

## Project Implementation Monitoring Report (#4)

Reporting Period From 2023/07 To 2023/12

## Uzbekistan : Bukhara Road Network Improvement Project (Phase 1)

## 1. Project Information

Project ID:	P000313	Instrument ID:	L0313A
Member:	Uzbekistan	Region:	Central Asia
Sector:	Transport	Sub-sector:	Roads
Instrument type:	<input checked="" type="checkbox"/> Loan:165.50 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	
ES category:	B	Borrowing Entity:	Ministry of Economy and Finance, Uzbekistan
Implementing Entity:	Committee for Roads under the Ministry of Transport of the Republic of Uzbekistan		
Project Team Leader:	Runze Yu		
Responsible DG:	Gregory Liu		
Responsible Department:	INF2		
Project Team Members:	Odil Akbarov, OSD - Social Development Specialist; Yogesh Malla, OSD - Financial Management Specialist; Chitambala Sikazwe, OSD - Procurement Specialist; Muzaffar Ahmad, OSD - Environment Specialist; Christopher Damandl, Alternate Counsel; Bernardita Saez, Project Counsel; Komron Rajabiyon, Back-up PTL; Yanyang Shi, Project admin		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2023/06		

## 2. Project Summary and Objectives

The Government of Uzbekistan has requested AIB to finance a comprehensive investment program in the road sector across the Bukhara region, Khorezm region, and the Republic of Karakalpakstan. The Bukhara Road Network Improvement Project (BRNIP) Phase 1 will rehabilitate 78 km of international road A380 in and around the Bukhara City. The Project objective is to improve road efficiency, safety, and climate-resilience of major international cross-border roads in Bukhara and road networks in Karakalpakstan and Khorezm regions.

The Project has the following components:

Component 1: Rehabilitation and maintenance of 78km section of the international road A380;

Component 2: Construction supervision and technical audit consultancy;

Component 3: Phase 2 project preparation;

Component 4: Institutional strengthening, capacity building, and costs of the Project Implementation Unit (PIU);

Component 5: Purchase of equipment related to quality and quantity measurements for innovative contracting methodologies for roads.

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**3. Key Dates**

Approval:	Jun. 22, 2020	Signing:	Dec. 15, 2021
Effective:	Feb. 14, 2022	Restructured (if any):	
Orig. Closing:	Jun. 30, 2026	Rev. Closing (if any):	

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

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	14.96	Latest disbursement (amount/date):	0.09/Dec. 20, 2023
Undisbursed:	150.54	Disbursement Ratio (%) <sup>1</sup> :	9.04

**5. Project Implementation Update**

The Project Implementation Update per components is as follows:

**Component 1: Rehabilitation and maintenance of 78km section of the international road A380**

Component 1 constitutes a significant portion of the Project and consists of three lots. Civil works contracts for all three lots were signed between AvtoY'ollinvest Agency and China Road and Bridge Corporation – CCC Third Highway Engineering Co. Ltd Joint Venture on March 28, 2023. Summary of the contract costs and Commencement of Works is provided below:

- Lot 1: awarded contract price: USD49,213,993.80; commencement: July 1, 2023
  - Lot 2: awarded contract price: USD25,793,630.01; commencement: July 1, 2023
  - Lot 3: awarded contract price: USD47,250,328.56; commencement: July 10, 2023
- Total: USD122,257,952.37 excluding VAT

The Contractor submitted the revised Work Program in compliance with the requirements outlined in Sub-Clause 8.3 of the General Conditions of Contract. This revised program was approved by the Engineer in September 2023. As of the fourth quarter of 2023, the progress of the works aligns with the Work Program, and no significant deviations have been observed. The Contractor has mobilized a total of 165 personnel, including 71 international staff, and has deployed 82 units of equipment to the construction sites for Lot 1-3.

