

# Project Administration Manual

Project Number: 45366  
Loan Number: 3067  
Updated April 2015

Republic of Uzbekistan: Solid Waste Management  
Improvement Project

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## **Project Administration Manual Purpose and Process**

The project administration manual (PAM) describes the essential administrative and management requirements to implement the Solid Waste Management Improvement Project (Project) on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Tashkent Hokimiyat (Municipality) and the State Committee for Nature Protection (SCNP) as executing agencies (EAs) and the State Unitary Enterprise "Maxsustrans" (Maxsustrans) as implementing agency (IA) are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by the Municipality and the SCNP as EAs and the Maxsustrans as IA of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the Loan Agreement and Project Agreement. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreement and Project Agreement, the provisions of the Loan and Project Agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

## Abbreviations

ADB	–	Asian Development Bank
AFS	–	audited financial statements
CQS	–	consultant qualification selection
DMF	–	design and monitoring framework
EA	–	executing agency
EARF	–	environmental assessment and review framework
EIA	–	environmental impact assessment
EIRR	–	economic internal rate of return
EMP	–	environmental management plan
FIRR	–	financial internal rate of return
GACAP	–	governance and anticorruption action plan
GAP	–	gender action plan
GIS	–	geographic information system
IA	–	implementing agency
ICB	–	international competitive bidding
IEE	–	initial environmental examination
MOF	–	Ministry of Finance
MSW	–	municipal solid waste
NGO	–	nongovernment organization
PAI	–	project administration instruction
PAM	–	project administration manual
PIU	–	project implementation unit
PPMS	–	project performance monitoring system
QBS	–	quality-based selection
QCBS	–	quality- and cost-based selection
RRP	–	report and recommendation of the President
SCNP	–	State Committee for Nature Protection
SLF	–	sanitary landfill facility
SOE	–	statement of expenditure
SPRSS	–	summary poverty reduction and social strategy
SPS	–	Safeguard Policy Statement
SWM	–	solid waste management
TA	–	technical assistance
TOR	–	terms of reference
WACC	–	weighted average cost of capital

## I. PROJECT DESCRIPTION

1. **Project's Rationale, Location, and Beneficiaries:** The project aims to provide an improved solid waste management (SWM) system in Tashkent, the capital city, to upgrade urban infrastructure and services. The project will develop a sanitary landfill that meets international standards, rehabilitate transfer stations, and modernize the waste collection and transfer fleet. It will build capacity in waste management and help formulate a national strategy on solid waste management.<sup>1</sup>

2. **Impact and Outcome:** The Project's impact is sustainable urban environment and quality of life for the residents of Tashkent. The outcome will be improved SWM services and management for the residents of Tashkent city.

3. **Outputs:**

**Output 1: Rehabilitated and expanded SWM system in Tashkent.** By the project completion it is expected that (i) rehabilitation of transfer stations and possible closure of an existing transfer station,<sup>2</sup> (ii) 3 million tons of disposal capacity established with international environmental standards, and (iii) 1,950 tons per day of disposal and operational capacity established.

**Output 2: Strengthened operational capacity.** By the project completion it is expected that (i) at least 90% of households actively segregating waste at source, (ii) campaign to raise awareness will reach 90% of households on waste segregation with women households members' participation, (iii) improved management and operations of Maxsustrans, including a 20% improvement (reduction) in cost per ton of waste disposal, and (iv) an IT-supported MSW collection system based on a geographic information system (GIS) database is implemented and 80% of trips monitored by the system is achieved.

**Output 3: National SWM Strategy.** By 2016, a draft national SWM strategy prepared and submitted to the Government and ADB.

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<sup>1</sup> The Asian Development Bank (ADB) provided project preparatory technical assistance. ADB. 2011. *Technical Assistance to the Republic of Uzbekistan for Preparing the Solid Waste Management Improvement Project*. Manila.

<sup>2</sup> Decision on possible closure of an existing transfer station will be taken by the Government after completion of logistics study.

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

Indicative Activities	2013				2014				Who Responsible
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Advance contracting actions	X	X	X	X					EAs, IA, ADB
Establish project implementation arrangements	X	X	X	X	X	X			EAs, IA
ADB Board approval			X						ADB
Loan Signing					X				MOF, EAs, IA, ADB
Government legal opinion provided						X			MOF, MOJ
Government budget inclusion				X					MOF
Loan effectiveness								X	MOF, ADB

ADB = Asian Development Bank, EAs = executing agencies, IA = implementing agency, MOF = Ministry of Finance, MOJ = Ministry of Justice.

**B. Overall Project Implementation Plan**

Activities		2014				2015				2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>A. DMF</b>																					
	<b>Output 1</b>																				
1	Sanitary Landfill Facility Establishment																				
	• Design and Supervision																				
	• Civil Works																				
2	Transfer Station Rehabilitation																				
	• Design and Supervision																				
	• Civil Works																				
3	Dumpsite Closure																				
	• Civil Works																				
4	District Garage Rehabilitation																				
	• Design and Supervision																				
	• Civil Works																				
5	MSW Collection Points Rehabilitation																				
	• Design and Supervision																				
	• Civil Works																				
6	Procurement of Landfill Equipment																				
	• Equipment Commissioning																				
7	Procurement of Waste Collection Vehicles and Transfer Trucks																				
	• Equipment Commissioning																				
8	Procurement of Waste Collection Bins																				
	• Equipment Commissioning																				

Activities		2014				2015				2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	<b>Output 2</b> EA/IA – Consultant recruitment, Procurement and Project Management																				
2	PIU – Project Implementation Support																				
3	Capacity Development Component																				
1	<b>Output 3</b> National SWM Strategy																				
<b>B. Management Activities</b>																					
	Procurement plan key activities to procure contract packages																				
	Consultant selection procedures																				
	Environment management plan key activities																				
	Specific gender measures key activities																				
	Communication strategy key activities																				
	Annual/Midterm review																				
	Project completion report																				



### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations – Roles and Responsibilities

Project implementation organizations	Management Roles and Responsibilities
Executing Agencies (EAs)	<p>State Committee for Nature Protection</p> <ul style="list-style-type: none"> <li>➤ Responsible for implementation of Output 3</li> <li>➤ Nominate Focal officials and establish working group to coordinate development of National Solid Waste Management Strategy (NSWMS) with support of consultant team on development of NSWMS</li> <li>➤ Endorse withdrawal application for Output 3</li> <li>➤ Ensure compliance with applicable Loan Agreement covenants</li> <li>➤ Submit bi-annual progress reports to IMC and ADB</li> </ul> <p>Tashkent Hokimiyat (Municipality)</p> <ul style="list-style-type: none"> <li>➤ Responsible for overall execution of the project implementation, including finance and administration</li> <li>➤ Establishment of the project implementation unit (PIU) with the required staffing</li> <li>➤ Monitoring and evaluation of project activities and outputs including monitoring compliance with safeguards and social documentation and preparation of review reports reflecting issues and time-bound actions taken</li> <li>➤ Coordinate and obtain all permits and legal clearances</li> <li>➤ Ensures compliance with applicable Loan and Project Agreement covenants</li> <li>➤ Endorse withdrawal applications for Outputs 1 and 2</li> </ul>
Implementing Agency (IA)	<p>State Unitary Enterprise “Maxsustrans” (Maxsustrans)</p> <ul style="list-style-type: none"> <li>➤ Responsible for day-to-day project implementation</li> <li>➤ Undertake contract management, construction supervision and quality control, with support of PIU and consultants team</li> <li>➤ Maintain separate accounts for the project</li> <li>➤ Ensure compliance with requirements for preparation and audit of project financial statements</li> <li>➤ Design and procure works and goods and administer and monitor the contracts with the support of PIU and consultants team</li> <li>➤ Oversight of environmental and social safeguards requirements including compliance with and implementation of safeguards documents, land acquisition and resettlement</li> <li>➤ Prepares overall project implementation plan and consolidated annual work plan</li> <li>➤ Entry into Subsidiary Loan Agreement with Ministry of Finance and compliance with its terms</li> </ul>

## Project implementation organizations

### Management Roles and Responsibilities

- Ensures compliance with applicable Loan and Project Agreement covenants
- Approve withdrawal applications for Outputs 1 and 2

#### Project Implementation Unit (PIU)

- On behalf of Maxsustrans manage project implementation including financing, procurement, civil works, safeguards, monitoring and evaluation Support planning, detail design, and bid documents preparation and bids evaluation
- Coordinate the activities of consultants and contractors
- Ensure compliance of documents for civil works, equipment, goods and services with ADB requirements, submits to ADB for prior review and approval
- Implements environmental and social safeguards requirements including compliance with and implementation of safeguards documents, land acquisition and resettlement
- Oversee construction activities, measure works carried out by contractors and certify payments
- Prepare and process withdrawal applications with supporting documents for all Outputs to ADB
- Establish and operate imprest account
- Implements environmental assessments and the project performance management system (PPMS)
- Prepares monthly reports
- Implements socio-economic monitoring surveys to assess project impacts
- Consolidate accounting, auditing and monitoring reports for submission to ADB
- Ministry of Foreign Economic Relations
- Timely appraisal and registration of contracts for imported goods, works and international services under the project.

#### ADB

- Technical and financial support, and oversight

<sup>a</sup> Inter-Ministerial Council for Cooperation with international financial institutions, organizations and donor countries on implementation of large and strategically important investment projects (as per Government Resolution No. 229 dated 12 August 2009).

## B. Key Persons Involved in Implementation

### Executing Agencies

State Committee for Nature Protection

Officer's Name: Kamolitdin Sadykov  
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Tashkent  
Hokimiyat (Municipality)

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**Implementing Agency**  
Maxsustrans

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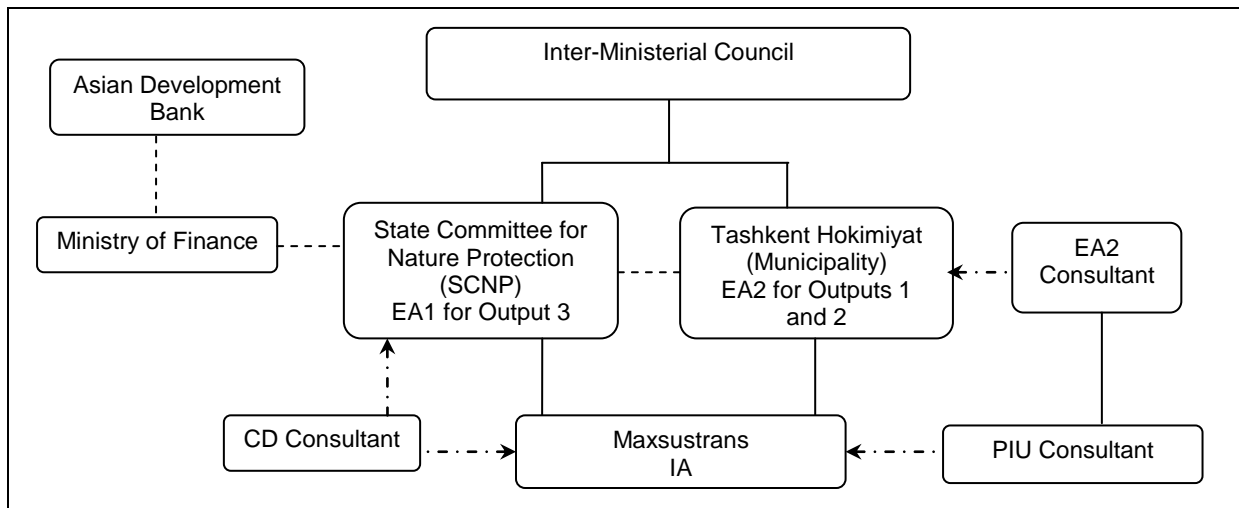
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### C. Project Organization Structure



PIU = program implementation unit, CD = capacity development, EA = executing agency, IA = implementing agency.  
Source: Asian Development Bank.

