

Republic of Uzbekistan

Ferghana Valley Water Resources Management Project, Phase II

June 30, 2017

Chair Summary*

The Executive Directors approved a credit in the amount of US\$ 144.90 million equivalent to the Republic of Uzbekistan for the Ferghana Valley Water Resources Management Project, Phase II (IDA/R2017-0222), on the terms and conditions set out in the President's Memorandum.

Directors acknowledged the importance of the Project in improving irrigation and drainage services to help farmers in the Ferghana Valley, one of the most densely populated regions of Uzbekistan and home to one-fourth of all the poor in Uzbekistan. They noted that water shortages were increasing and this justified the Project's intervention to introduce more efficient use of water in a region that is water-stressed.

Directors noted the achievements to date of the efforts by Uzbekistan to ensure compliance with the country's laws, regulations, and international conventions which prohibit the use of child and forced labor during the annual cotton harvest. In particular, Directors appreciated that there is broad consensus the country's efforts to end child labor have been successful. They welcomed the contribution of the World Bank to this positive outcome and stressed the importance of sustaining this achievement.

Directors expressed concern about reports of the use of some degree of involuntary labor to bring in the cotton harvest every year. Directors appreciated the proposals to further reduce the risk of involuntary labor by broadening labor options, strengthening monitoring arrangements, and by providing economic incentives to expand the pool of voluntary labor. Directors appreciated the statement by Uzbekistan authorities reiterating strong commitment to eradicating all forms of forced labor.

Directors urged the World Bank to continue to monitor closely progress in this area and to continue to support the efforts of the Government of Uzbekistan to diversify its agricultural production into other areas that do not rely heavily on manual labor for harvesting.

Management will keep the Board informed about developments in agriculture reforms and progress in ending forced labor. A technical briefing will be organized after the upcoming harvest season.

The minutes will record that Ms. Mathiasen, Ms. Ulbaek and Ms. Robinson wished to be recorded as abstaining, and Mr. Allford as opposing.

*This summary is not an approved record.