The physical progress for each of the three lots is as follows:

- Lot 1 (km 150 – km 188, length 38 km):
  - Planned: 6.78%
  - Achieved: 2.11%
  - Project Slippage: 4.67%
- Lot 2 (km 188 – km 208, length 20 km):
  - Planned: 7.38%
  - Achieved: 2.55%
  - Project Slippage: 4.87%
- Lot 3 (km 208 – km 288, length 20 km):
  - Planned: 7.36%
  - Achieved: 1.70%

<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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- Project Slippage: 5.66%

**Component 2: Construction supervision and technical audit consultancy**

In January 2023, Sheladia Association, Inc. was appointed by AvtoY’ollInvest Agency to provide construction supervision services. The PIU issued the notice to commence to Sheladia on January 20, 2023. Sheladia subsequently engaged Rhythm Plus LLC, Uzbekistan, as its Sub-Consultant.

- Key staff like Team Leader, Environmental and Social Specialists are mobilized in the field. The Road Design and Bridges Engineer was mobilized to conduct the Design Review. As for non-key staff, nine out of fifteen are mobilized in the field.
- The CSC supported PIU to procure CWC, which included the review of received Bids for the civil works and maintenance; support in preparing Bids Evaluation Report for recommendation of contract award;
- Drafting of the civil works contract after negotiations between The Employer and the selected Contractor;
- SC is delivering its first deliverables as per the contract: Inception Report, Design Review Report, Monthly Progress Reports.
- Road Safety Audit at pre-construction stage remains outstanding and is going to be conducted before the start of actual construction works.
- One of the anticipated outcomes of the Project is an enhanced road safety performance, gauged by an elevated iRAP star rating. The procurement of the iRAP Consultant is being conducted under the construction supervision consultancy.
- Selection of the technical audit consultant is under preparation.

**Component 3: Phase 2 project preparation**

The Project team is working with the Road Committee and AvtoYo’linvest Agency for preparation of the Phase-2 of the Project.

**Component 4: Institutional strengthening, capacity building, and costs of the Project Implementation Unit (PIU)**

PIU is working on submitting a general plan for capacity building activities and will propose specific actions for the Bank’s concurrence.

**Component 5: Purchase of equipment related to quality and quantity measurements for innovative contracting methodologies for roads**

List of equipment to be purchased is under preparation by PIU.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Rehabilitation and maintenance of 78km section of the international road A380	Pre-construction activities are ongoing	The Project Team conducted a site visit to the Project in October 2023,. Key E&S findings and highlights: <ul style="list-style-type: none"> <li>• OHS aspects of the Contractor needs to be significantly enhanced. This mission agreed on the remediation actions.</li> <li>• Solving the issue of tree and bushes replanting along the road is</li> </ul>	Procurement concluded

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		yet to be resolved jointly by PIU, the Roads Committee and local administration.	
Component 2: Construction supervision and technical audit consultancy	Deliverables are being submitted as per the contract	The Construction Supervision Consultant (CSC) needs to enhance its OHS capacity as per recommendations done during the mission.	Procurement concluded
Component 3: Phase 2 project preparation	Ongoing	TBD	TBD
Component 4: Institutional strengthening, capacity building, and costs of the Project Implementation Unit (PIU)	Ongoing	TBD	Under preparation
Component 5: Purchase of equipment related to quality and quantity measurements for innovative contracting methodologies for roads	Under preparation	TBD	Under preparation

**Financial Management:**

1. The Project operational budget for financial year 2023 has been submitted to Ministry of Finance (MoF) for approval on March 28, 2023. However, it is still pending for approval.
2. Bank had provided comments to the interim financial reports (IUFs). At the moment of reporting, IUFs of Q3-Q4 FY2023 are outstanding.
3. An external financial auditor was hired on August 10, 2023.

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

PIU has prepared a GRM Operating Principles which includes a multi-tier structure:

- Tier 1: Field level Grievance Redress Committee (GRC). For Tier 1, Construction Supervision Consultant and Civil Works Contractor are requested to assign Grievance Focal Person (GFP) who will be members of GRC 1.
- Tier 2: Second level GRC. The GRM coordinator is the appointed Environmental and Social Specialist of the PIU who will also act as a GFP at the Tier 2 level.

