. Monitoring and Reporting

The ESCP and SEP call for regular stakeholder consultations to assess the effectiveness of facilitation measures and to solicit recommendations for improvement. Findings will be fed back to stakeholder groups, the EDC Board, and, as appropriate, through other channels such as the media, written reports, and press releases. These consultations will also inform assessments of progress against the project's results indicators outlined in the results framework.

Throughout the project, the PIU's Environmental and Social specialist will prepare and submit semiannual ESCP compliance monitoring reports. The PIU will also provide semiannual project progress reports to the World Bank.

The World Bank will deliver implementation support and oversight during implementation. At least twice a year, support and monitoring missions will review progress and report through Implementation Status and Results Reports (ISRs).

7.1. Reporting Back to Stakeholder Groups

The SEP will be periodically revised and updated as necessary in the course of project implementation. [insert Quarterly or other] summaries and internal reports on public grievances, enquiries, and related incidents, together with the status of implementation of associated corrective/preventive actions, will be collated by responsible staff and referred to the senior management of the project. The [quarterly or other] summaries will provide a mechanism for assessing both the number and nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner. Information on public engagement activities undertaken by the Project during the year may be conveyed to the stakeholders in various ways: [insert].

Annex 1. Minutes of Meeting of Stakeholder Consultation on Environmental & Social Commitments for FINGROW MPA Phase 1 Project in Uzbekistan (10th October 2025)

Date	10 th October 2025
Subject of Meeting	Environmental and Social Commitments under The Financial Inclusion for Growth, Returns, And Opportunities for Work (FINGROW) Multiphase Programmatic Approach (MPA) Phase 1 in Uzbekistan project
Location	EDC head office at 1 Koratosh Street, Tashkent, and via ZOOM
Date/Time of Meeting	11:00 am (Tashkent time)
Distribution	Internally and Externally

Agenda:

1. Welcome and Introduction of attendees – 10 minutes
2. Overview of the FINGROW Project – 10 minutes
3. Presentation of Key E&S Instruments – 20 minutes
4. Stakeholder Engagement Session – 30 minutes
 - Discussion on roles and responsibilities of financial intermediaries and other stakeholders
 - Feedback and perspectives on implementation challenges and opportunities
5. Q&A session – 15 minutes
6. Closing Remarks and Next Steps – 5 minutes

1. Welcome and Introduction of Attendees (11:00-11:10)

Ms. Malika Hojayeva, Environmental and Social Specialist at EDC, opened the workshop and explained the objectives of the stakeholder consultation. Afterwards, all meeting participants introduced themselves.

2. Overview of FINGROW Project and Presentation of Key E&S Instruments (11:10-11:40)

The presentation was delivered in Russian language, with a parallel screen-shared slide deck in Uzbek language provided via the Zoom chat. Abat Amankul, Environmental and Social Consultant to the World Bank for the FINGROW Project, presented an overview of the Project, highlighted its key components, and outlined the key E&S instruments, in particular:

- The role of the Borrower's Environmental and Social Policy and the Bank's position on integrating environmental and social approaches.
- The applicable World Bank Environmental and Social Standards (ESS) relevant to the Project.
- The role of ESS9 (Financial Intermediaries) in the Project was explained. It was clarified that financial intermediaries (FIs) are required to monitor and manage environmental and social risks and impacts at both the FI portfolio level and the level of FI subprojects, as well as to monitor portfolio risk depending on the nature of the intermediation. It was also noted that FIs must develop and maintain, as an Environmental and Social Management System (ESMS), effective systems, procedures, and capacity to assess, manage, and monitor subproject risks and impacts, and to ensure responsible management of overall portfolio risk.
- The main environmental and social risks associated with potential subprojects/beneficiaries were outlined.
- An exclusion list for financing in accordance with IFC/IBRD requirements was presented.
- The key E&S instruments for potential subprojects/beneficiaries were explained: Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plans (ESMP), and the ESMP Checklist.

