

SBF Project Implementation Monitoring Report

Uzbekistan: Bukhara Region Water Supply and Sewerage Project

1. Project Information

Project ID:	000314	Investment Number:	L0314A
Member:	Uzbekistan	Region:	Central asia
Sector:	Water	Sub-sector:	Sewerage, Water Supply
AIB Financing Type:	Loan: 385.12 USD million	Co-financier(s):	N/A
E&S category:	A	Borrower:	Government of Uzbekistan
Red Flags Assigned:	1	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Kommunkhizmat Agency under Ministry of Housing and Communal Services		
Project Team Leader:	Zacharias Ziegelhöfer		
Project Team Members:	Irish Fe Aguilar, Social Development Specialist Benedetta Magnaghi, Procurement Associate Shodi Nazarov, Financial Management Associate Liu Yang, Counsel Zhixi Zhu, Environmental Specialist Alexander Grieb, Sr. Water & Sanitation Specialist (Consultant) Giacomo Ottolini, Procurement Specialist (Consultant) Pulat Zakirov, Water & Sanitation Engineer (Consultant) Xiaotong Dong, Project Assistant		
Completed Site Visits by AIB:	Aug, 2020 Virtual mission to take stock of implementation progress, to identify and discuss issues, and recommend actions to be taken to address issues of project implementation. Nov, 2020 Virtual mission to take stock of implementation progress, to identify and discuss issues, and recommend actions to be taken to address issues of project implementation.		
Planned Site Visits by AIB:	Mar, 2021 Virtual mission to take stock of implementation progress, to identify and discuss issues, and recommend actions to be taken to address issues of project implementation. Sep, 2021 Virtual mission to take stock of implementation progress, to identify and discuss issues, and recommend actions to be taken to address issues of project implementation.		

2. Project Summary and Objectives

The project objective is to provide access to safely managed water and sanitation services in the Bukhara Region and strengthen the operational performance of the water utility of Bukhara Region. The project is expected to benefit 1.15 million residents of the prioritized areas in the Bukhara Region. The proposed project will comprise the following components:

Component 1. Investment in Water Supply Infrastructure. Construction and rehabilitation of main water lines, well fields and intakes, associated electric facilities, water treatment plants, pumping stations, water reservoirs, distribution networks including house connections and equipment. The water supply component covers the districts Bukhara, Rometan, Peshko, Jondor, Kogon and Qorovulbozor.

Component 2. Investment in Sewage Infrastructure. Construction of centralized sewage systems in district centers consisting of house connections, collectors, pumping stations and mechanical-biological sewage treatment plants as well as discharge facilities, optionally tertiary treatment for reuse purposes. The sewage component covers the district centers of Qorakol, Olot, Qorovulbozor, Rometan and Gijduvon.

Component 3. Project Implementation and Management Support. Project management and implementation support to assist the PIE in ensuring seamless coordination, efficient implementation and compliance with the relevant policies and standards. Based on the feasibility study, the detailed design for the activities under Component 1 and 2 of the project will be prepared through the consulting services under this component. The consulting services will also ensure the construction supervision during implementation.

3. Key Dates

Approval:	Apr. 3, 2020	Signing:	Sep. 30, 2020
Effective:	Nov. 26, 2020	Restructured (if any):	
Orig. Closing:	Dec. 30, 2025	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

a) Committed:	385.12	b) Cancellation (if any):	
c) Disbursed:	1.06	d) Most recent disbursement: (amount / date)	0.1, Dec. 10, 2020
e) Undisbursed:	384.06	f) Disbursement Ratio(%) ¹ :	0.3

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

Project progress is satisfactory in light of COVID-19. After initial delays in the national approval of the project and the signing of the legal agreements, project implementation is on track. The Project Coordination Unit (PCU) has been established with key experts onboarded. The project has reached effectiveness on November 26, 2020. The front-end fee was capitalized on November 26, 2020, and the first withdrawal application was processed on December 10, 2020. The selection process for the services to develop a detailed design for the water supply activities is ongoing. The selection process for the services to develop a detailed design for the sanitation services is expected to start shortly. Albeit a satisfactory progress to date, it is anticipated that the selection process may be delayed due to the upcoming sector reforms (see identified key issues). An updated timeline will be communicated in the next report.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1. Investment in Water Supply Infrastructure. Construction and rehabilitation of intakes, main water lines, water treatment facilities, pumping stations and distribution networks.	Physical progress will start after the completion of tendering for works contracts.	Environmental and Social (ES) subproject documents to be prepared by detailed design consultant.	The selection process for the services to develop a detailed design for the water supply activities is ongoing. Expression of Interest of firms will be received by February 5, 2021. It is anticipated that the selection process may be delayed due to the upcoming reforms (see identified key issues). An updated timeline for the selection process will be communicated in the next report.
Component 2. Investment in Sewage Infrastructure. Construction of centralized sewage systems in district centers, consisting of collectors, pumping stations and sewage treatment plants, as well as discharge facilities.	Physical progress will start after the completion of tendering for works contracts.	ES subproject documents to be prepared by detailed design consultant.	The Bank has provided its non-objection (NOC) for the Request of Expression of Interest for the detailed design for the sanitation activities. However, it is anticipated that the selection process may be delayed due to the upcoming reforms in the sector (see identified key issues). An updated timeline for the selection process will be communicated in the next report.
Component 3. Project Implementation and Management Support. Project management and implementation support to assist the Implementation Agency in ensuring seamless coordination, efficient implementation and compliance with the relevant policies.	The PCU has been established with key experts onboarded. The selection process for services detailed design for water supply activities has started.	TOR of detailed design consultant include preparation of subproject ES documents; GRM at the PCU level established.	The PCU has been established with key experts onboarded. Evaluation Reports for the experts were reviewed by the Bank and NOCs provided. The status of the selection processes for consulting services for detailed design is reported under the respective components above.

Financial Management:

Financial Management (FM): The PCU recruited two finance staff: Finance Manager and Chief Accountant. The PCU has prepared a six-month detailed cash forecast which was shared with the Bank. Financial Manager has familiarized himself with the FM Manual. The adoption of FM Manual was as a condition of Effectiveness. The PCU has prepared the first withdrawal application for the Project (amount: USD 100'000), which were processed by the Bank. Currently, the PCU finance staff is in the process of preparing the first quarterly IFR which is due on February 14, 2021.

6. Status of the Grievance Redress Mechanism (GRM)

The GRM mechanism has been established at the PCU level. Members for the Grievance Redress Mechanism have been nominated. Capacity-building of

members on GRM process planned. No grievances received to-date.

7. Results Monitoring

The results will be monitored according to physical progress.

Baseline Year: Jan. 1, 2019 End Target Year: Apr. 30, 2025

Project Objective Indicators	Year	Target	Actual	Others, if any
People provided with access to safely managed water sources (No. (1,000))	Apr. 30, 2025	1050	0	
People provided with access to safely managed sanitation services (No. (1,000))	Apr. 30, 2025	105	0	
O&M cost recovery ratio (No.)	Apr. 30, 2025	> 1	< 1	

Intermediate Result Indicators	Year	Target	Actual	Others, if any
Length of water supply pipelines constructed (km)	Apr. 30, 2025	1260	0	
Length of water supply pipelines rehabilitated (km)	Apr. 30, 2025	850	0	
Number of water intake structures constructed/rehabilitated (No.)	Apr. 30, 2025	1	0	
Number of WDUs constructed and rehabilitated (No.)	Apr. 30, 2025	43	0	
Increase in the volume of water production capacity m3 (1,000)	Apr. 30, 2025	125	0	
Length of sewage networks constructed (km)	Apr. 30, 2025	1480	0	
Number of sewage pumping stations constructed (No.)	Apr. 30, 2025	54	0	
Number of sewage treatment plants constructed (No.)	Apr. 30, 2025	4	0	

Remarks: