

Uzbekistan : Bukhara Region Water Supply and Sewerage Project

1. Project Information

Project ID:	P000314	Instrument ID:	L0314A
Member:	Uzbekistan	Region:	Central Asia
Sector:	Water	Sub-sector:	Water supply, sanitation, and wastewater treatment
Instrument type:	<input checked="" type="checkbox"/> Loan:385.12 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	
ES category:	A	Borrowing Entity:	Ministry of Finance, Uzbekistan
Implementing Entity:	Uzsuvtaminot JSC		
Project Team Leader:	Zacharias Ziegelhöfer (Responsible DG: Gregory Liu; Responsible Department: INF2)		
Project Team Members:	<p>Nurzhan Serik, Team Member; Odil Akbarov, OSD - Social Development Specialist; Liu Yang, Project Counsel; Véronique Allarousse, Alternate Counsel; Shodi Nazarov, OSD - Financial Management Specialist; Zhixi Zhu, OSD - Environment Specialist; Chitambala Sikazwe, OSD - Procurement Specialist; Gabriel Giacobone, Back-up PTL; Yuyou Guo, Project admin</p>		
Completed Site Visits by AIIB:	<p>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. Apr, 2021 Virtual mission to take stock of proposed change to implementation arrangements, implementation progress, to identify and discuss issues, and recommend actions to be taken to address issues of project implementation. Dec, 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 changes to implementation arrangements, implementation progress, to identify and discuss issues, and recommend actions to be taken to address issues of project implementation. May, 2022 Physical mission to take stock of implementation progress, to identify and discuss issues, and recommend actions to be taken to address issues of project implementation. Oct, 2022 Physical mission to take stock of implementation progress, to identify and discuss issues, and recommend actions to be taken to address issues of project implementation.</p>		
Planned Site Visits by AIIB:	<p>Mar, 2023 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, 2023 Physical mission to take stock of implementation progress, to identify and discuss issues, and recommend actions to be taken to address issues of project implementation.</p>		
Current Red Flags	1		

Assigned:	
Current Monitoring Regime:	Regular Monitoring
Previous Red Flags Assigned:	0
Previous Red Flags Assigned Date:	2022/06

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 Project Implementing Entity (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. 03, 2020	Signing:	Sep. 30, 2020
Effective:	Nov. 26, 2020	Restructured (if any):	Oct. 13, 2021
Orig. Closing:	Dec. 30, 2025	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	5.17	Most recent disbursement (amount/date):	0.09/Sep. 19, 2022
Undisbursed:	379.95	Disbursement Ratio (%) ¹ :	1.34

5. Project Implementation Update

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.

After initial delays, project implementation progress is accelerating. The detailed design for the water supply and sanitation activities are ongoing. The contracts for design services were signed on May 13 and 17, 2022. The tendering of construction works is expected to start in the first of semester of 2023. The award of the consultant for supervision of construction is underway and expected to be completed by December 2022. The Project Coordination Unit (PCU) and AIIB are conducting regular stock-taking meetings on critical actions and review progress, through virtual meetings and regular submission of quarterly progress reports.

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. Based on Inception report, PCU was reminded to ensure the design consultant would assess the subprojects in line with national requirements as well as AIIB's Environmental and Social Framework (ESF).	The selection process for the services to develop a detailed design for the water supply activities has been completed. The contract for detailed design services of the water supply activities was signed on May 13, 2022. AIIB received draft Inception report on design and provided its initial comments in December 2022. The procurement plan for the construction packages has been reviewed and updated according to the new timeline.
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. Based on Inception report, PCU was reminded to ensure the design consultant would assess the subprojects in line with national requirements as well as AIIB's ESF.	The selection process for the services to develop a detailed design for the sewerage activities has been completed. AIIB received draft Inception report on detailed design and provided its initial comments in December 2022. The contract for detailed design services of the sewerage activities was signed on May 17, 2022. The procurement plan for the construction packages has been reviewed and updated according to the new timeline.
Component 3. Project Implementation and Management Support. Project	The PCU has been established with key experts onboarded. The selection process for detailed design services	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

management and implementation support to assist the Implementation Agency in ensuring seamless coordination, efficient implementation and compliance with the relevant policies.	for water supply activities has been completed. The selection process for the construction supervision consultant is ongoing.		and NOCs provided. The status of the selection processes for consulting services for detailed design is reported under the respective components above. The selection process for the services for tender documentation, project management, and construction supervision is expected to be completed by December 2022. The selection process for the project financial auditor completed in May 2022. The clients internal review processes are lengthy. The team continues to engage with the client to streamline the process.
--	---	--	---

Financial Management:

PCU has been in continuous dialogue with AIIB Financial Management (FM) specialist to discuss various FM-related matters including the replenishment of designated accounts, processing of direct payments, preparation of Interim Unaudited Financial Reports (IUFs) and Statements of Expenditures, selection of auditors, etc. The audit of project financial statements for the period from September 30, 2020 to December 31, 2021 was submitted on time. The audit report and the accompanying project financial statements are acceptable to the Bank. PCU has been submitting regular quarterly IUFs on time which have been found to be satisfactory to AIIB.

6. Status of the Grievance Redress Mechanism (GRM)

The GRM mechanism has been established at the PCU level. Members for the GRM have been nominated. An "Operating procedures for grievance management" has been developed and used for capacity-building of members. GRM information has been disclosed on the Uzsuvtaminot website and official social media pages. No grievances have been received to-date.

7. Results Monitoring

The results will be monitored according to physical progress.

Project Objective Indicators #1

People provided with access to safely managed water sources (1,000 N°)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	1050	0	

Project Objective Indicators #2

People provided with access to safely managed sanitation services (1,000)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	105	0	

Project Objective Indicators #3

O&M cost recovery ratio (percent)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	> 1	< 1	

Intermediate Result Indicators #1

Length of water supply pipelines constructed (km)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	1260	0	

Intermediate Result Indicators #2

Length of water supply pipelines rehabilitated (km)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	850	0	

Intermediate Result Indicators #3

Number of water intake structures constructed/rehabilitated (number)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	1	0	

Intermediate Result Indicators #4

Number of WDUs constructed and rehabilitated (number)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	43	0	

Intermediate Result Indicators #5

Increase in the volume of water production capacity (1,000 m3)

Year	Target	Actual	Comments, if any

Apr. 30, 2025	125	0	
---------------	-----	---	--

Intermediate Result Indicators #6

Length of sewage networks constructed (km)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	1480	0	

Intermediate Result Indicators #7

Number of sewage pumping stations constructed (number)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	54	0	

Intermediate Result Indicators #8

Number of sewage treatment plants constructed (number)

Year	Target	Actual	Comments, if any
Apr. 30, 2025	4	0	

Remarks:

No physical progress yet. Subsequent to the delays in early implementation, implementation progress is expected to accelerate as the change in PIE has been completed.