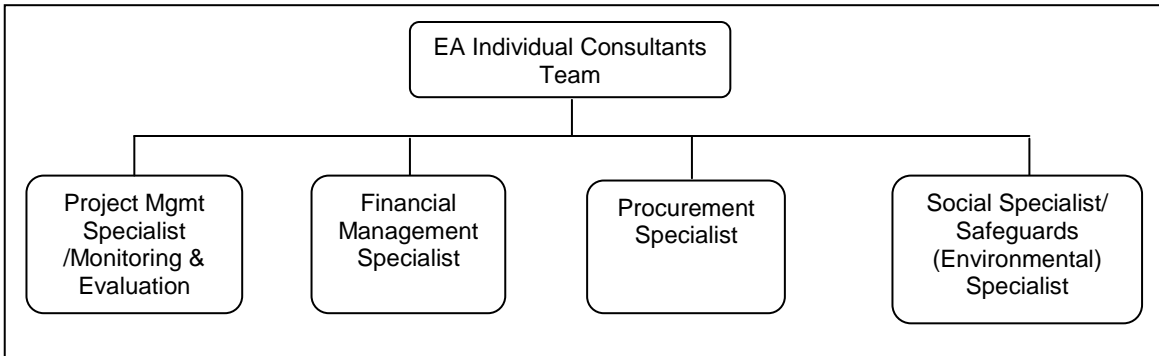
4. **Implementation Roles.** There will be two executing agencies (EAs) for the project—the Municipality for the overall oversight and monitoring of Outputs 1 and 2 and State Committee for Nature Protection (SCNP) for execution of Output 3—the national SWM strategy. Individual consultants support will be provided to the EAs under the project to ensure that there is sufficient human resource capacity for effective and efficient implementation. Outputs 1 and 2 will be implemented by Maxsustrans. A project implementation unit (PIU) will be established within Maxsustrans to support project implementation. This support will include project management, financial management, procurement, contract administration, safeguards implementation, and monitoring and evaluation. The Inter-Ministerial Council<sup>3</sup> will oversee and monitor all aspects of project implementation. The EAs and PIU will report on issues or concerns and propose remedial actions for approval of the Inter-Ministerial Council.

5. **Advance Action.** In order to achieve project readiness by the expected date of loan effectiveness in April 2014, and to ensure that project activities commence in a timely manner, the government has requested the use of advance action for the recruitment of the individual consultants supporting the EA. Advance action may also be applied to goods and consulting services for the PIU, specifically the recruitment of the firm of PIU Consultants. Both of these contracts are specified under the procurement and consulting services, Section C, Procurement Plan. The government has been advised that approval of advance action does not commit ADB to finance any part of the project.

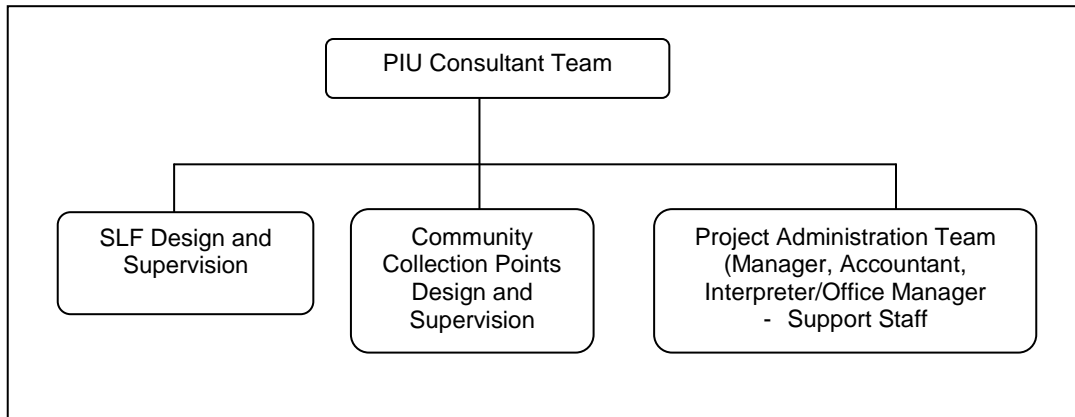
6. **Consulting Services.** Consultants support will be provided under the project to the EAs and PIU. This support will include project management, financial management, procurement, contract administration, safeguards implementation, and monitoring and evaluation. Four individual specialists will be engaged to support overall project management. For the PIU, a consulting firm will be engaged to provide specialist technical support in the technical design and engineering aspects of SWM, procurement of civil works and goods contracts, and construction monitoring and supervision. In addition to the PIU consultants, two consulting firms will be recruited for the following sub-projects (i) sanitary landfill facility (SLF) design and supervision, and (ii) community collection points design and supervision. The project also

<sup>3</sup> According to Government Resolution No. 229 dated 12 August 2009.

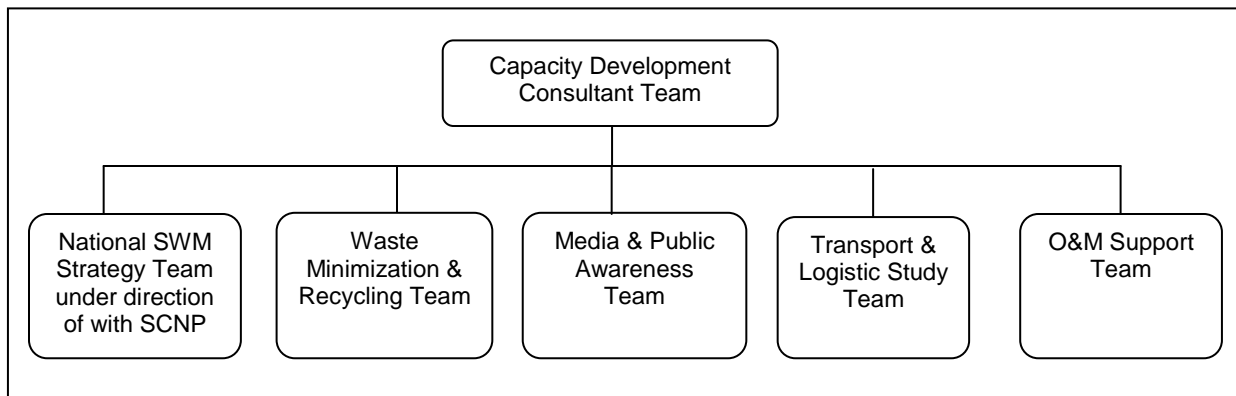
provides technical support through a firm of capacity development consultants in five strategic areas: (i) national SWM strategy formulation; (ii) waste minimization and recycling program development; (iii) formulation of an associated media and public awareness program; (iv) a transport logistic assessment to define optimal MSW collection and transfer system designs; and (v) operational and management support for SWM system operations.



EA = executing agency.  
Source: Asian Development Bank.



PIU = project implementation unit, SLF = sanitary landfill facility.  
Source: Asian Development Bank.



O&M = operation and maintenance, SCNP = State Committee for Nature Protection, SWM = solid waste management.  
Source: Asian Development Bank.

7. **Monitoring and Evaluation.** The Municipality will establish the project performance monitoring and evaluation system within six months of loan effectiveness using the targets, indicators, assumptions, and risks in the design and monitoring framework (Appendix 1). Further, the Municipality will monitor and ensure compliance with loan assurances policy, legal, financial, safeguards and gender. The midterm review will include an evaluation on whether project implementation accords with the project objectives and scope.

8. ADB's *Anticorruption Policy* (1998, as amended to date) was explained to and discussed with the SCNP, Ministry of Finance (MOF), Municipality, and Maxsustrans. Consistent with its commitment to good governance, accountability, and transparency, ADB reserves the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the project. To support these efforts, relevant provisions of ADB's *Anticorruption Policy* will be included in the Loan Agreement and the bidding documents for project. In particular, all contracts financed by ADB in connection with project shall include provisions specifying the right of ADB to audit and examine the records and accounts of Maxsustrans, and all contractors, suppliers, consultants, and other service providers as they relate to project. EA and implementing agency (IA) staff will receive training in ADB's *Anticorruption Policy*.

#### IV. COSTS AND FINANCING

9. The proposed project is estimated to cost \$76.00 million, including taxes and duties, physical and price contingencies, and interest charges during implementation. Details are shown in the indicative financing plan and project cost estimates.

**Table 1: Financing Plan**

<b>Source</b>	<b>Amount (\$ million)</b>	<b>Share of Total (%)</b>
Asian Development Bank		
Ordinary capital resources (loan)	69.00	90.79
Government <sup>a</sup>	7.00	9.21
<b>Total</b>	<b>76.00</b>	<b>100.00</b>

<sup>a</sup> Government contribution is as follows: (i) Ministry of Finance \$5.82 million in taxes and duties; (ii) Maxsustrans \$1.16 million for land acquisition and resettlement; and (iii) Maxsustrans \$0.02 million for contingencies.

Source: Asian Development Bank.

**Table 2: Project Cost Estimates**  
(\$ million)

<b>Item</b>	<b>Amount<sup>a</sup></b>
<b>A. Base Cost<sup>b</sup></b>	
1. Development of the Akhangaran sanitary landfill	31.31
2. Rehabilitation of Tashkent's SWM system	29.40
3. Project management and capacity development	4.96
<b>Subtotal (A)</b>	<b>65.67</b>
<b>B. Contingencies<sup>c</sup></b>	<b>8.83</b>
<b>C. Financing Charges During Implementation<sup>d</sup></b>	<b>1.50</b>
<b>Total (A+B+C)</b>	<b>76.00</b>

<sup>a</sup> Includes taxes and duties of \$5.82 million to be financed by government through tax exemptions.

<sup>b</sup> In mid-2013 prices.

<sup>c</sup> Physical contingencies are computed at 10% for civil works, vehicles, and equipment; 5% for professional staff consulting services; and zero for lump-sum estimates. Price contingencies are computed at 1% on foreign exchange costs and 9%–12% on local currency costs, and they include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>d</sup> Includes interest and commitment charges. Interest during construction for ADB loan has been computed at the 5-year forward London interbank offered rate plus a spread of 0.4% and a maturity premium of 0.1%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank estimates.

## A. Detailed Cost Estimates by Expenditure Category

Item	Local currency UZS million	Foreign Currency US\$'000	% of Total Base Costs
<b>A. Investment Costs</b>			
1 Civil Works			
a. Land acquisition and resettlement	2,274	1,160	2%
b. Landfill construction	34,949	17,831	29%
c. Dumpsite closure	11,172	5,700	9%
d. Transfer station, garages and collection points	2,935	1,497	2%
e. Garage rehabilitation	1,526	779	1%
f. Collection point upgrade and rehabilitation	6,123	3,124	5%
g. SLF design and supervision	4,148	2,116	3%
h. Transfer station design and supervision	353	180	0%
i. Collection points design and supervision	490	250	0%
<b>Subtotal</b>	<b>63,969</b>	<b>32,637</b>	<b>54%</b>
2 Plant & Equipment			
a. Landfill equipment and machinery	3,643	1,859	3%
b. Waste collection & transfer trucks	26,738	13,642	23%
c. Waste bins	15,455	7,885	13%
d. Other equipment (PIU)	78	40	0%
e. Other equipment (EA support)	59	30	0%
<b>Subtotal</b>	<b>45,972</b>	<b>23,455</b>	<b>39%</b>
3 PMU, Capacity Development and Studies			
a. Project Implementation Unit	4,384	2,237	4%
b. EA consultants	1,486	758	1%
c. Capacity support programs	2,700	1,378	2%
d. Annual audit	47	34	0%
<b>Subtotal</b>	<b>8,617</b>	<b>4,407</b>	<b>7%</b>
<b>Subtotal (A)</b>	<b>118,558</b>	<b>60,499</b>	<b>100%</b>
<b>B. Contingencies</b>			
1 Physical	10,231	5,221	9%
2 Price	67,459	2,955	5%
<b>Subtotal (B)</b>	<b>77,690</b>	<b>8,176</b>	<b>14%</b>
<b>C. Duties and Taxes</b>			
	<b>16,599</b>	<b>5,820</b>	
<b>Total Project Cost (A+B+C)</b>	<b>212,847</b>	<b>74,4965</b>	<b>123%</b>
Interest and Commitment Charges	4,203	1,501	2%
<b>Total Costs to be Financed</b>	<b>217,050</b>	<b>76,000</b>	<b>126%</b>

Note: Item costs exclude duties and taxes.

Source: Asian Development Bank estimates.



## B. Allocation and Withdrawal of Loan Proceeds

Category		ADB Financing		
Total Amount Allocated for ADB OCR Financing (\$)				
No	Item	Category	Subcategory	Percentage and Basis for Withdrawal from the Loan Account
<b>1</b>	<b>Civil Works</b>	31,477,000		
a	Landfill construction		17,831,000	100% of total expenditure claimed*
b	Dumpsite closure		5,700,000	100% of total expenditure claimed*
c	Transfer station, garages and collection points		5,400,000	100% of total expenditure claimed*
d	Design and Supervision		2,546,000	100% of total expenditure claimed*
<b>2</b>	<b>Plant and Equipment</b>	23,455,500		
a	Landfill equipment and machinery		1,858,500	100% of total expenditure claimed*
b	Waste collection and transfer trucks		13,642,000	100% of total expenditure claimed*
c	Bins and other equipment		7,955,000	100% of total expenditure claimed*
<b>3</b>	<b>PMU, Capacity Development and Studies</b>	4,407,200		
a	Project management personnel and support		2,236,700	100% of total expenditure claimed*
b	Consultants, capacity support and audit		2,170,500	100% of total expenditure claimed*
<b>4</b>	<b>Interest and Commitment Charges</b>	1,501,000		100% of amounts due
<b>5</b>	<b>Unallocated</b>	8,159,300		
<b>Total</b>		69,000,000		

\* Exclusive of taxes and duties in the territory of the borrower.  
Source: Asian Development Bank estimates.