In addition, the GRM operating principles require a separate GRM for the contractors and subcontractors' workers maintained and reported by the contractor. The PIU is requested to update the GRM and include a procedure to

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handle sensitive grievances such as gender-based violence, sexual exploitation and abuse and sexual harassment. Once GRM is updated, the PIU is requested to publish information on GRMs for related stakeholders and PAP including local communities in accordance with the project ESIA.

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

Monitoring of the Results will start as soon as tangible outputs will become available during the project implementation. Some results for 2023 will be reported in the next PIMR. Construction Supervision Consultant together with PIU is working on the methodology for identification of International Roughness Index (IRI) and iRAP index baselines data as envisaged by the RMF.

**Remarks:**

Monitoring of the Results will start as soon as tangible outputs will become available during the project implementation. Some results for 2023 will be reported in the next PIMR.

Construction Supervision Consultant together with PIU is working on the methodology for identification of International Roughness Index (IRI) and iRAP index baselines data as envisaged by the RMF.

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Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																Frequency	Responsibility	Comments	
			Baseline		2022		2023		2024		2025		2026		2027		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Road condition-Reduction in vehicle operating costs on the project road	Project	%	2022	0	0	0	0	0	0	0	0	10	13	15		2027	15		Semiannually	Client (PIU)		
Road safety - Increase in average IRAP star rating of the project road	Project	Number	2022	0	0	0	1	0	1		3	3		3		2027	3		Semiannually	Client (PIU)		
Climate resilience - Kilometers of road upgraded with climate-resilient measures	Project	Km	2022	0	0	0	15	TBC	45		78	78		78		2027	78		Annually	Client (PIU)		

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																Frequency	Responsibility	Comments	
			Baseline		2022		2023		2024		2025		2026		2027		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Component 1: Road Improvement and Maintenance - Reduction in average International Roughness Index (IRI) for finished sections	Project	Number	2022	4	4	N/A	4	N/A	3		3		2		2		2027	2		Annually	Client (PIU)	
Component 1: Road Improvement and Maintenance - Kilometers of road rehabilitated / improved of 4 lanes, with climate resilient measures	Project	Km	2022	0	0	0	15	0	35		60	60		60		2027	60		Annually	Client (PIU)		
Component 1: Road Improvement and Maintenance -	Project	Km	2022	0	0	0	0	0	10		18	18		18		2027	18		Annually	Client (PIU)		

Kilometers of road constructed / upgraded to 6 lanes, with climate resilient measures																					
Component 2: Construction Supervision - Construction supervision regularly conducted	Project	Yes/No	2022	Yes	Yes	No	Yes	Yes	Yes		Yes		Yes		Yes	2027	Yes		Annually	Client (PIU)	
Component 3: Preparation for Phase 2 -Detailed designs prepared for: o 78 km of the southern section of M37; o 80 km of the north segment of M37, and o 647 km of road sections in Karakalpakstan and Khorezm regions using traditional input type of contracting.	Project	Yes/No	2022	No	No	No	Yes	No	NA		NA		NA		NA	2027	NA		Annually	Client (PIU)	
Component 4 : Technical Assistance - Grievances registered related to delivery of the project addressed, with disaggregated data by gender	Project	%	2022	0	0	0	100	0	100		100		100		100	2027	100		Annually	Client (PIU)	
Component 4 : Technical Assistance - Total number of RC staff received training on OPBRC and related topics	Project	Number	2022	0	0	0	20	0	45		65		70		70	2027	70		Annually	Client (PIU)	
Component 5: Equipment Purchase - Purchase of OPBRC/DBMOT-related equipment and technology completed	Project	Yes/No	2022	No	No	No	No	No	No		Yes		Yes		Yes	2027	Yes		Annually	Client (PIU)	