- Particular attention was paid to the objectives of ESS10 (Stakeholder Engagement and Information Disclosure). In this context, the Project's Stakeholder Engagement Plan (SEP), the key stakeholder groups, and the Project's Grievance Redress Mechanism (GRM) were presented and disclosed to the participants of the stakeholder consultation meeting.

3. Stakeholder Engagement and Q&A Session (11:40-12:15)

Subsequently, the meeting transitioned to the Stakeholder Engagement and Q&A session, where representatives of the project implementation sides addressed the following key questions from participants.

Q1: Could you specify the anticipated start date for the project?

Response: While specific dates are still being finalized, the World Bank is expected to review the project in mid-December. Provisionally, launch could occur at the start of the 2026 calendar year.

Q2: Have the commercial banks participating in the project been selected?

Response: Interested commercial banks may submit applications to the Entrepreneurship Development Company for review. Banks that do not yet have an operational ESMS must develop and approve one prior to participation. ESMS-related inquiries may be directed to Ms. Malika Khojaeva, Environmental and Social Specialist at EDC.

Q3: The exclusion list includes alcohol and tobacco production. Given IFC's exception when such activities comprise less than 30% of a beneficiary's revenue, does this exception apply to this project?

Response: Correct, under IFC policy, exceptions are permitted when alcohol and tobacco activities constitute less than 30% of total revenue. The allowance also exists to the production of beer and wine.

Q4: Will specific indicators be used to classify subproject risks?

Response: Yes. Both the project ESMS and the financial intermediaries' ESMS will include a risk-classification mechanism aligned with the World Bank's framework and the national legislation of the Republic of Uzbekistan.

Q5: Will projects in the oil and gas sector receive financing?

Response: No. The project focuses on SMEs and green initiatives; oil and gas projects are outside its scope.

Q6: Will agricultural and water-resource projects—particularly irrigation—be eligible for financing?

Response: Yes, provided they advance sustainable development and align with the Republic of Uzbekistan's Green Taxonomy. Examples include projects that promote efficient water use and sustainable agricultural practices.

Q7: Will participating banks undergo an eligibility assessment?

Response: Yes. After submitting an application to EDC, banks will be evaluated against defined criteria. The World Bank will then review EDC's assessment and issue its concurrence or non-objection on eligibility.

Q8: Is a separate ESMS required if a bank already has one?

Response: Not necessarily. Banks should indicate the existence of their current ESMS. A functioning ESMS may be used with project-specific enhancements as needed (e.g., a tailored environmental and social due diligence form). Banks without an ESMS must develop and approve one before signing participation agreements.

Closing Remarks and Next Steps (12:15–12:25)

