

Uzbekistan : Bukhara-Miskin-Urgench-Khiva Railway Electrification Project

1. Project Information

Project ID:	P000341	Instrument ID:	L0341A
Member:	Uzbekistan	Region:	Central Asia
Sector:	Transport	Sub-sector:	Rail transport
Instrument type:	<input checked="" type="checkbox"/> Loan:108.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier(s):	Asian Development Bank
ES category:	B	Borrowing Entity:	
Implementing Entity:	Uzbekistan Railways		
Project Team Leader:	Igor Popkov		
Responsible DG:	Gregory Liu		
Responsible Department:	INF2		
Project Team Members:	Odil Akbarov, OSD - Social Development Specialist; Duran Moy, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Zhixi Zhu, OSD - Environment Specialist; Liu Yang, Project Counsel; Jurminla Jurminla, OSD - Procurement Specialist; Komron Rajabiyon, Back-up PTL		
Completed Site Visits by AIIB:	Mar, 2023 Joint ADB-AIIB Mission		
Planned Site Visits by AIIB:	Oct, 2023 Joint ADB-AIIB Mission		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:			
Previous Red Flags Assigned Date:			

2. Project Summary and Objectives

The Project's Objective is to improve railway services for passengers and freight and support tourism development in Western Uzbekistan by electrifying the existing railway line linking Bukhara, Miskin, Urgench and Khiva (BMUK).

The project will upgrade the current railway along Bukhara – Miskin – Urgench – Khiva line, by adding electrification, signaling and telecommunication, and traction power management systems to the recently built 465 km railway line. The line was designed to support train speed of up to 250 km per hour and is connected to the electrified high-speed railway line between the country's capital Tashkent, and cities of Samarkand and Bukhara. High-speed trains will reduce travel times between Bukhara and Khiva to 3.0 hours, compared to the current 5.2 hours. The total journey from Tashkent to Khiva will take approximately 7.0 hours, within a daily journey.

3. Key Dates

Approval:	Jan. 26, 2022	Signing:	Mar. 25, 2022
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Effective:	Feb. 23, 2023	Restructured (if any):	
Orig. Closing:	Dec. 31, 2026	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	8.71	Most recent disbursement (amount/date):	0.81/Jun. 27, 2023
Undisbursed:	99.29	Disbursement Ratio (%) ¹ :	8.06

5. Project Implementation Update

The project's effectiveness was delayed due to prolonged internal procedures on issuing the legal opinion and negotiations between MoF and Uzbek Railways Company (UTY) on sub-lending agreement. The majority of procurement lots are at advance stage. Some contracts have already been awarded and signed following ADB bidding requirements. For awarded contracts, UTY has been financing the contracts from corporate sources. Upon declaring the loan effective, UTY is claiming the financing for the project in retroactive manner. Below is summary of the procurement activities of the Project:

Package	Lots	Status	Contract Amount
BX-01 Plant (Design, Supply, Installation) for power-related infrastructure	BX-01-1: New traction substations and sectioning posts	In progress	-
	BX-01-2: External power supply	In progress	-
	BX-01-3: Upgrade of existing traction substations and sectioning posts	In progress	-
BX-02 Plant (Design, Supply, Installation) for data transmission infrastructure	BX-02-1: Signalling and telecoms	In progress	-
	BX-02-1: SCADA	In progress	-
BX-03 Overhead Catenary System	BX-03-1: Contact system main components	Awarded	\$60,952,726.65
	BX-03-2: Steel-copper wires, sectional strain insulators and fixing clamps	Awarded	\$13,540,563.58
BX-04 Machinery and equipment for railway maintenance, and equipment for depots	BX-04-2: Draisine for signaling and telecom	Awarded	€2,781,720.00
	BX-04-3: Draisine for track	Awarded	€1,260,300.00
	BX-04-5: Truck with elevator	Awarded	\$1,989,120.00
	BX-04-6: Track laying machine 21.5 tons	In progress	-
	BX-04-7: Track laying machine 25 tons	In progress	-

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.

	BX-04-8: Equipment for Depots	In progress	-
BX-05	BX-05: Engineering and Works Supervision Consultants	Awarded	€5,787,136.03
BX-06	BX-06: Specialized wires for catenary system	Awarded	\$4,081,552.00
BX-07 Specialized machinery for sand cleaning, track condition monitoring and vibratory pile driving	BX-07-1: Sand cleaning machine	In progress	-

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1. Development of railway infrastructure along and adjacent the Bukhara – Miskin – Urgench – Khiva line.	On track	In compliance	On track
Component 2. Development of tourism economic corridor Bukhara–Miskin–Urgench–Khiva.	On track	In compliance	On track

Financial Management:
Financial Management:

According to the Loan Agreement, UTY shall provide AIIB with: (i) quarterly Project Report including interim unaudited financial report; and (ii) annual audited Financial Statements. Financial activities under the project are still limited at the moment because the loan has been declared effective recently. The timeline of the first quarterly Project Report for Q2 2023 is July 31, 2023.

Environmental Safeguards:

During the Mission, UTY was reminded to ensure compliance with the initial environmental examination (IEE) and environmental management plan (EMP), and to ensure fully mobilization of safeguards specialists under the Contractors, Engineering and Works Supervision, as well as UTY side. The Mission reminded the PIU that compliance with the EMP is required even for contractors not engaged from loan proceeds.

Social Safeguards:

During project preparation, two draft land acquisition and resettlement plans (LARPs) and one social due diligence report (SDDR) were prepared. Due to the pandemic, the documents were prepared based on desk review, and no detailed measurement surveys based on field visits were conducted. The two draft LARPs summarize expected involuntary resettlement impacts as follows.

- LARP 1: land acquisition is required for eight new traction substations
- LARP 2: land acquisition is required for external power supply lines

UTY is required to prepare a final LARP, LARPs and/or Social Due Diligence Report based on the final detailed design, and submit them to ADB for clearance. For sites with land acquisition and involuntary resettlement impacts, UTY is also required to fully implement the final LARP(s) before handing over such sites to the contractors. UTY is asked to prepare an action plan for the land acquisition and resettlement process, including discussions on enhancement of social safeguard capacity of UTY. ADB's social safeguard team made a comprehensive presentation about social safeguard requirements of the project to UTY to ensure smooth implementation of social safeguard activities.

6. Status of the Grievance Redress Mechanism (GRM)

A grievance redress mechanism to handle both environmental and social safeguard issues will be established by UTY with support of Engineering and Works Supervision Consultant. UTY will ensure that grievances and complaints on any aspect of environment, land acquisition, compensation and resettlement are addressed in a timely and satisfactory manner through the GRM. UTY through the hired Engineering and Works Supervision Consultant will ensure that meaningful consultations are carried out with the Affected Peoples throughout the project cycle with particular attention to the needs of the vulnerable and the disadvantaged groups. The project level grievance mechanism shall not impede an aggrieved person's access to the country's judicial or administrative remedies. The aggrieved persons can approach a court of law at any time and independent of the project level grievance redress process. UTY will keep records of complaints received for its use and monitoring as well as for review by ADB. The GRM was presented to the communities during the Project preparation stage. However, all the relevant information on the GRM will be disseminated via the LARP information leaflet/brochure that will be distributed to affected persons. The project information will be disseminated through the disclosure of the IEE, the LARP, the social due diligence report and regular safeguards monitoring reports on the ADB and UTY websites. LARP related information leaflets/ brochures in local language will be distributed to the affected persons. All relevant information in local language (Russian and Uzbek) will also be made available at the district level.

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

According to RMF, all Project Objective Indicators will be measured after the first year of operation.

Project Results Indicators are to be measured annually, except 2.2 and 2.3 which are to be measured after the first year of operation. Since the project effectiveness is declared on February 23, 2023, monitoring of the corresponding Project Results Indicators will be conducted upon completion of the year 2023.

Remarks:

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Project Indicators	Objective	Indicator level	Unit of Measure	Cumulative Target Values										Frequency	Responsibility	Comments	
				Baseline		2021		2022		2023		End Target					
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
1. Travel time reduction for passengers between Bukhara to Khiva	Project	hours	2021	TBD	TBD	N/A	TBD	-	TBD		2027	3.0		First year of operation	UTY		
2. Travel time reduction for freight trains between Bukhara to Urgench	Project	hours	2021	TBD	TBD	N/A	TBD	-	TBD		2027	8.0		First year of operation	UTY		
3. Annual freight traffic increase on the Bukhara to Khiva line	Project	tons	2021	TBD	TBD	N/A	TBD	-	TBD		2027	11.8		First year of operation	UTY		
4. Annual passenger traffic increase on the Bukhara to Khiva line	Project	passengers	2021	TBD	TBD	N/A	TBD	-	TBD		2027	1,080,000		First year of operation	UTY		
5. GHG emission reduction, tons of CO2 equivalent per year	Project	tons/year	2021	TBD	TBD	N/A	TBD	-	TBD		2027	81,000		First year of operation	UTY		

Project Indicators	Intermediate	Indicator level	Unit of Measure	Cumulative Target Values										Frequency	Responsibility	Comments	
				Baseline		2021		2022		2023		End Target					
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
1.1. Railway line between Bukhara – Khiva electrified	Project	km	2021	TBD	TBD	N/A	TBD	-	TBD		2027	465		Annually and first year of operation	UTY		
1.2. Traction substations constructed	Project	units	2021	TBD	TBD	N/A	TBD	-	TBD		2027	8		Annually and first year of operation	UTY		
1.3. Existing traction substations upgraded	Project	units	2021	TBD	TBD	N/A	TBD	-	TBD		2027	12		Annually and first year of operation	UTY		
1.4. Signaling, communications and power traction control facilities installed on 465 km of track	Project	N/A	2021	TBD	TBD	N/A	TBD	-	TBD		2027	Implemented		Annually and first year of operation	UTY		

1.5. External power supply facilities constructed	Project	km	2021	TBD	TBD	N/A	TBD	-	TBD		2027	370		Annually and first year of operation	UTY	
2.1. Number of train station workers trained to apply knowledge and skills on tourism promotion and marketing	Project	staff	2021	TBD	TBD	N/A	TBD	-	TBD		2027	75, incl. 38 women		Annually and first year of operation	UTY	
2.2. Concept for international railway industry-compliant electronic ticketing system prepared and adopted	Project	N/A	2021	TBD	TBD	N/A	TBD	-	TBD		2027	Implemented		First year of operation	UTY	
2.3. Guidelines on sound urban development around stations, including access and safety features for the elderly, women, children, and people with mobility impairments, prepared and adopted	Project	N/A	2021	TBD	TBD	N/A	TBD	-	TBD		2027	Implemented		First year of operation	UTY	