### C. Detailed Cost Estimates by Financier

Item	Government		ADB (OCR)		Total Cost	%
	Amount	% of Cost Category	Amount	% of Cost Category		
<b>A. Investment Costs</b>						
<b>1 Civil Works</b>						
a. Land acquisition and resettlement	1,160.0	100	0	0	1,160	2%
b. Sanitary landfill establishment	0.0	0	17,831	100	17,831	29%
c. Dumpsite closure	0.0	0	5,700	100	5,700	9%
d. Transfer station rehabilitation	0.0	0	1,497	100	1,497	2%
e. Garage rehabilitation	0.0	0	779	100	779	1%
f. Collection point upgrade and rehabilitation	0.0	0	3,124	100	3,124	5%
g. SLF design and supervision	0.0	0	2,116	100	2,116	3%
h. Transfer station design and supervision	0.0	0	180	100	180	0%
i. Collection points design and supervision	0.0	0	250	100	250	0%
<b>Subtotal</b>	<b>1,160.0</b>	<b>4</b>	<b>31,477</b>	<b>96</b>	<b>32,637</b>	<b>54%</b>
<b>2 Plant &amp; Equipment</b>						
a. Landfill equipment and machinery	0.0	0	1,859	100	1,859	3%
b. Waste collection and transfer trucks	0.0	0	13,642	100	13,642	23%
c. Waste collection bins	0.0	0	7,885	100	7,885	13%
d. Other equipment (PIU)	0.0	0	40	100	40	0%
e. Other equipment (EA support)	0.0	0	30	100	30	0%
<b>Subtotal</b>	<b>0.0</b>	<b>0</b>	<b>23,455</b>	<b>100</b>	<b>23,455</b>	<b>39%</b>
<b>3 PMU, Capacity Development and Studies</b>						
a. Project Implementation Unit	0.0	0	2,237	100	2,237	4%
b. EA consultants	0.0	0	758	100	758	1%
c. Capacity support programs	0.0	0	1,378	100	1,378	2%
d. Annual audit	0.0	0	34	100	34	0%
<b>Subtotal</b>	<b>0.0</b>	<b>0</b>	<b>4,407</b>	<b>100</b>	<b>4,407</b>	<b>7%</b>
<b>Total Base Cost</b>	<b>1,160.0</b>	<b>2</b>	<b>59,340</b>	<b>98</b>	<b>60,499</b>	<b>100%</b>
<b>4 Taxes and Duties</b>	<b>5,820.0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>5,820</b>	<b>10%</b>
<b>B. Contingencies</b>						
1 Physical	0.0	0	5,221	100	5,221	9%
2 Price	19.0	1	2,937	99	2,956	5%
<b>Total Contingencies</b>	<b>19.0</b>	<b>1</b>	<b>8,158</b>	<b>99</b>	<b>8,176</b>	<b>14%</b>
<b>C. Interest and Commitment Charges</b>						
	<b>0.0</b>	<b>0</b>	<b>1,501</b>	<b>100</b>	<b>1,501</b>	<b>2%</b>
<b>Total Project Cost</b>	<b>7,000.0</b>	<b>9</b>	<b>69,000</b>	<b>90.80</b>	<b>76,000</b>	<b>106%</b>

Source: Asian Development Bank estimates.

## D. Detailed Cost Estimates by Outputs/Components

Item	Total Cost	Akhangaran Landfill	% Cost category	Tashkent SWM	% Cost category	Project Management & Capacity Building	% Cost category
<b>A. Investment Costs</b>							
1 Civil Works							
a. Land acquisition & resettlement	1,160	1,160.0	100%	0.0	0%		0%
b. Sanitary landfill establishment	17,831	17,830.9	100%	0.0	0%		0%
c. Dumpsite closure	5,700	5,770.0	100%	0.0	0%		0%
d. Transfer station rehabilitation	1,497	0.0	0%	1,497.0	100%		0%
e. Garage rehabilitation	779	0.0	0%	779.0	100%		0%
f. Collection point upgrade and rehabilitation	3,124	0.0	0%	3,124.0	100%		0%
g. SLF design and supervision	2,116	2,116.0	100%	0.0	0%		0%
h. Transfer station design and supervision	180	0.0	0%	180.0	100%		0%
i. Collection points and supervision	250	0.0	0%	250.0	100%		0%
<b>Subtotal</b>	<b>32,637</b>	<b>26,807.0</b>	<b>82%</b>	<b>5,830.0</b>	<b>18%</b>		<b>0%</b>
2 Plant & Equipment							
a. Landfill equipment and machinery	1,859	1,858.5	100%	0.0	0%		0%
b. Waste collection and transfer trucks	13,642	0.0	0%	13,642.0	100%		0%
c. Waste collection bins	7,885	0.0	0%	7,885.0	100%		0%
d. Other equipment (PIU)	40	0.0	0%	0.0	0%	40	100%
e. Other equipment (EA support)	30	0.0	0%	0.0	0%	30	100%
<b>Subtotal</b>	<b>23,455</b>	<b>1,859.0</b>	<b>8%</b>	<b>21,527.0</b>	<b>92%</b>	<b>70</b>	<b>0%</b>
3 PMU, Capacity Development & Studies							
a. Project Implementation Unit	2,237	0.0	0%	0.0	0%	2,237	100%
b. EA consultants	758	0.0	0%	0.0	0%	758	100%
c. Capacity support programs	1,378	0.0	0%	0.0	0%	1,378	100%
d. Annual audit	34	0.0	0%	0.0	0%	34	100%
<b>Subtotal</b>	<b>4,407</b>	<b>0.0</b>	<b>0%</b>	<b>0.0</b>	<b>0%</b>	<b>4,407</b>	<b>100%</b>
<b>Total Base Cost</b>	<b>60,499</b>	<b>28,666.0</b>	<b>47%</b>	<b>27,357.0</b>	<b>45%</b>	<b>4,466</b>	<b>7.4%</b>
<b>B. Contingencies</b>							
a. Physical <sup>b</sup>	5,221	2,749.0	53%	2,286.0	44%	187	4%
b. Price <sup>c</sup>	2,955	1,403.0	47%	1,394.0	47%	159	5%
<b>Duties and taxes</b>	<b>5,820</b>	<b>3,013.0</b>	<b>52%</b>	<b>2,2740.0</b>	<b>39%</b>	<b>533</b>	<b>9%</b>
<b>Total Project Cost (A+B)</b>	<b>74,496</b>	<b>35,830.0</b>	<b>48%</b>	<b>33,310.0</b>	<b>45%</b>	<b>5,338</b>	<b>7%</b>

<sup>a</sup>. In mid-2013 prices.

<sup>b</sup>. Computed at 10% for civil works, vehicles and equipment, 5% for professional staff and zero for lumpsums.

<sup>c</sup>. Computed at 1% for international costs and for local costs 9-12% on local currency costs using constant purchase parity exchange rate.

<sup>d</sup>. Excluding interest and commitment charges of \$1.501 million.

Source: Asian Development Bank estimates.

## E. Detailed Cost Estimates by Year

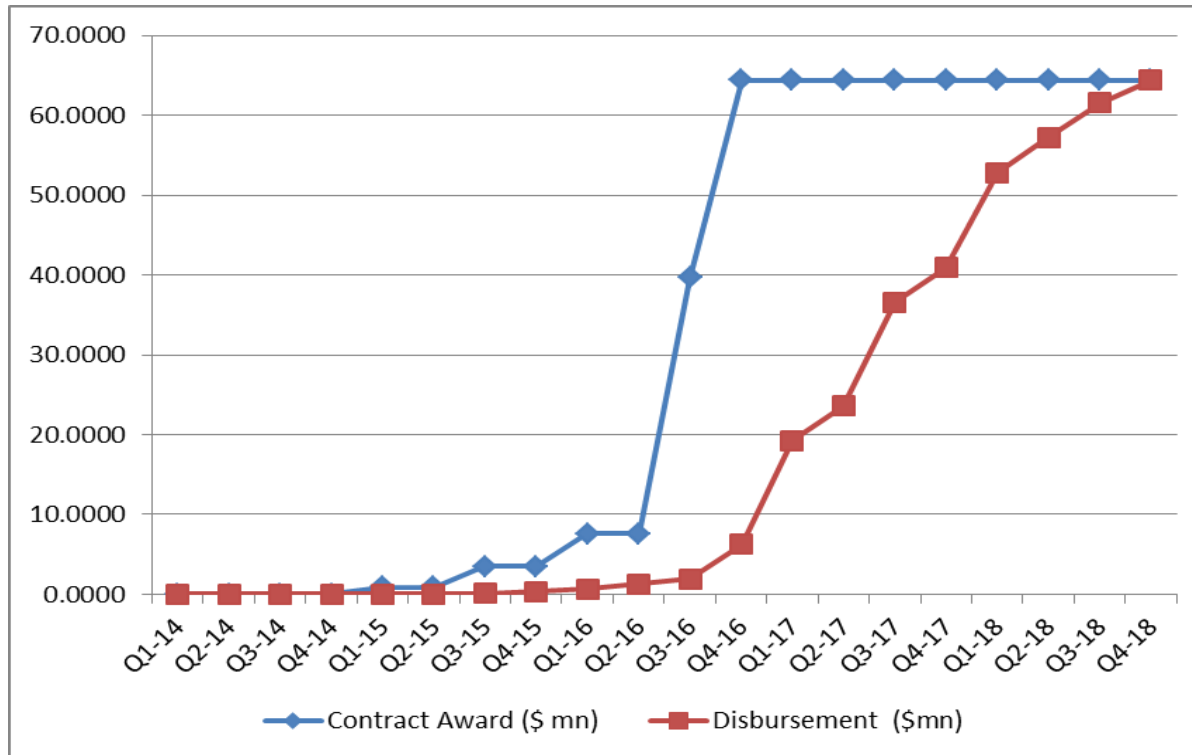
Item	2013	2014	2015	2016	2017	2018	Total
<b>A. Investment Costs</b>							
<b>1 Civil Works</b>							
a. Land acquisition & resettlement	0.0	1,128	0.0	0.0	0.0	32	1,160
b. Sanitary landfill establishment	0.0	0.0	0.0	7,781	5,450	4,600	17,831
c. Dumpsite closure	0.0	0.0	0.0	0.0	2,375	3,325	5,700
d. Transfer station rehabilitation	0.0	0.0	0.0	185	1,191	121	1,497
e. Garage rehabilitation	0.0	0.0	0.0	234	311	234	779
f. Collection point upgrade and rehabilitation	0.0	0.0	0.0	937	1,250	937	3,124
g. SLF design and supervision	0.0	0.0	0.0	923	647	546	2,116
h. Transfer station design and supervision	0.0	0.0	0.0	22	143	15	180
i. Collection points design and supervision	0.0	0.0	0.0	83	83	83	250
<b>Subtotal</b>	<b>0.0</b>	<b>1,128</b>	<b>0.0</b>	<b>10,166</b>	<b>11,451</b>	<b>9,893</b>	<b>32,637</b>
<b>2 Plant &amp; Equipment</b>				-			-
a. Landfill equipment and machinery	0.0	0.0	0.0	0.0	1,859	0.0	1,859
b. Waste collection and transfer trucks	0.0	0.0	0.0	0.0	13,642	0.0	13,642
c. Waste collection bins	0.0	0.0	0.0	0.0	7,885	0.0	7,885
d. Other equipment (PIU)	0.0	0.0	40.0	0.0	0.0	0.0	40.0
e. Other equipment (EA Support)	0.0	0.0	30.0	0.0	0.0	0.0	30.0
<b>Subtotal</b>	<b>0.0</b>	<b>0.0</b>	<b>70.0</b>	<b>0.0</b>	<b>23,386</b>	<b>0.0</b>	<b>23,455</b>
<b>3 PMU, Capacity Development and Studies</b>							
a. Project Implementation Unit	0.0	0.0	758	719	495	265	2,237
b. EA consultants	0.0	0.0	470	193	95	0.0	758
c. Capacity support programs	0.0	0.0	0.0	1,378	0.0	0.0	1,378
d. Annual audit	0.0	0.0	4.0	6	12	12	34
<b>Subtotal</b>	<b>0.0</b>	<b>0.0</b>	<b>1,227</b>	<b>2,296</b>	<b>597</b>	<b>277</b>	<b>4,407</b>
<b>Total Baseline Cost</b>	<b>0.0</b>	<b>1,128</b>	<b>1,297</b>	<b>12,462</b>	<b>35,433</b>	<b>10,170</b>	<b>60,499</b>
<b>B. Contingencies</b>							
a. Physical Contingencies	0.0	0.0	91	1,068	3,256	805	5,221
b. Price Contingencies	0.0	18	38	491	1,775	633	2,955
<b>Duties and Taxes</b>	<b>0.0</b>	<b>133</b>	<b>162</b>	<b>1,310</b>	<b>3,055</b>	<b>1,161</b>	<b>5,820</b>
<b>Total Project Cost</b>	<b>0.0</b>	<b>1,273</b>	<b>1,589</b>	<b>15,331</b>	<b>43,519</b>	<b>12,768</b>	<b>74,496</b>
<b>Percent of Total Project Cost</b>	<b>0.0%</b>	<b>1.7%</b>	<b>2.1%</b>	<b>20.6%</b>	<b>58.4%</b>	<b>17.1%</b>	<b>100.0%</b>

Costs exclude interest and commitment charges of \$1.501 million.

