

Uzbekistan : Healthcare Emergency Response Project

1. Project Information

Project ID:	P000402	Instrument ID:	L0402A
Member:	Uzbekistan	Region:	Central Asia
Sector:	CRF-Public Health	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:100.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	Asian Development Bank
ES category:	B	Borrowing Entity:	Ministry of Finance, Uzbekistan
Implementing Entity:			
Project Team Leader:	Igor Popkov		
Responsible DG:	Gregory Liu		
Responsible Department:	INF2		
Project Team Members:	Chitambala Sikazwe, OSD - Procurement Specialist; Komron Rajabiyon, Co-PTL; Christopher Damandl, Project Counsel; Liu Yang, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Yang Shuai, OSD - Environment & Social Development Specialist; Komron Rajabiyon, Back-up PTL		
Completed Site Visits by AIIB:	Nov, 2021 From November 22 to 24, a mission to Uzbekistan was held to inspect ambulance procurement under the Healthcare Emergency Response Project. AIIB team consisted of Giacomo Ottolini, Consultant, OSD and Igor Popkov, Private Sector Operations Specialist, INF2. Mar, 2022 On the sidelines of attendance to Tashkent Investment Forum, PTL Igor Popkov have held meetings with SES and MoH Seniors. Jun, 2022 PTL held meeting with SES and ADB URM Mar, 2023 Loan Review Mission		
Planned Site Visits by AIIB:	Sep, 2023 Planned site visit after Feasibility study is issued.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	1		
Previous Red Flags Assigned Date:	2022/11		

2. Project Summary and Objectives

The Project's objective is to strengthen the public health emergency response and preparedness in Uzbekistan to address the on-going COVID-19 pandemic and enhance country's resilience to future public health disasters. The project has three main interlinked components: (1) strengthening the National Laboratory System; (2) establishing a

National Surveillance and Response System; and (3) capacity building for COVID-19 treatment and case management. The project components and scope were developed in consultation with the Government and the co-financier, Asian Development Bank (ADB).

The total cost of the project is USD257 million. Government of Uzbekistan has requested Asian Infrastructure Investment Bank (AIIB) and Asian Development Bank (ADB) to help co-finance the Project in amount of USD200 million. The loan is financed by ADB and AIIB USD100 million each, on a 50:50 ratio. The remainder will be covered by the Government of Uzbekistan, and will mostly consist of contributions in the form of taxes and duties.

The expected project beneficiaries will be the population at large given the nature of the disease, but importantly those infected, and at-risk populations, particularly the elderly and people with chronic conditions, and medical and emergency personnel.

3. Key Dates

Approval:	Aug. 13, 2020	Signing:	Dec. 31, 2020
Effective:	Jun. 14, 2021	Restructured (if any):	
Orig. Closing:	Jan. 31, 2023	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	16.00	Most recent disbursement (amount/date):	3,500,000.00/Feb. 16, 2023
Undisbursed:	84.00	Disbursement Ratio (%) ¹ :	16.00

5. Project Implementation Update

Project Changes:

- On November 30, 2022, three non-material changes were introduced to the Project:
 1. engagement of Implementation Service Provider (ISP);
 2. reallocation of the Loan proceeds within the allowed non-material change limits; and
 3. extension of the Loan Closing Date by 2 years from January 31, 2023 to January 31, 2025.
- Respective Office Memorandum and Amendments to the Loan Agreement have been executed accordingly.

Engagement of Implementation Service Provider

- On December 22, 2022, the Government of the Republic of Uzbekistan has signed a contract with the United Nations Office for Project Services (UNOPS) for provision of a turnkey implementation service to the Project, except for the procurement of ambulances for USD 35,000,000. UNOPS will undertake full implementation of the Project, preparing the feasibility study, conducting the procurement process, and taking responsibility for the delivery of the Project activities and outputs, including the civil works component. The

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.

draft UNOPS Outputs Agreement and UNOPS Project Proposal were reviewed and endorsed by the both Banks. Total UNOPS' contract cost is USD 160.75 million.