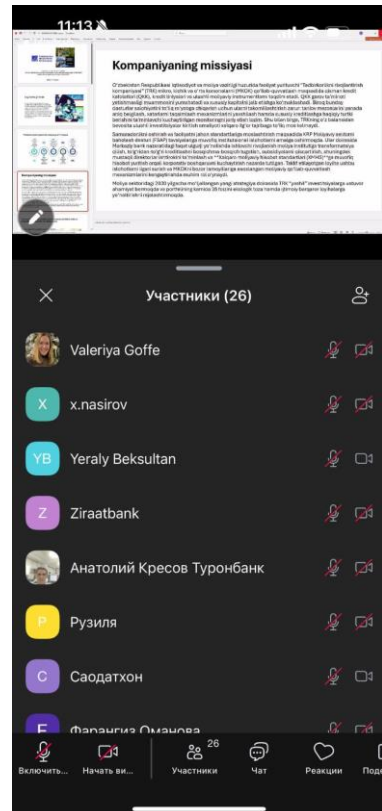
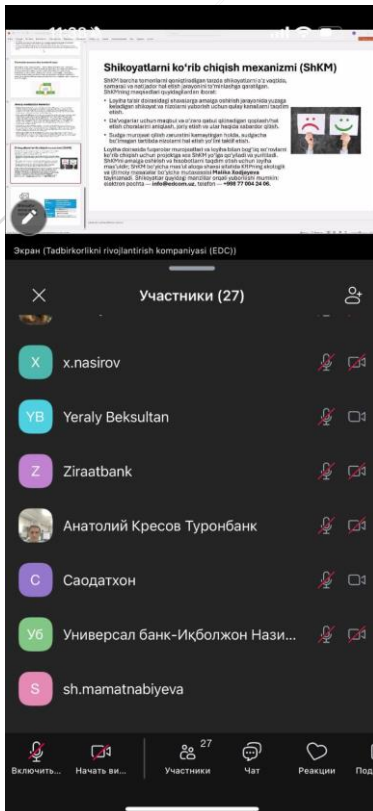
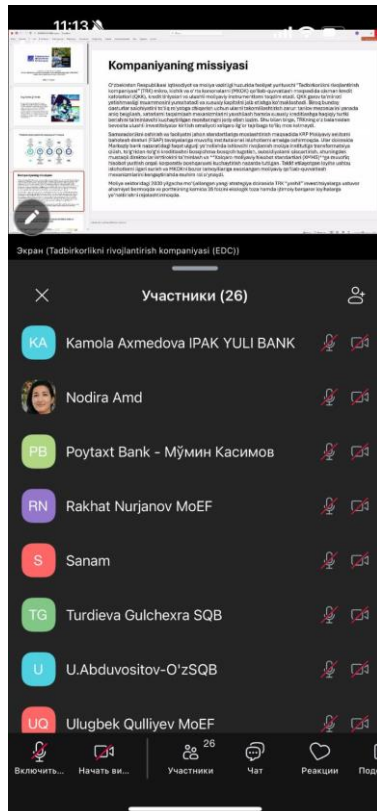
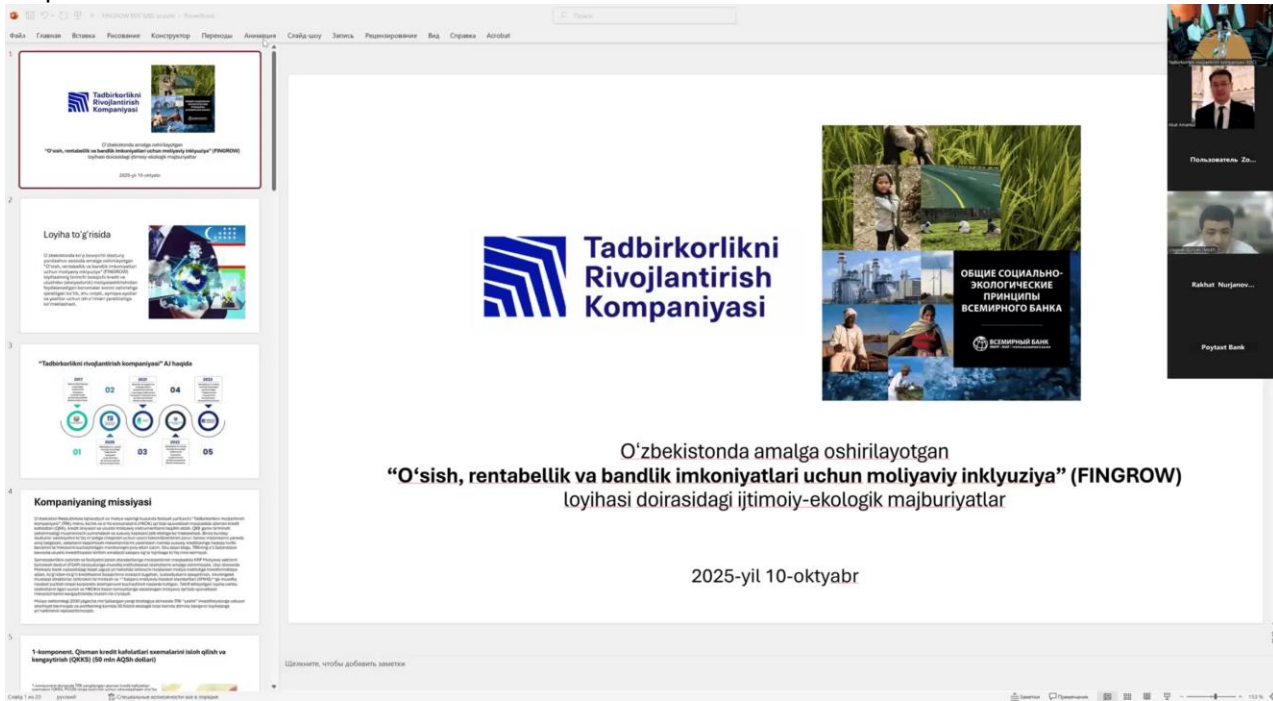
At the close of the session, Ms. Malika Khojaeva, Environmental and Social Specialist at EDC, thanked participants. The presentation was shared in the ZOOM chat for download.

List of Attendees

Name	Organization	Position	Format of Participation
Xurshid Safarov	EDC	Head of Risk Department	Offline
Malika Khojaeva	EDC	Environmental and Sociology Specialist	Offline
Yerali Beksultan	World Bank	Private Sector Specialist	Online
Nodira Akhmedkhodjaeva	World Bank	Environmental Specialist	Online
Akbarjon Khamraliev	World Bank	Social Development Specialist	Online
Abat Amankul	World Bank	Environmental and Social Specialist	Online
Valeriya Goffe	World Bank	Senior Financial Sector Specialist	Online
Turdieva Gulchexra	SQB Bank	Chief Specialist on Environmental, Climate, and Social Issues	Online
Abduvositov Ulugbek	SQB Bank	Lead Specialist of the Green banking Department	Online
Abdullayev Baxtiyor	Asaka Bank AJ	Head of Environmental and Social Risk Management	Online
Ruzilya Muxutddinova	Kapital Bank ATB	Department for Cooperation with Financial Institutions Chief Specialist	Online
Nosirov Quvonch	Garant Bank AJ	Head of Risk Department	Online
Anatoliy Kresov	Turon Bank ATB	Chief Risk Department Manager	Online
Sardor Nazarov	OFB Bank	Head of Risk Department	Online
Ulugbek Normatov	Universal Bank ATB	Head of Risk Department	Online
Mo'min Kasimov	Poytaxt Bank	Deputy Head of Credit Department	Online
Yusupov Iqbol	Ziraat Bank	Head of Treasury Department	Online
Avazbek Fazliyev	Hamkorbank ATB	Head of Environmental Department	Online
Alimov Erkin	Madad Invest Bank ATB	Head of Risk Department	Online
Murod Kurambayev	Madad Invest Bank ATB	Head of Corporate Business Department	Online
Axmedova Kamola	Ipak Yuli Bank	Specialist of Risk department	Online
Mamatnabieva Shoxsanam	InfinBank	Specialist of Risk department	Online
Rakhat Nurjanov	Ministry of Economy and Finance	Head of Division	Online
Ulugbek Quliyev	Ministry of Economy and Finance	Representative	Online
Saodatxon	Farmers' Council of Uzbekistan	Representative	Online

Photo Report

Stakeholder consultation meeting held in online format via ZOOM. The screenshots of meeting's online translation are provided below.



Annex 2. Grievance Submission Form

Reference No:	
Full Name	
Note: <i>you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent</i>	☐ I wish to raise my grievance anonymously ☐ I request not to disclose my identity without my consent
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	By Post: Please provide mailing address: _____ _____ _____ By Telephone: _____ By E-mail: _____
Language Please mark your preferred language for communication	Uzbek/Russian Other
Description of Incident or Grievance:	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of Incident / Grievance	
	One time incident/grievance (date _____) Happened more than once (how many times? _____) On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	