Source: Asian Development Bank estimates.

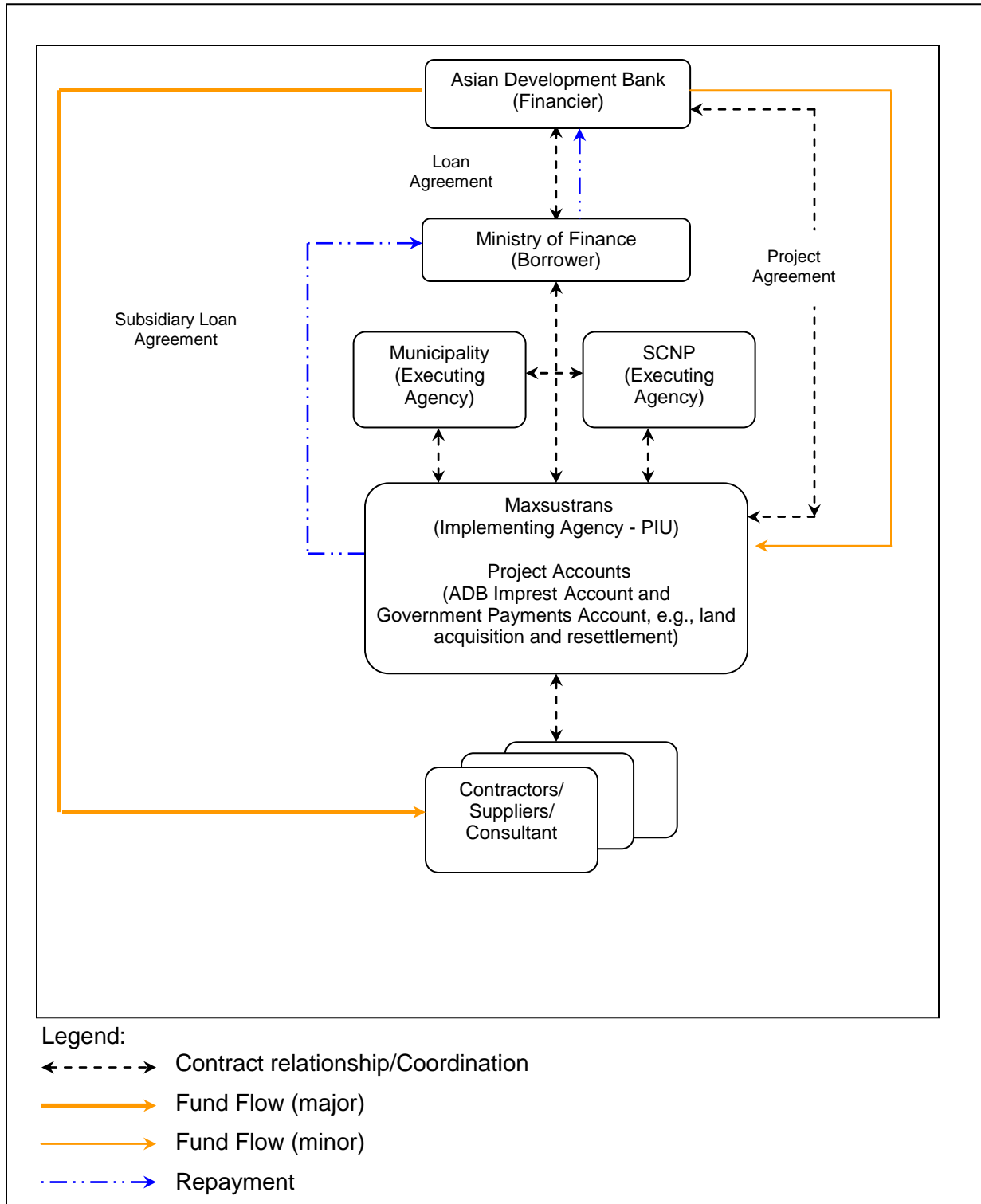
**F. Contract Award and Disbursement S- Curve**

	Contract Awards (in USD million)					Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2014</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>2015</b>	0.87	0.00	2.61	0.00	3.47	0.00	0.06	0.06	0.26	0.37
<b>2016</b>	4.12	0.00	32.40	24.73	60.89	0.26	0.64	0.63	4.36	5.89
<b>2017</b>	0.00	0.00	0.00	0.00	0.00	12.96	4.36	12.95	4.36	34.63
<b>2018</b>	0.00	0.00	0.00	0.00	0.00	11.92	4.36	4.36	2.82	23.47
<b>2019</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total Contract Awards</b>				<b>64.36</b>	<b>Total Disbursements</b>				<b>64.36</b>



Note: Original contract awards and disbursement targets (baseline projections) starting at effectiveness can only be revised during midterm review, after approval of major change, or approval of an extension of project duration of more than 12 months.

**G. Funds Flow Diagram**



## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

10. Financial due diligence of the Tashkent city administration and Maxsustrans was undertaken during the preparation of the project in accordance with the ADB's *Financial Management and Analysis of Projects Guidelines*.<sup>4</sup> Financial management assessments were prepared for Maxsustrans and Tashkent city.

#### 1. Country Level Issues

11. The Law on Budgetary System<sup>5</sup> regulates the budgeting process in Uzbekistan. This law provides the legal basis for the preparation, review, approval and execution of the state budget. In the case of projects financed jointly with international financial institutions (IFIs), the PIU within the IA is usually responsible for providing the forecasted project budget for the subsequent year to the Municipality for approval in May of the current year. Government is taking strong measures to transform accounting standards in order to make them consistent with international accounting standards (IAS). There is sufficient accounting personnel capacity within the country, provided that they are trained and informed about IAS, contemporary financial management techniques, and accounting software.

12. Internal audit in both the private and public sectors is considered poor in Uzbekistan. Most government ministries and agencies do not have a unit responsible for internal control and audit. MOF through its CRD unit is responsible for internal audit of public sector organizations, but both the scope of its work and its human resources are limited. The external audit system is being developed based on IAS. External audit is not compulsory for state ministries or agencies. However, Article 1 of the Auditing Law (2000) states that if a certain international agreement signed by the Republic of Uzbekistan lays down rules and regulations other than those contained in the legislation of the Republic of Uzbekistan on audit activity, the former is applicable. Projects financed by IFIs are subject to annual audit by an independent auditor, as long as the loan agreement between the government and IFIs stipulates this condition.

#### 2. Risk Analysis

13. The financial management capacity assessment identified that the principal risk is that the EA and IA financial staff have limited experience with ADB-financed projects. Maxsustrans has had some experience in the implementation of projects funded by multilateral funding agencies in the past but no recent experience. Training in ADB procedures for EA, IA, and PIU staff will be required, particularly in procurement, disbursement, and project management procedures. Capacity development support to strengthen financial management systems and to provide training is included in the project.

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<sup>4</sup> ADB. 2005. *Financial Management and Analysis of Projects*. Manila.

<sup>5</sup> Law of the Republic of Uzbekistan No. 158-II on Budgetary System dated 14 December 2000 and amended on 23 May 2005.

### 3. Risk Mitigation

14. Mitigation measures recommended as being necessary to address underlying risks include: (i) a PIU within Maxsustrans to manage project funds supported by consultants with expertise in financial management; (ii) development of a financial management training plan to be prepared and all project financial staff to be trained before and during project implementation; (iii) a brief financial management manual will be prepared by the financial management specialist (individual consultant) and issued to standardize project financial management procedures and provide guidance to project financial staff on ADB requirements; and (iv) the terms of reference for the required external audits to be agreed with the ADB.

#### B. Disbursement

15. The loan proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2012, as amended from time to time),<sup>6</sup> and detailed arrangements agreed upon between the government and ADB.

16. Pursuant to ADB's *Safeguard Policy Statement (SPS) 2009*,<sup>7</sup> ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list (Appendix 5) to subprojects financed by ADB.

17. Disbursement Arrangements: The fund flow diagram provided is in Table IV. F. Arrangements and procedures<sup>8</sup> to be used by PIU include:

- (i) for individual payments below \$100,000 pay from imprest account;
- (ii) submit to ADB a statement of expenditures (SOE) to reimburse and replenish/liquidate the advances in the imprest account; and
- (iii) for financing imported goods and equipment, use commitment procedure.

18. Maxsustrans (through the PIU) will be responsible for all withdrawal applications for submission to ADB. Withdrawal applications will be copied to MOF and the Municipality.

19. The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the imprest accounts. The ceiling of the SOE procedure is the equivalent of \$100,000 per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

20. **Imprest Fund Procedure.**<sup>9</sup> To facilitate project implementation through timely release of loan proceeds, the IA, through PIU, will establish an imprest account promptly after loan effectiveness at a commercial bank acceptable to ADB. The imprest account is to be used exclusively for the ADB's share of eligible expenditures. The currency of the imprest account will

<sup>6</sup> Available at: [http://www.adb.org/Documents/Handbooks/Loan\\_Disbursement/loan-disbursement-final.pdf](http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf)

<sup>7</sup> Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

<sup>8</sup> See Chapter 6 of the Loan Disbursement Handbook.

<sup>9</sup> Bank charges incurred in the operation of the imprest account may be financed from the loan proceeds.



be the USD. The IA, through PIU, who established the imprest account in its name is accountable and responsible for proper use of advances to the imprest account. The maximum ceiling of the imprest account will not exceed 10% of the loan amount. The initial and additional advances to the imprest account may be requested based on six months estimated expenditures to be financed through the imprest account. The imprest account will be established, managed, and liquidated in accordance with ADB's *Loan Disbursement Handbook* and detailed arrangements agreed by the government and ADB. ADB's *Loan Disbursement Handbook* describes which supporting documents should be submitted to ADB and which should be retained by the government for liquidation and replenishment of an Imprest account.

21. Before the submission of the first withdrawal application, the MOF should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is \$100,000, unless otherwise approved by ADB. The PIU is to consolidate claims to meet this limit for reimbursement and imprest account claims. Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members, and are eligible for ADB financing.

22. ADB's *Loan Disbursement Handbook* describes which supporting documents should be submitted to ADB and which should be retained by the government for liquidation and replenishment of the imprest account.<sup>10</sup>

### **C. Accounting**

23. Maxsustrans will maintain separate project accounts and records by funding source for all expenditures incurred on the project. Project accounts will follow international accounting principles and practices or those prescribed by the government's accounting laws and regulations.<sup>11</sup>

### **D. Auditing and Public Disclosure**

24. Maxsustrans will cause the detailed consolidated project accounts to be audited in accordance with International Standards on Auditing and in accordance with the government's audit regulations by an auditor acceptable to ADB. The audited accounts will be submitted in the English language to ADB within six months of the end of the fiscal year by the Maxsustrans. The annual audit report will include a separate audit opinion on the use of the imprest accounts, and the SOE procedures. The government, the EAs and Maxsustrans have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

25. Maxsustrans will prepare annual audited project financial statements (APFS), in accordance with accounting principles acceptable to ADB and have the financial audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB. The audit will be conducted in accordance with international standards for

<sup>10</sup> See Chapter 6 of the Loan Disbursement Handbook.

<sup>11</sup> Law on Accounting No 279-I dated 30.08.1996 and National Accounting Standards of Uzbekistan approved by Ministry of Finance of Uzbekistan.

auditing or the national equivalent acceptable to ADB. Within six months close of the financial year, Maxsustrans will provide to ADB, copies of the audited financial statements, audit report and management letter prepared by the auditors. ADB shall disclose the annual APFS and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

26. In addition, Maxsustrans shall (i) provide its annual financial statements prepared in accordance with national accrual-based financing reporting standards acceptable to ADB; (ii) have its financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB; and (iii) provide to ADB, no later than one month after their approval, copies of the audited financial.

27. Maxsustrans shall enable ADB, upon ADB's request, to discuss the financial statements for Outputs 1, 2 and 3 under the project and Maxsustrans and its financial affairs where they relate to all Outputs under the project with the auditors appointed by Maxsustrans and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of Maxsustrans, unless Maxsustrans shall otherwise agree.

28. Maxsustrans will submit to ADB consolidated quarterly progress reports in English on all aspects of project implementation within 30 days from the end of each quarter. The reports will give the details of overall implementation progress, problems encountered during the reporting period, measures taken or proposed to remedy these problems, and the proposed program of activities for the next quarter. The reports will also include a summary financial account for each implementation agency, expenditures to date, and a report on benefits monitoring. The PIU will submit to ADB a project completion report within three months of physical completion of the project. The report will describe the details of implementation, costs, monitoring and evaluation results, problems encountered and actions taken, and other information that ADB may request.

29. On or before the date that is six months after the effective date, the borrower shall cause Maxsustrans to establish a website for the project on which key information about the project will be made available. The project website will be accessible to the public and will include the following information about the project (i) scope, structure, responsible agencies, impact, outcome and outputs; (ii) status of project targets; (iii) procurement and consulting services information, including announcement of bidding processes, bidding procedures, list of participating bidders, names of winning bidders, amount of contract awards and a description of the goods or services procured; and (iv) all key safeguards related documentation, including the EMP and resettlement plan. The project website will be updated regularly and its content will be presented in the English, Russian and Uzbek languages.

## VI. PROCUREMENT AND CONSULTING SERVICES

30. Procurement capacity assessment of the IA has been undertaken and included as a linked document. Based on the findings of the assessment, the thresholds for procurement of goods and works as well as consulting services have been defined, and the degree of ADB oversight (prior and post review) has been recommended. These are set forth in the underlying procurement plan.

### A. Advance Contracting

31. All advance contracting will be undertaken in conformity with ADB's *Procurement Guidelines* (2013, as amended from time to time) and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).<sup>12</sup> The issuance of invitations to bid under advance contracting will be subject to ADB approval. In order to achieve project readiness by the expected date of loan effectiveness in April 2014, and to ensure that project activities commence in a timely manner, the government may request the use of advance action for the recruitment of EA consulting services. Advance action may also be applied to goods, and consulting services for the PIU. The government has been advised that approval of advance action does not commit ADB to finance any part of the project.

### B. Procurement of Goods, Works and Consulting Services

32. All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines* (2013, as amended from time to time).

33. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's *Procurement Guidelines*.

34. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

35. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).<sup>13</sup> Consultants support will be provided under the project to the EAs and PIU. This support will include project management, financial management, procurement, contract administration, safeguards implementation, and monitoring and evaluation. For the EA, four individual specialists will be engaged. Given that these experts will function independently of each other, they will be recruited using the individual consultant selection method. For the PIU, a consulting firm will be engaged to provide specialist technical support in the technical design and engineering aspects of SWM, procurement of civil works and goods contracts, and construction monitoring and supervision. In addition to the PIU consultants, two consulting firms will be recruited for the following subprojects (i) SLF design and supervision, and (ii) community collection points design and supervision. The project also provides technical support through a firm of capacity development consultants in five strategic areas: (i) national SWM strategy formulation; (ii) waste minimization and recycling program development; (iii) formulation of an associated media and public awareness program; (iv) a

<sup>12</sup> Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>

<sup>13</sup> Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

transport logistic assessment to define optimal MSW collection and transfer system designs; and (v) operational and management support for SWM system operations. Given the envisaged technical complexities and the requirement for high quality, all consulting firms will be engaged using the quality- and cost-based selection method with a quality cost ratio of 80:20 in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). The exception to this will be the recruitment of a firm of auditors which will be recruited using least cost selection, as the contracts are very small and routine in nature.

### C. Procurement Plan

36. The initial procurement plan is shown as follows:

<b>Basic Data</b>	
<b>Project Name:</b> Solid Waste Management Improvement Project	
<b>Country:</b> Republic of Uzbekistan	<b>Executing Agencies:</b> State Committee for Nature Protection, and Tashkent Hokimiyat (Municipality)
<b>Loan Amount:</b> \$69.00 million	<b>Loan Number:</b> L_____-UZB
<b>Date of First Procurement Plan:</b> 28 August 2013	<b>Date of this Procurement Plan:</b> 28 August 2013

#### A. Process Thresholds, Review and 18-Month Procurement Plan

##### 1. Project Procurement Thresholds

37. Except as ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

<b>Procurement of Goods and Works</b>	
<b>Method</b>	<b>Threshold</b>
International Competitive Bidding (ICB) for procurement of Works	>= \$2,000,000
ICB for procurement of Goods	>= \$500,000
National Competitive Bidding (NCB) for procurement of Works	Beneath that stated for ICB, Works
NCB for procurement of Goods	Beneath that stated for ICB, Goods
Shopping for procurement of Works	Below \$100,000
Shopping for procurement of Goods	Below \$100,000

##### 2. ADB Prior or Post Review

38. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

<b>Procurement Method</b>	<b>Prior or Post</b>	<b>Comments</b>
<b>Procurement of Goods and Works</b>		
ICB Works	Prior	ADB standard bid documents; Post qualification
ICB Goods	Prior	
NCB Works	Prior	The first bidding document will be reviewed by ADB, and will be used for all subsequent NCB procurements.
NCB Goods	Prior	The first bidding document will be reviewed by ADB, and will be used for all subsequent NCB procurements.

Procurement Method	Prior or Post	Comments
Shopping for Works	Post	
Shopping for Goods	Post	
<b>Recruitment of Consulting Firms</b>		
Quality- and Cost-Based Selection (QCBS) 80:20 weightage Quality-based selection (QBS) Other selection methods: Consultants Qualifications (CQS), Least-Cost Selection (LCS)	Prior	ADB standard request for proposals
<b>Recruitment of Individual Consultants</b>		
Individual Consultants Selection	Prior	Posted in the consultant management system

### 3. Goods and Works Contracts Estimated to Cost More Than \$1 Million

39. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value (\$ million)	Procurement Method	Prequalification of Bidders (y/n)	Advertisement Date (quarter/year)	Comments
CW1: Sanitary landfill establishment	19.594	ICB	n	Q3 2015	Civil works
CW2: Transfer station, Garage rehabilitation	1.870	NCB	n	Q1 2015	Civil works (design and build)
CW3: Dumpsite closure	6.000	ICB	n	Q3 2015	Civil works
G1: Landfill machinery	2.065	ICB	n	Q3 2015	Equipment and goods
G2: Waste collection trucks and Transfer trucks; trailers and containers (2 Lots)	14.360	ICB	n	Q1 2015	Equipment vehicles, and goods
G 3: Waste collection bins (750 and 1100) (2 Lots)	8.300	ICB	n	Q1 2015	Equipment and goods

### 4. Consulting Services Contracts Estimated to Cost More Than \$100,000

40. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value (\$ million)	Recruitment Method	Advertisement Date (quarter/year)	International or National Assignment	Comments
PIU consultants	2.606	QCBS, 80:20	Q1 2014	International	FTP
Sanitary Landfill design and supervision Consultants	2.351	QCBS, 80:20	Q1 2015	International	FTP
Community collection points design and supervision Consultants	0.294	QCBS, 80:20	Q1 2015	International	BTP
Capacity Development Program:	1.450	QCBS, 80:20	Q1 2015	International	FTP

<b>General Description</b>	<b>Contract Value (\$ million)</b>	<b>Recruitment Method</b>	<b>Advertisement Date (quarter/year)</b>	<b>International or National Assignment</b>	<b>Comments</b>
(i) National SWM strategy formulation (ii) Waste minimization and recycling (iii) Media and public awareness campaign (iv) Transport logistics study (v) O&M Support for SWM systems operation					
BTP = biodata technical proposal, CQS = consultant qualification selection, FTP = full technical proposal, O&M = operation and maintenance, PIU = project implementation unit, QCBS=quality-and cost-based selection; SWM=solid waste management					

### 5. Goods and Works Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000

41. The following table groups smaller-value goods, works and consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

<b>General Description</b>	<b>Value of Contracts (cumulative) \$ million</b>	<b>Number of Contracts</b>	<b>Procurement / Recruitment Method</b>	<b>Comments</b>
EAs Consultants	0.865	Various	ICS	International / national; Advance action
Audit consultants	0.040	2	LCS	BTP
CW4: Garage rehabilitation	0.090	1	NCB	Civil works
CW5: Collection points upgrade and rehabilitation	3.675	11	NCB	Civil works

BTP = biodata technical proposal, CW = civil works, ICS = individual consultant selection, LCS = least cost selection, NCB = national competitive bidding.

### B. Indicative List of Packages Required Under the Project

42. The following table provides an indicative list of all procurement (goods, works and consulting services) over the life of the project.

<b>General Description</b>	<b>Estimated Value (cumulative) \$ million</b>	<b>Estimated Number of Contracts</b>	<b>Procurement Method</b>	<b>Domestic Preference Applicable</b>	<b>Comments</b>
Goods Machineries, vehicles and equipment	24.725	3	ICB	No	
Works Sanitary landfill establishment; transfer station and garage rehabilitation; dumpsite closure	32.039	3	ICB	No	
Collection points upgrade and rehabilitation	3.675	11	NCB	No	

<b>General Description</b>	<b>Estimated Value (cumulative) \$ million</b>	<b>Number of Contracts</b>	<b>Recruitment Method</b>	<b>Type of Proposal</b>	<b>Comments</b>
Consulting Services	7.566	6	QCBS, 80:20	FTP/BTP	Consulting firms
	0.040	2	LCS	BTP	Consulting firms
	0.865	Various	ICS	N/A	Individual

BTP = biodata technical proposal, CQS = consultant qualification selection, FTP = full technical proposal, ICB = international competitive bidding, ICS = individual consultant selection, LCS = least cost selection, N/A = not applicable, NCB = national competitive bidding, QCBS = quality- and cost-based selection.

## **C. National Competitive Bidding**

### **1. General**

43. The procedures to be followed for national competitive bidding shall be those set forth in the applicable resolutions of the cabinet of ministers (COM) of Republic of Uzbekistan with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the *ADB Procurement*.

### **2. Eligibility**

44. The eligibility of bidders shall be as defined under section I of the *Procurement Guidelines*; accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those stated in Section I of the *Procurement Guidelines*. Bidders must be nationals of member countries of ADB, and offered goods, services, and works must be produced in and supplied from member countries of ADB.

### **3. Prequalification**

45. Normally, post-qualification shall be used unless explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.

### **4. Registration and Licensing**

- (i) Bidding shall not be restricted to pre-registered/licensed firms.
- (ii) Where registration or licensing is required, bidders (i) shall be allowed a reasonable time to complete the registration or licensing process; and (ii) shall not be denied registration/licensing for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.
- (iii) Foreign bidders shall not be precluded from bidding. If a registration or licensing process is required, a foreign bidder declared the lowest evaluated bidder shall be given a reasonable opportunity to register or to obtain a license.

**5. Bidding Period**

46. The minimum bidding period is 28 days prior to the deadline for the submission of bids.

**6. Bidding Documents**

47. Procuring entities should use standard bidding documents for the procurement of goods, works and services acceptable to ADB.

**7. Preferences**

48. No domestic preference shall be given for domestic bidders and for domestically manufactured goods.

**8. Advertising**

49. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper or freely accessible, nationally known website allowing a minimum of 28 days for the preparation and submission of bids.

50. Bidding of NCB contracts estimated at \$500,000 equivalent or more for goods and related services of \$1,000,000 equivalent or more for civil works shall be advertised on ADB's website via the posting of procurement plan.

**9. Bid Security**

51. Where required, bid security shall be in the form of a bank guarantee from a reputable bank

**10. Bid Opening and Bid Evaluation**

- (i) Immediately after the date and time set for the deadline for bid submission, bids shall be opened in public. A record of bid opening shall be prepared by the EA, IA, or the contracting authority, and such record shall be distributed to all bidders.
- (ii) Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents and contracts shall be awarded to the lowest evaluated bidder.
- (iii) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.
- (iv) No bidder shall be rejected on the basis of a comparison with the contract cost estimate(s) and budget ceiling(s) set by the borrower/executing agency without ADB's prior concurrence.
- (v) A contract shall be awarded to the technically responsive bidder that offers the lowest evaluated price, and meets the qualifying requirements. Negotiations shall not be permitted.



(vi) Price verification shall not be applied.

#### **11. Rejection of All Bids and Rebidding**

52. Bids shall not be rejected and new bids solicited without ADB's prior concurrence.

#### **12. Participation by Government-Owned Enterprises**

53. Government-own enterprises in Uzbekistan shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority/executing agency/implementing agency. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

#### **13. Right to Inspect/Audit**

54. A provision shall be included in all NCB works and goods contracts financed by ADB requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

#### **14. Fraud and Corruption**

- (i) The Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.
- (ii) ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time ADB determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, ADB-financed contract.

#### **15. Pre-Shipment Inspections**

55. Pre-shipment inspections, if necessary, shall be carried out by an independent reputable testing authority/surveyor in the supplier's country for reasons of sound engineering practice and economy and efficiency in project implementation.

#### **16. Disclosure of Decision on Contract Awards**

56. At the same time that notification on award of contract is given to the successful bidder, the results of bid evaluation shall be published in a local newspaper or a well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each bidder who submitted a bid; (ii) bid prices as read out at bid opening; (iii) name of bidders whose bids were rejected and the reasons for their rejection; and (iv) name of the winning bidder, and the price it offered, as well as duration and summary scope of the contract awarded. The EA/IA /contracting authority shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected.

## **D. Consultant's Terms of Reference**

57. Support will be provided under the project to the EAs, consisting of four individual consultants to be recruited with ADB's assistance. The four specialists includes: (i) a project management specialist (international); (ii) a safeguards specialist (international); (iii) a financial management/procurement specialist (national); and (iv) a monitoring and evaluation specialist (national). An international firm, in association with a national firm will be recruited by the PIU to provide specialist technical support to the PIU in the technical design and engineering aspects of SWM, the procurement of civil works and goods contracts, and construction monitoring and supervision. A second consulting firm will be recruited for the design and supervision of the SLF and community collection points. In addition, the project provides capacity development support, to be implemented by another consulting firm and to provide targeted interventions in waste minimization, and technical operations support including the logistics study. A firm will be recruited to develop the national SWM strategy, and an audit firm for the audit of project accounts and financial statement. All consultant engagements under ADB financing will be carried out in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).

### **1. EAs**

58. For the EAs, two international and two national consultants, for a total of 42 person-months will be recruited. The consultants will comprise of an international project management/procurement specialist (18 person-months), an international safeguards specialist (6 person-months), a national financial management specialist (9 person-months), and a national monitoring and evaluation specialist (9 person months). In addition, the EAs will be provided with a fully equipped office and ground transport, supported by administrative staff (office manager, secretary/computer operator, interpreter and driver), with provision for all annual operating expenses. In order to facilitate early mobilization of these consultants, it is recommended that advance contracting be applied, as necessary.

59. Under the capacity development consulting assignment Maxsustrans will engage a team to assist SCNP in the formulation of the national SWM strategy formulation; detailing projected solid waste needs, and optimum solutions for SWM for provincial and regional centers; development of an action program for national SWM with estimated investment costs, timelines and management resources needed; and evaluation of least cost solutions, including the evaluation of waste to rail options for long-term solutions.

### **2. PIU**

60. An international firm will be recruited by the PIU to provide specialist technical support to the PIU in the procurement and tendering of civil works and goods contracts, construction supervision monitoring, project management, contract administration, safeguards implementation and monitoring and evaluation; and media and public relations. The team includes a team leader and SWM specialist (36 person-months), a SWM engineer (12 person-months) and a procurement specialist (6 person-months), a deputy team leader and SWM specialist (42 person-months), a financial management specialist (42 person-months), a procurement specialist (24 person-months), a social specialist (21 person-months), and an environmental specialist (21 person-months).

61. A comprehensive capacity development component is proposed as an integral part of the project. An international consulting firm will be recruited by government. The international team members will include a team leader and SWM planning specialist, SWM engineer, waste recycling specialist, waste characterization specialist, legal and regulatory specialist, a SWM operations and maintenance specialist, a GIS specialist, a legal and regulatory specialist, and an economist and financial specialist. National team members will include a community development specialist, an environmental specialist, a civil engineer (waste management), a media and public relations specialist, a legal and regulatory specialist, and a waste recycling specialist. The capacity development component is comprised of the following programs:

- (i) waste minimization and recycling program
  - development of a national strategy for waste minimization and recycling, detailing projected solid waste needs, and optimum solutions for major and minor urban centers. Investigation and evaluation of alternatives including recycling of economically valuable materials (such as polyethylene terephthalate,<sup>14</sup> paper, metal, rare metals), compositing, and gas collection and utilization.
  - development of an action program for national waste minimization and recycling with estimated investment costs, timelines and management resources needed.
  - evaluation of least cost solutions, including the involvement of the private sector in recycling.
  
- (ii) media and public relations
  - development of a national strategy for environmental awareness and the important role of waste minimization and recycling at the household level for an environmental sound surrounding.
  - development of awareness programs, media campaigns and training programs for schools and other relevant institutions to increase public awareness and involvement.
  - development of an action program for a media campaign at the national level with estimated costs, timelines and management resources needed to provide support for the establishment of a public relations facility to disseminate information, provide feedback and introduce modern SWM methods.
  
- (iii) transport logistics assessment
  - development of a local and regional strategy for waste collection and transport for Tashkent city based on a GIS based optimization and monitoring program.
  - to work closely with Maxsustrans to evaluate and develop a least cost system for the collection of waste and transfer to the Akhangaran landfill, based on modeling of waste collection routes, waste truck collection and transfer capacity, operating costs, frequency of collection, and seasonal variation in waste generation.
  - provide Maxsustrans with an optimal waste collection and transfer framework, a monitoring and evaluation system for monitoring volume and cost of collection (using GPS tracking technology) and models for the regular update and modification of the waste collection and transfer configuration.
  - recommendations on the integration of the vehicle maintenance and operational costs into the collection monitoring program.

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<sup>14</sup> Commonly known as PET.

- recommendations on the possible future utilization of a 'waste to rail' transport system and its adjustment and integration within the waste management system.

(iv) SWM systems operations technical support

- establishment of a modern waste management system and the adaption of the proposed modern, state-of-the-art technology for waste recycling, handling and the disposal of residuals.
- assistance to Maxsustrans to develop sound operating procedures for the Akhangaran sanitary landfill based the best environmental practice.
- provide training to landfill management staff and operators in efficient landfill operations including safeguards monitoring and reporting.

(v) preparation of a landfill operating manual applicable to the local conditions for use in the sanitary landfill operation and management. National SWM strategy development

- Assistance to Government to develop a national strategy for SWM in Uzbekistan, detailing projected solid waste needs, and optimum solutions for SWM for provincial and regional centers.
- Work under the direction of SCNP (which is an EA and the lead national government agency) to coordinate with relevant government agencies on the formulation of the strategy.
- Development of an action program for national SWM with estimated investment costs, timelines and management resources needed.
- Evaluation of least cost solutions, including the evaluation of waste to rail options for long term solutions.

62. A team of auditors will also be engaged for the annual audit of project accounts and financial statements of Maxsustrans and PIU.

63. A total of 78 person-months of international consultants and 168 person-months of national consultants is proposed for the EAs and PIU.

## VII. SAFEGUARDS

64. Government, through the Municipality and Maxsustrans, will ensure that all safeguards requirements prescribed for project are implemented. The project, in accordance with ADB SPS, was categorized as a “B” project for environment, as a “B” project for involuntary resettlement, and as a “C” project for indigenous peoples impacts. Therefore, the following safeguards documents were prepared during project preparation:

- (i) The initial environmental examination (IEE) including its environmental management plan (EMP) was prepared. This report identified potential impacts of the project and proposed mitigation measures and a monitoring plan presented in the EMP. This IEE also includes the findings from the environmental compliance audit report and the recommended corrective actions.
- (ii) The land acquisition and resettlement plan (LARP) for construction of the SLF.

65. The Government, through the Municipality and Maxsustrans, will ensure implementation of all recommendations of these two safeguards documents, which have been prepared with consultation of people living in surrounding project areas. The following paragraphs describe briefly the activities to be implemented during project implementation and subsequent operation.

### A. Environment

66. The Municipality and Maxsustrans will ensure that the design, construction, and operation and maintenance of the facilities under the project are carried out in accordance with ADB SPS, 2009, applicable laws and regulations of Uzbekistan, and recommendations of the IEE and its EMP. The Municipality and Maxsustrans will ensure that potential adverse environmental impacts arising from the project are minimized by implementing all mitigation and monitoring measures as presented in the EMP of the IEE. The Municipality and Maxsustrans will ensure that:

- (i) The Municipality and Maxsustrans will ensure that its PIU has sufficient resources to implement and record the implementation of the EMPs prepared for the project. Therefore, Environmental Specialist must be recruited as part of the PIU.
- (ii) In-depth hydrogeological study within the limit of sanitary protection zone (500 meters) will be undertaken, and ensure that the findings will be used in preparing the detailed design of the SLF.
- (iii) If the findings and detailed designed will be changed, the updated IEE has to be prepared and all necessary government permits and licenses, including Ecological Expertise Opinion, to construct the SLF will be obtained prior to commencing SLF civil works.
- (iv) Detailed engineering designs, civil works and other contracts for the project incorporate applicable environmental measures identified in the IEEs and EMP.
- (v) Bidding documents for supervision consultant/engineer will include necessary requirement to enable them to assist in implementing IEE and its EMP.
- (vi) all bidding document for civil works include all safeguards requirement as describe in the IEE and its EMP.
- (vii) The winner bidder will have adequate resources to implement safeguards requirement.
- (viii) EMP is updated prior to implementation of civil works.

- (ix) Starting from project commencement, the PIU will submit semi-annual environmental reports prepared by the PIU environment safeguards specialist to ADB. The report will include, among other things, a review of progress made on environmental measures detailed in the IEEs and EMP, how the IEE and its EMP has been incorporated into the bidding document and how problems encountered or un-expected impacts encounter during implementation and remedial measures taken to address those problems.
- (x) Civil works contractors are supervised and monitored to ensure compliance with the requirements of the IEEs and EMP.
- (xi) If un-expected or unforeseen environmental impacts occurred, the environment specialist from PIU together with the supervision consultant and contractor will take promptly corrective measures.
- (xii) The environmental specialist of PIU will assist PIU to report in routine basis to ADB as part of the quarterly project report any complaint received and action to resolve the complaint

## **B. LARP**

67. Municipality and Maxsustrans will ensure that land acquisition will be carried out in accordance with ADB's SPS (2009), and applicable laws and regulations of Uzbekistan, that has been formulated and developed in the LARP. Municipality and Maxsustrans will ensure that LARP will be implemented, and monitored to ensure that no affected people will suffer by unattended impacts associated with land acquisition. Municipality and Maxsustrans will ensure that:

- (i) The PIU will recruit a social development specialist to implement the LARP and address other social concerns of the project, if any.
- (ii) The LARP will be updated upon completion of the detail design. The updated LARP report will be carried out with adequate consultation with affected people. The report should at least indicate any change to land acquisition from the detailed designed, change to affected people, or change to budget for LARP implementation.
- (iii) The updated LARP must be submitted to ADB for concurrence prior to implementation.
- (iv) The updated LARP will be disclosed to affected people.
- (v) If the detailed design will not cause any change to land acquisition, the PIU must provide ADB with written information that an updated LARP is not required, and the existing LARP report will be implemented.
- (vi) The awarding of civil works any contract will be done only after affected people (including other parties to receive compensation for developing new agricultural land) receive full payment of compensation, and report on full payment of compensation is submitted to ADB. The advance payment to the contractor only can be released by ADB after the report on full payment is received.
- (vii) Report on monitoring the implementation of LARP will be submitted to ADB on a quarterly basis until the payment of compensation to affected parties are fully paid.
- (viii) The social development specialist of PIU will also observe any unanticipated impacts of land acquisition, and take necessary measures in accordance with the provision describe in the LARP.

- (ix) The Social development specialist of PIU will develop the implementation plan in close consultation with local government for livelihood improvement program to address impacts to waste pickers due to closure of existing dumpsite.

### C. Indigenous Peoples

68. In the proposed project area and affected area, no group of people maintain a separate cultural and social identity from the mainstream Uzbekistan society that would classify them as ethnic group, ethnic minority or indigenous people as described in ADB SPS, 2009. Therefore, the proposed project has been categorized as a “C” project with regard to indigenous peoples.

### D. Risks and Mitigating Measures

69. Major risks and mitigating measures are summarized in Table 1 and described in detail in the risk assessment and risk management plan.<sup>15</sup> The project does not have any unusual technical risks. The project’s integrated benefits and impacts are expected to outweigh its costs and risks.

**Table 1: Summary Risks and Mitigating Measures**

<b>Risks</b>	<b>Mitigating Measures</b>
Inadequate PIU procurement capacity	The Municipality establishes the PIU and recruits a project management consultant, who will assist the PIU in managing project implementation. The PIU includes positions for international and national procurement specialists. Observations and recommendations recorded in the procurement capacity assessment are implemented.
Delays in procurement	Close communication and dialogue with the Ministry of Finance and MFERIT ensure adherence with procurement plans and the timetable. Continual dialogue with MFERIT by the EAs, individual consultants, and the PIU occurs during bidding. A procurement monitoring system is established with deadlines and responsibilities set for each stage of procurement.
Lack of involvement of civil society organizations	The Municipality has already involved and engaged with stakeholders during project formulation. Advertisements shall specify that civil society, nongovernment organizations, and interested people may attend bid openings.
Poor quality of design standards	The project has incorporated international best practices. The EAs and IA ensure appropriate and high quality design standards.
Poor management and internal and external audit polices	Relevant provisions of ADB’s Anticorruption Policy (1998, as amended to date) are included in the loan and project agreements and the bidding documents. Maxsustrans and SCNP shall perform an interim audit of project activities. Maxsustrans’ accounts will be externally audited.

ADB = Asian Development Bank, EA = executing agency, IA = implementing agency, MFERIT = Ministry for Foreign Economic Relations Investment and Trade, PIU = project implementation unit, SCNP = State Committee for Nature Protection.

Source: Asian Development Bank.

<sup>15</sup> Risk Assessment and Risk Management Plan (attached as Annex 7).

## VIII. GENDER AND SOCIAL DIMENSIONS

### A. General

70. The project includes some gender elements. The project will respond to the immediate SWM needs of the entire city by upgrading the existing system. This will address unsanitary conditions brought about by SWM inadequacies in Tashkent, resulting in improved health, hygiene and sanitation conditions for all Tashkent citizens, including the poor and socially excluded. Women, who are mainly responsible for household waste management, will benefit from cleaner collection points and more regularized waste pick-up services. The project will include specific actions to strengthen women's roles and capacities as waste minimizers and recycling facilitators, encouraging others within the household to assist in sustainable environmental practices and also to ensure job equity and equal opportunity for those employed by SWM system operators. All public education materials will use gender specific designs and gender sensitive approaches in preparing quality education materials. The project will:

- (i) Improve female consumer awareness of environmental and SWM issues through citywide public awareness campaigns, in-depth SWM sector training programs in coordination with Women's Committee and *mahalla* representatives at the local level.
- (ii) Empower women to establish and maintain acceptable household waste handling and storage practices and optimize recyclable material segregation increased awareness and the development of households waste management guidelines and handbooks.
- (iii) Improve overall conditions for women operators of collection points throughout the city through ensuring equal pay, equal access to recyclables and providing protective equipment such as gloves and masks.
- (iv) Provide targeted education program for representatives of local communities in the management of proper community based SWM practices.
- (v) Provide school-based educational programs to educate primary and secondary level students in SWM and recycling practice.
- (vi) Abandon unsanitary waste picking practices at the existing dumpsite and transition these illegal waste pickers to alternative sources of livelihood and income.

71. Maxsustrans will also include a specific provision in the bidding documents to ensure that civil works contractors (i) comply with core labor standards, applicable laws and regulations in the Uzbekistan and incorporate applicable workplace occupational safety norms, (ii) do not differentiate payment between men and women for work of equal value, (iii) do not employ child labor in the construction and maintenance activities, (iv) eliminate forced or compulsory labor, (v) eliminate employment discrimination, (vi) to the extent possible, maximize employment of local poor and disadvantaged persons for project construction purposes, provided that the requirements for job and efficiency are adequately met, and (vii) disseminate information on the risks of sexually transmitted diseases, including human immunodeficiency virus/acquired immunodeficiency syndrome, to the employees of the contractors under the project and to members of the local communities near the project.

72. The social development specialist of PIU will assist Maxsustrans to implement gender related activities in close consultation with Women's Committee and *mahallas* and report the progress and achievements or any issues in routine basis to ADB as part of the quarterly project report.



## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

### A. Project Design and Monitoring Framework

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanism	Assumptions and Risks
<p><b>Impact</b> Improved urban environment and quality of life for the residents of Tashkent</p>	<p><b>By 2025</b> Households served by the SWM system maintained at 100%</p> <p>SCNP certified that atmospheric, surface, and subsurface emissions comply with international standards</p>	<p>Maxsustrans annual reports</p> <p>SCNP environmental monitoring and statistics</p> <p>Ministry of Health public health monitoring and statistics</p>	<p><b>Assumption</b> The government implements the SWM strategy for improving SWM services</p>
<p><b>Outcome</b> Improved SWM services and management in Tashkent city</p>	<p><b>By 2019</b> Households served by the SWM system maintained at above 95% (approximately 645,500 households; 2013 baseline = 604,500)</p> <p>Households segregating MSW increased from about 25% in 2013 to about 90%</p> <p>Disposal of 100% of MSW accords with international standards of environmental protection (approximately 1,950 tons per day; 2013 baseline = 0)</p>	<p>Maxsustrans annual reports</p> <p>EA/IA project completion report</p>	<p><b>Risk</b> Inefficient collection and transport routing and schedules</p>
<p><b>Outputs</b> 1. Rehabilitated and expanded SWM system in Tashkent</p>	<p><b>By 2018</b> Two transfer stations rehabilitated and one possibly closed <sup>a</sup></p> <p>3 million tons of disposal capacity established that meets international environmental standards</p> <p>1,950 tons per day of disposal and operational capacity established</p>	<p>Maxsustrans annual reports</p> <p>Project progress reports prepared by Maxsustrans</p> <p>EA project performance management system reports</p>	<p><b>Risk</b> Institutional weaknesses in coordination between key financial and line ministries</p>

<p>2. Strengthened operational capacity</p>	<p><b>By 2018</b> At least 90% of households actively segregate waste at source</p> <p>A campaign to raise awareness of waste segregation reaches 90% of households, with the participation of female members of households</p> <p>Maxsustrans' management and operations improved, including a 20% reduction in cost per ton of waste disposal</p> <p>The MSW collection system started to use a geographic information services database and other information technology, with 80% of trips monitored by the system</p>	<p>Project progress reports prepared by Maxsustrans</p> <p>Quarterly and annual community surveys</p> <p>Audited financial statements of Maxsustrans</p>	<p><b>Assumptions</b> Institutional capacity is upgraded. The implementing agency is properly staffed to effectively deliver, operate, and manage operations</p>
<p>3. National SWM strategy</p>	<p><b>By 2016</b> The strategy document is submitted to the government for endorsement</p>	<p>Consultant's final report</p>	
<p><b>Activities with Milestones</b></p> <p><b>1. Rehabilitated and expanded SWM system in Tashkent</b></p> <p>1.1 Recruit and mobilize design and supervision consultant (Q1 2016).</p> <p>1.2 Award first civil works contract (Q3 2016).</p> <p>1.3 Award all project contracts (Q1 2017).</p> <p>1.4 Procure and operationalize vehicles and equipment (Q2 2018).</p> <p>1.5 Complete all construction (Q4 2018).</p> <p><b>2. Operational capacity strengthened</b></p> <p>2.1 Recruit EA consultant support (Q2 2014).</p> <p>2.2 Prepare annual work plans, personnel scheduling, budgets, and procurement plans by December of each year starting in 2014.</p> <p>2.3 Recruit PIU consultants to improve the three key operational areas (Q1 2015).</p> <p>2.4 Submit consultant's report and outputs, as per the agreed schedule (2015–2018).</p> <p>2.5 Initiate capacity development, especially training for operation and maintenance (Q3 2015).</p> <p>2.6 Conduct media and public relations program assistance (to Q4 2016).</p>		<p><b>Inputs</b></p> <p><b>ADB (OCR Loan): \$69.0 million</b> <b>Government: \$7.0 million</b></p>	

<b>Activities with Milestones</b> <b>3. National SWM Strategy</b> 3.1 Carryout component to develop the national SWM strategy (Q1 2016). 3.2 Prepare the draft national SWM strategy (Q4 2016).	
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ADB = Asian Development Bank, MSW = municipal solid waste, PIU = project implementation unit, SCNP = State Committee for Nature Protection, SWM = solid waste management.

<sup>a</sup> The government will decide whether to close an existing transfer station after a logistics study is completed.

## B. Monitoring

73. **Project performance monitoring.** The Municipality will establish the project performance monitoring and evaluation system within six months of loan effectiveness using the targets, indicators, assumptions, and risks in the design and monitoring framework (Appendix 1). Further, the Municipality and Maxsustrans will monitor and ensure compliance with applicable covenants of Loan and Project Agreements. The midterm review will include an evaluation on whether project implementation accords with the project objectives and scope.

74. ADB and the government will agree on a set of indicators for monitoring and evaluating to what extent the project is achieving its goals and purposes. These indicators will be refined and monitored during project implementation. The indicators will include data for monitoring economic development, SWM sector performance, socioeconomic development, environmental impact, and institutional development. Monitoring and evaluation will be based on gender-disaggregated data for social and poverty impact indicators. The PIU international consultants will provide hands-on training in data collection, monitoring, and evaluation. The PIU shall monitor and evaluate the indicators according to the agreed framework on a quarterly basis to determine the efficiency and effectiveness of the project. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported quarterly through the IA's quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system. Beneficiaries will be involved in project monitoring and evaluation. In addition, a project steering committee will oversee and monitor the overall implementation of the project.

75. **Compliance monitoring:** Compliance with Loan Agreement and Project Agreement covenants will be monitored through regular quarterly progress reports and ADB review missions.

76. **Safeguards monitoring:** The IA will be responsible for monitoring safeguards activities through the PIU. The IA will also submit semi-annual safeguards monitoring reports to ADB, and the findings will be incorporated into the progress reporting of the PIU. Safeguards monitoring is included as a requirement of the EMP.<sup>16</sup> Before commencing work the contractor will prepare a Contractor's EMP which will establish how the contractor will comply with the EMP safeguards requirements. Monitoring of the contractor's work will be undertaken by the PIU and its consultants. Monitoring will also be carried out independently by the PIU. The PIU will also submit land acquisition completion reports to ADB before award of civil works contracts which involves land acquisition and resettlement concerns. ADB review missions will also monitor the progress on implementation and performance in regards to the safeguards requirements. If any component involves significant safeguards issues, the IA will engage the expertise of qualified and experienced external (international) experts or hire from qualified civil society organizations to verify the PIU's monitoring information on an annual basis. The IA will

<sup>16</sup> The Initial Environmental Examination is attached as Annex 12.

recruit such experts or organization in consultation with ADB and submit external monitoring reports to ADB.

77. **Gender and social dimensions monitoring:** Action plans pertaining to social and poverty will be implemented by the PIU as required. It is not envisaged that there are any significant issues with the project in relation to these issues.

78. The project will engage a safeguards specialist who will provide guidance to the IA and PIU in developing and establishing effective monitoring and reporting systems and processes. Baseline surveys will be undertaken at the start of project implementation and all indicators will be monitored and reported. These will be included in the PIU quarterly reports and project monitoring reports.

### C. Evaluation

79. An ADB inception mission will be fielded after the signing of the Loan, Subsidiary Loan, and Project Agreements to agree with EAs and IA on implementation requirements of the project as well as to discuss in detail the procedures relating to the procurement of works and goods, recruitment of consultants, and disbursements. ADB and the government will undertake semiannual reviews of the project to consider the (i) scope of the project, (ii) implementation arrangements, (iii) compliance with Loan Agreement and Project Agreement covenants, (iv) physical achievements against targets and milestones, and (v) project implementation issues requiring resolution or action.

80. A midterm review will be made after two years of the loan effectiveness date. The review will evaluate in detail the implementation progress and project design (institutional, administrative, organizational, technical, environmental, social, poverty reduction, resettlement, economic, and financial aspects), and identify courses of action that would improve project performance, viability, and the achievement of targets and project objectives. All the assumptions and risks noted in the design and monitoring framework will be reviewed.

81. Within six months of physical completion of the project, the EAs will submit a project completion report to ADB.<sup>17</sup> ADB will undertake a project completion review of the project after 12-24 months from the physical completion date.

### D. Reporting

82. Maxsustrans will submit to ADB consolidated quarterly progress reports in English for project on all aspects of project implementation within 30 days from the end of each quarter. The reports will give the details of overall implementation progress, problems encountered during the reporting period, measures taken or proposed to remedy these problems, and the proposed program of activities for the next quarter. The reports will also include a summary financial account for each IA, expenditures to date, and a report on benefits monitoring. The PIU will submit to ADB a project completion report within three months of physical completion of the project. The report will describe the details of implementation, costs, monitoring and evaluation results, problems encountered and actions taken, and other information that ADB may request.

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<sup>17</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

### **E. Stakeholder Communication Strategy**

83. The stakeholder communication strategy for the project aims to (a) increase public awareness and improve sustainability of the SWM systems, and to promote public feedback during the construction and operation phase of the facilities. The safeguards, monitoring and evaluation specialist at the EA and the capacity development firm consultants of the PIU in Maxsustrans implementing the media and awareness campaign and the waste minimization and recycling program, will be designated as program focal points for regular contact with affected people and other concerned stakeholders. The communication strategy for the project is summarized in the table below.

**Table 2: Communications Strategy Matrix for the Project**

<b>Communications Context:</b> <i>Public support and sustainability of the improved SWM system requires increased public awareness of the benefits of these investments to their well being. Transparency during project implementation will lead to improved project quality and provide an effective mechanism for receiving and addressing public feedback.</i>									
<b>Project Objective:</b> <i>Improved SWM services and management for the residents of Tashkent city</i>									
<b>Strategic Elements</b>						<b>Work Plan Elements</b>			<b>Evaluation</b>
<b>Communication Objective</b>	<b>Key Risks</b>	<b>Audience</b>	<b>Current/ desired behavior</b>	<b>Messages/ Info Needs</b>	<b>Channel Activity</b>	<b>Time</b>	<b>Responsibility</b>	<b>Resource Needs</b>	<b>Expected Outcomes</b>
1. Raised public awareness of the benefits of recycling, waste segregation, and of an improved SWM system	Inability to reach the entire population	Households in Tashkent city	Increase in public willingness to recycle and segregate waste	Ways to increase recycling, improve waste segregation and usage of collection points	Media-Local TV, radio and newspaper ads Newspaper articles  Training and seminars	Q2 2016	EA, PIU, Maxsustrans		
2. People affected by LAR are informed of their rights and the plans to compensate and assist them	Complaints from APs may cause delay	APs	Maintain support for the project	AP entitlements and schedule of RP implementation	Visits by EA, PIU/Maxsustrans, and/or consultant team  Distribution of brochures and posting of approved RP on the ADB and EA websites	Upon approval of final RPs	Upon approval of final RPs		No complaint received from APs on their entitlements and compensation received
3. Stakeholders informed of likely environmental impacts during construction	Complaints from local communities may cause delay	Residents of Tashkent city	Maintain support for the project	Info on subproject environmental impacts and mitigation measures	Visits by EA, PIU / Maxsustrans, and/or consultant team		Maxsustrans and/or consultant team and contractors		No complaint received from local community on management of

<b>Communications Context:</b> <i>Public support and sustainability of the improved SWM system requires increased public awareness of the benefits of these investments to their well being. Transparency during project implementation will lead to improved project quality and provide an effective mechanism for receiving and addressing public feedback.</i>									
<b>Project Objective:</b> <i>Improved SWM services and management for the residents of Tashkent city</i>									
<b>Strategic Elements</b>						<b>Work Plan Elements</b>			<b>Evaluation</b>
<b>Communication Objective</b>	<b>Key Risks</b>	<b>Audience</b>	<b>Current/ desired behavior</b>	<b>Messages/ Info Needs</b>	<b>Channel Activity</b>	<b>Time</b>	<b>Responsibility</b>	<b>Resource Needs</b>	<b>Expected Outcomes</b>
and mitigation measures planned and eventually conducted					Posting of updated IEEs/EMPs and EMRs in the ADB and EA websites  Explanations by contractors				environmental impacts from the subprojects
4.Stakeholders/ general public informed of mechanism for providing feedback, improving project quality	Unidentified feedback or unresolved concerns may affect quality of construction and operations of the facilities	Residents of Tashkent city	Improved public feedback and support for the construction activities and improved quality of SWM service	Info on RP implementation	Dissemination of brochures on RP Visits by EA, PIU / Maxsustran, and/or consultant team  Media		Maxsustrans and/or consultant team and contractors		Public feedback/ complaints are received and addressed leading to improved quality of construction and improved waste collection operations

<b>Communications Context:</b> <i>Public support and sustainability of the improved SWM system requires increased public awareness of the benefits of these investments to their well being. Transparency during project implementation will lead to improved project quality and provide an effective mechanism for receiving and addressing public feedback.</i>									
<b>Project Objective:</b> <i>Improved SWM services and management for the residents of Tashkent city</i>									
Strategic Elements						Work Plan Elements			Evaluation
Communication Objective	Key Risks	Audience	Current/ desired behavior	Messages/ Info Needs	Channel Activity	Time	Responsibility	Resource Needs	Expected Outcomes
5. Bidders and the public are informed of contract awards	Complaints from bidders or interested parties may delay works	Bidders/ general public	Improved trust in the selection of civil works contractors	Information on results of bid evaluation	EA website Publication in local newspaper	Upon PIU signing of bid evaluation report	EA and PIU (through Procurement Specialist)		Improved transparency in contracting and procurement, and improved public trust
6. General public is informed of project expenditures	Low public trust on the expenditures	General public	Improved public trust	Audited financial reporting	EA website ADB web disclosure	Within 30 days upon receipt	ADB Project Team		Improved transparency and public trust in expenditures related to the project

ADB = Asian Development Bank, AP = affected person, EA = executing agency, IEE = initial environmental examination, EMP = environmental management plan, EMR = environmental management report, LAR = land acquisition and resettlement, PIU = project implementation unit, RP = resettlement payments, SWM = solid waste management.



## X. ANTICORRUPTION POLICY

84. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.<sup>18</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the EA and IA and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.<sup>19</sup>

85. To support these efforts, relevant provisions are or will be included in the Loan Agreement/regulations and the bidding documents for the Project. Procurement will follow ADB's *Procurement Guidelines*; consultant selection will adopt ADB's *Guidelines on the Use of Consultants*; and disbursement will be made in accordance with ADB's disbursement policies, guidelines, practices, and procedures.

86. The IA will provide updated information on the Project on its website, including information on the performance of the Project, business opportunities, bidding process and guidelines, outcome of biddings and summary progress reports of the project.

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<sup>18</sup> Available at <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>19</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

## XI. ACCOUNTABILITY MECHANISM

87. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's *Accountability Mechanism*. The *Accountability Mechanism* provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the *Accountability Mechanism*, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the *Accountability Mechanism*.<sup>20</sup>

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<sup>20</sup> For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

## XII. RECORD OF PAM CHANGES

- Inception Mission (1–10 April 2015) – Revision 1

UPDATED	SECTION	CHANGE	APPENDIX
April 2015	II. A. Project Readiness Activities	Updated	1
April 2015	IV. A. Detailed Cost Estimates by Expenditure Category	Revised	2
April 2015	IV. B. Detailed Cost Estimates by Outputs/Components	Revised	2

## II. UPDATED IMPLEMENTATION PLAN

### A. Project Readiness Activities as of April 2015

Indicative Activities	2013				2014				Who Responsible
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Advance contracting actions			X	X	X	X	X	X	EAs, IA, ADB
Establish project implementation arrangements	X	X	X	X	X	X	X	X	EAs, IA
ADB Board approval				X					ADB
Loan Signing					X				MOF, EAs, IA, ADB
Government legal opinion provided								X	MOF, MOJ
Government feasibility study					X	X	X	X	MOF, EAs, IA
Government budget inclusion				X					MOF
Loan effectiveness								X	MOF, ADB

ADB = Asian Development Bank, EAs = executing agencies, IA = implementing agency, MOF = Ministry of Finance, MOJ = Ministry of Justice.

## IV. COSTS AND FINANCING

## A. Revised Detailed Cost Estimates by Expenditure Category as of April 2015

Item	Local currency UZS million	Foreign Currency US\$'000	% of Total Base Costs
<b>A. Investment Costs</b>			
1 Civil Works			
a. Land acquisition and resettlement	2,274	1,160	2%
b. Landfill construction	34,949	17,831	29%
c. Dumpsite closure	11,172	5,700	9%
d. Transfer station rehabilitation	2,935	1,497	2%
e. Garage rehabilitation	1,526	779	1%
f. Collection point upgrade and rehabilitation	6,123	3,124	5%
g. SLF design and supervision	4,148	2,116	3%
h. Transfer station design and supervision	353	180	0%
i. Collection points design and supervision	490	250	0%
<b>Subtotal</b>	<b>63,969</b>	<b>32,637</b>	<b>54%</b>
2 Plant & Equipment			
a. Landfill equipment and machinery	3,643	1,859	3%
b. Waste collection & transfer trucks	26,738	13,642	23%
c. Waste bins	15,455	7,885	13%
d. Other equipment (PIU)	78	40	0%
e. Other equipment (EA support)	59	30	0%
<b>Subtotal</b>	<b>45,972</b>	<b>23,455</b>	<b>39%</b>
3 PMU, Capacity Development and Studies			
a. Project Implementation Unit	4,384	2,237	4%
b. EA consultants	1,486	758	1%
c. Capacity support programs	2,700	1,378	2%
d. Annual audit	47	34	0%
<b>Subtotal</b>	<b>8,617</b>	<b>4,407</b>	<b>7%</b>
<b>Subtotal (A)</b>	<b>118,558</b>	<b>60,499</b>	<b>100%</b>
<b>B. Contingencies</b>			
1 Physical	10,231	5,221	9%
3 Price	67,459	2,338	5%
<b>Subtotal (B)</b>	<b>77,690</b>	<b>8,176</b>	<b>14%</b>
<b>C. Duties and Taxes</b>			
	<b>16,599</b>	<b>5,820</b>	
<b>Total Project Cost (A+B+C)</b>	<b>212,847</b>	<b>74,4965</b>	<b>123%</b>
Interest and Commitment Charges	4,203	1,501	2%
<b>Total Costs to be Financed</b>	<b>217,050</b>	<b>76,000</b>	<b>126%</b>

Note: Item costs exclude duties and taxes.

Source: Asian Development Bank estimates.

## B. Revised Detailed Cost Estimates by Outputs/Components as of April 2015<sup>a</sup>

Item	Total Cost	Akhangaran Landfill	% Cost category	Tashkent SWM	% Cost category	Project Management & Capacity Building	% Cost category
<b>C. Investment Costs</b>							
1 Civil Works							
a. Land acquisition & resettlement	1,160	1,160.0	100%	0.0	0%		0%
b. Sanitary landfill establishment	17,831	17,830.9	100%	0.0	0%		0%
c. Dumpsite closure	5,700	5,770.0	100%	0.0	0%		0%
d. Transfer station rehabilitation	1,497	0.0	0%	1,497.0	100%		0%
e. Garage rehabilitation	779	0.0	0%	779.0	100%		0%
f. Collection point upgrade and rehabilitation	3,124	0.0	0%	3,124.0	100%		0%
g. SLF design and supervision	2,116	2,116.0	100%	0.0	0%		0%
h. Transfer station design and supervision	180	0.0	0%	180.0	100%		0%
i. Collection points and supervision	250	0.0	0%	250.0	100%		0%
<b>Subtotal</b>	<b>32,637</b>	<b>26,807.0</b>	<b>82%</b>	<b>5,830.0</b>	<b>18%</b>		<b>0%</b>
2 Plant & Equipment							
a. Landfill equipment and machinery	1,859	1,858.5	100%	0.0	0%		0%
b. Waste collection and transfer trucks	13,642	0.0	0%	13,642.0	100%		0%
c. Waste collection bins	7,885	0.0	0%	7,885.0	100%		0%
d. Other equipment (PIU)	40	0.0	0%	0.0	0%	40	100%
e. Other equipment (EA support)	30	0.0	0%	0.0	0%	30	100%
<b>Subtotal</b>	<b>23,455</b>	<b>1,859.0</b>	<b>8%</b>	<b>21,527.0</b>	<b>92%</b>	<b>70</b>	<b>0%</b>
3 PMU, Capacity Development & Studies							
a. Project Implementation Unit	2,237	0.0	0%	0.0	0%	2,237	100%
b. EA consultants	758	0.0	0%	0.0	0%	758	100%
c. Capacity support programs	1,378	0.0	0%	0.0	0%	1,378	100%
d. Annual audit	34	0.0	0%	0.0	0%	34	100%
<b>Subtotal</b>	<b>4,407</b>	<b>0.0</b>	<b>0%</b>	<b>0.0</b>	<b>0%</b>	<b>4,407</b>	<b>100%</b>
<b>Total Base Cost</b>	<b>60,499</b>	<b>28,666.0</b>	<b>47%</b>	<b>27,357.0</b>	<b>45%</b>	<b>4,466</b>	<b>7.4%</b>
<b>D. Contingencies</b>							
a. Physical <sup>b</sup>	5,221	2,749.0	53%	2,286.0	44%	187	4%
b. Price <sup>c</sup>	2,955	1,403.0	47%	1,394.0	47%	159	5%
<b>Duties and taxes</b>	<b>5,820</b>	<b>3,013.0</b>	<b>52%</b>	<b>2,2740.0</b>	<b>39%</b>	<b>533</b>	<b>9%</b>
<b>Total Project Cost (A+B)</b>	<b>74,496</b>	<b>35,830.0</b>	<b>48%</b>	<b>33,310.0</b>	<b>45%</b>	<b>5,338</b>	<b>7%</b>

<sup>a</sup>. In mid-2013 prices.

<sup>b</sup>. Computed at 10% for civil works, vehicles and equipment, 5% for professional staff and zero for lumpsums.

<sup>c</sup>. Computed at 1% for international costs and for local costs 9-12% on local currency costs using constant purchase parity exchange rate.

Note: Excluding interest and commitment charges of \$1.501 million.

Source: Asian Development Bank estimates.