

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 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; Zhixi Zhu, OSD - Environment Specialist; Chitambala Sikazwe, OSD - Procurement Specialist; Bernardita Saez, Project Counsel; Komron Rajabiyon, Back-up PTL; Yanyang Shi, Project admin		
Completed Site Visits by AIIB:	May, 2022 Nov, 2022 Jun, 2023 Kick-Start Supervision Mission to Tashkent and Bukhara Region		
Planned Site Visits by AIIB:	Nov, 2023 Supervision Review Mission is planned in November 2023		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/12		

2. Project Summary and Objectives

The Government of Uzbekistan has requested AIIB 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.

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:	126.23	Cancellation (if any):	0.00
Disbursed:	13.21	Most recent disbursement (amount/date):	0.19/Jun. 05, 2023
Undisbursed:	152.29	Disbursement Ratio (%) ¹ :	7.98

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

- Civil works contracts (CWC) for all three lots were signed on March 28, 2023. Mobilization on the site is ongoing, location for the camp sites identified. The Notice on the Commencement of Works for Lot 1 and Lot 2 is issued on June 16, 2023, for Lot 3 is pending for finalization of transfer of the Right of Way.
- The Design Review conducted by the Construction Supervision Consultant (CSC) detected gaps primarily in Lot 3 section related to reallocation of urban utilities, existence of temporary businesses in Lot 3 section and commercial spaces within the Right of Way, and removal of trees and vegetation. The revision of the detailed design will have an impact on civil works quantities, including variation of some works. PIU is working with the the Design Institute on reviewing the design and estimate cost indications. The Client together with the CSC and Civil Works Contractor will finalize and agree on the Final Design and Drawings.

Component 2: Construction supervision and technical audit consultancy

- In January 2023, the Client signed a contract with the Construction Supervision Consultant (CSC) to provide the services for construction supervision. PIU issued the notice to commence to CSC on January 20, 2023.
- 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 the civil works contract after negotiations between The Employer and the selected Contractor; award of the civil works contract.
- CSC has delivered its first deliverables as the contract: Inception Report, Design Review Report, first Monthly Progress Report.

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

- Road Safety Audit at pre-construction stage remains outstanding and is going to be conducted before the start of actual construction works.
- 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'invest 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 A380 km150 – km 228 on May 28, 2023 and conducted an E&S workshop. Key E&S findings and highlights: <ul style="list-style-type: none"> - E&S and Health and Safety (ESHS) staffing for the PIU, CSC, and CWC should be ensured; - 2019 Land Aquisition Plan to be updated; - Stakeholder Engagement Plan to be prepared and shared with the Bank and regularly submit the implementation report; - E&S Monitoring plan as set out in the ESMP should be ensured; - Vegetation management plan along all lots, especially in Lot 3, should be prepared. 	Procurement concluded
Component 2: Construction supervision and technical audit consultancy	First deliverables submitted as per the contract	The CSC to expedite the review of the Site-specific ESMP and to guide the CWC to finalize the same. Construction activities should not start until the approval of the SSESMP by the CSC and the PIU.	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 (FY) has been submitted to Ministry of Finance (MoF) for approval on March 28, 2023. However, it is still pending for approval. It is noted that the approval is generally late by 5/6 months each year.
2. Bank had provided comments to the interim financial reports (IUFs). IUFs of Q4 FY22 and Q1 FY23 are outstanding.
3. PIU has issued RFP to 5 audit firms on May 23, 2023 and now is at the finalization stage for the selection.

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 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.

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 in Q4 2023.

Remarks:

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.

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			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			1		1			3			3			3			2027	3			Semiannually	Client (PIU)	
Climate resilience - Kilometers of road upgraded with climate-resilient measures	Project	Km	2022	0	0			15		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			4		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			15		35			60			60			60			2027	60			Annually	Client (PIU)	
Component 1: Road Improvement and Maintenance -	Project	Km	2022	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		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		Yes		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		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		20		45		65		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		Yes		Yes		2027	Yes		Annually	Client (PIU)		