- UNOPS is a United Nations agency dedicated to implementing infrastructure and procurement projects for the UN system, international financial institutions, governments and other partners around the world. Given its procurement knowledge, capacity, and proven experience in rapidly sourcing and supplying medical equipment and goods, as well as its status and privileges as a UN agency, UNOPS has been proposed to be engaged on single source selection method. The GoU has also reached out to some other potential international and local service providers for market sounding and found the UNOPS option the most appropriate in terms of value for money. UNOPS already established an office in Tashkent in late 2022.
- Engagement of UNOPS as the Implementation Service Provider entailed changes in the procurement arrangements and the Procurement Plan. Based on the Co-financing Framework Agreement and upon the respective request from the lead co-financier, change of the Procurement Plan was confirmed by AIIB before implementation and contract signing.
- First advance disbursement in amount of USD 3,500,000 by AIIB and USD 3,500,000 by ADB was made to UNOPS on February 16, 2023.
- UNOPS started the feasibility study on March 13, 2023, while a technical assessment firm selected by UNOPS was given no objection by AIIB and ADB on March 21, 2023 after checking against sanctions lists. Reports of the rapid assessment and pre-feasibility study have been shared with SES and ADB.
- Based on the draft Feasibility Study, proposed changes to the project scope—including to the design and monitoring framework (DMF) and environmental and safeguards documents—will be discussed on during a midterm review (MTR) mission planned for September 2023.

Reallocation of the Loan proceeds

- Since the start of the COVID-19 pandemic the GoU managed to upgrade the hospital infrastructure using its own financing. Therefore, civil works in the infectious disease hospitals originally included in the scope of Component 3 are no longer required. Component 3 will only finance purchase of equipment, including ambulances and equipment for the 16 designated treatment centers.
- The reallocation is within the 20% limit for non-material change as per para 5.3.2 of the AG on SBF.
- Within the Project costs loan item, the GoU has requested the following adjustments:

#	Project Components	Initially approved AIIB loan amount, USD million	Proposed loan amount, USD million	Change, USD million	Change, % of loan amount
1	National laboratory system strengthened	59.7	62.3	2.6	2.6%
2	National surveillance and response system established for COVID-19	11.2	7.3	-3.9	-3.9%
3	COVID-19 treatment capacity expanded	23.4	18.0	-5.4	-5.4%
4	Contingencies	5.7	5.1	-0.6	-0.6%

5	Financial Charges During Implementation	0	1.8	1.8	1.8%
6	PIU and UNOPS costs	0	5.5	5.5	5.5%
Total		100	100		

Extension of the Loan Closing Date

- The original Loan Closing Date is January 31, 2023.
- According to the workplan of UNOPS, the duration required for the completion of the Project is 2 years from the date of contract signing. Both Banks have concurred with the proposed timeline for the project implementation.
- Cognizant of the above circumstances, the GoU submitted a request to AIIB and ADB for an extension of the Loan Closing date for two years from January 31, 2023, to January 31, 2025. Both AIIB and ADB loans were extended to January 31, 2025.

Ambulance procurement

- As of April 2, 2023, 338 ambulances Type A, Volkswagen Caddy has been delivered to the Ministry of Health (MoH). According to the provided delivery schedule by MoH, the remaining 362 ambulances as per the advance payment will be delivered by September 2023. The initial schedule of delivery was not obeyed because of supply chain difficulties caused by war in Ukraine, as parts, previously manufactured by Volkswagen Group Rus, now had to be manufactured on new assembly-lines in European factories.
- The MoH is considering to procure Type B, Volkswagen Crafter (larger type of vehicle) for the remaining 30% of the ambulance component. Based on the final decision, the team will assess the endorsement for such change.

E&S aspects

- An Environmental Assessment and Review Framework has been prepared for the Project and published. A project consultant will be engaged for feasibility study and the preparation of E&S instruments for project activities involving civil works.
- AIIB agreed that the ADB SPS would apply to the project in lieu of AIIB's ESP.

Components	Physical Progress	Environmental & Social Compliance	Procurement
(1) strengthening the National Laboratory System	Physical implementation started not	No issues	No issues
(2) establishing a National Surveillance and Response System	Physical implementation started not	No issues	No issues
(3) capacity building for COVID-19 treatment and case management	Physical implementation started not	No issues	No issues

Financial Management:

Financial activities under the project are still limited at the moment because the main part of works are yet to start after UNOPS conducts feasibility study.

Project audit report has been provided to the lenders. As per auditor's recommendations, PIU will discuss with the

Ministry of Economy and Finance the mechanism regarding VAT financing.

6. Status of the Grievance Redress Mechanism (GRM)

In order to receive and facilitate the resolution of affected peoples' concerns, complaints, and grievances about the project's environmental performance an Environmental Grievance Redress Mechanism will be established for each of subprojects. It will operate in compliance with the ADB safeguard requirements and Uzbek regulations as specified in the Environmental Assessment and Review Framework.

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

The project implementation is not in delivery phase yet, hence no results to be reported.

Remarks:
