



Uzbekistan: Water Supply and Sanitation Services Investment Program - Tranche 4

Project Name	Water Supply and Sanitation Services Investment Program - Tranche 4	
Project Number	42489-053	
Country	Uzbekistan	
Project Status	Active	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 3064-UZB: MFF-Water Supply and Sanitation Services Investment Program Tranche 4 concessional ordinary capital resources lending / Asian Development Fund US\$ 42.00 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development	
Sector / Subsector	Water and other urban infrastructure and services - Urban policy, institutional and capacity development - Urban sanitation - Urban sewerage - Urban water supply	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The current sewerage system in Fergana and Margilan is also used by Tashlak and nearby districts. There is one treatment plant covering these cities which was built in the 1970s and because of the aging infrastructure and inadequate maintenance the sewage treatment facility is only operating at 20% of its designed capacity. The treated sewage has high levels of pollutants. Sewage is discharged into the nearby river when the sewage treatment facility is non-operational. Due to frequent sewer breakage, the surrounding streets and land are highly polluted. Where expansion has occurred in the cities, these areas have not been covered by the sewerage system.</p> <p>The government has decentralized many WSS services to devolve greater ownership and responsibility to local level, but the success at the level of local water enterprises is limited, with little accountability and incentives to improve services. Vodokanal staff have had limited opportunities for upgrading their skills. Consumption of electricity is high. Improvements are required in O&M procedures, system maintenance, customer relations, collection rate, performance monitoring, and benchmarking systems.</p> <p>On 11 February 2013, the government submitted a periodic financing request (PFR) to ADB for Tranche 4, to finance rehabilitation and expansion of the sewerage system in Fergana and Margilan cities, and capacity development and project implementation support.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The current sewerage system in Fergana and Margilan, which is also used by Tashlak city and nearby districts, was built in the 1970s. Because of aging infrastructure and inadequate maintenance, the remaining rates of main pollutants are as high as 14-54% and the sewage treatment facility is operating at 20% of its designed capacity. Sewage is discharged to nearby river when the sewage treatment facility does not function. Due to frequent breakage of the sewers, street and land are highly polluted. A number of sewers are overloaded. Most extension areas of the cities have not been covered by the sewerage system.</p> <p>The government has decentralized many WSS services to devolve greater ownership and responsibility to local level, but the success at the level of local water enterprises (vodokanals) is limited, with little accountability and incentives to improve services. Vodokanal staff have had limited opportunities for upgrading their skills. Consumption of electricity is high. There are many areas to be improved, such as O&M procedures, system maintenance, customer relations, collection rate, performance monitoring, and benchmarking systems.</p>	
Impact	Improved living standards, environment, and public health in Fergana, Margilan, and Tashlak cities and the surrounding districts	

Project Outcome

Description of Outcome	Safe, reliable, and sustainable sewerage services in Fergana, Margilan, and Tashlak cities and the surrounding districts
Progress Toward Outcome	Ongoing.
Implementation Progress	
Description of Project Outputs	1.Rehabilitation and expansion of sewerage management system in Fergana and Margilan cities 2. Management structure and capacity for vodokanals improved, and implementation effectively supported
Status of Implementation Progress (Outputs, Activities, and Issues)	All civil works contracts awarded, construction ongoing. Consultants' work in progress.
Geographical Location	Fergana

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	Tranche 4 is categorized as a <u>B</u> project for environment in accordance with ADB's Safeguard Policy Statement (SPS) (2009). The IEE report was prepared by UCSA and disclosed on the ADB website on 14 February 2013. The IEE report includes the findings from the environmental audit compliance review for the existing facilities, which was carried out to comply with ADB requirements. The IEE findings indicated that most environmental impacts will occur during the construction period. The environmental management plan (EMP), which covers all required mitigation measures for minimizing environmental impacts, including measures to improve environmental performance based on audit result, was also prepared. The contractor will be responsible for implementing the EMP to mitigate impacts associated with construction activities. The PPMU environmental specialist will continue to be responsible for guiding and monitoring the implementation of the EMP. The environmental monitoring report will be submitted to ADB annually and will be disclosed on ADB's website.
Involuntary Resettlement	Social Safeguards. Tranche 4 is categorized as <u>C</u> in accordance with the SPS for involuntary resettlement. The due diligence on land acquisition also confirms that Tranche 4 does not involve any land acquisition. The pipelines will be placed along the roads, and all civil works confined to the existing road boundaries. Tranche 4 also has no adverse impact on indigenous peoples. None of the ethnic groups in the project areas maintain cultural and social identities separate from the mainstream Uzbekistan society that would classify them as indigenous peoples. Therefore, Tranche 4 is categorized as <u>C</u> project for indigenous peoples in accordance with the SPS.
Indigenous Peoples	

Stakeholder Communication, Participation, and Consultation

During Project Design	Consultation and focused discussions were conducted with stakeholders including the local population, UCSA, local vodokanal staff and khokimiyat officials in the conduct of poverty and social analysis. Consultation with mahallas, neighborhood groups, schools and vodokanals in the project areas will be continued, but as part of the ongoing Tranche 2 of the MFF. Issues related to sanitation/sewerage will be included in the consultation.
During Project Implementation	The major involvement of the of the CSO's are formalized and explained thoroughly in the GAP. It includes consultation and participation of the population in the projet areas and enables them to participate in the project implementation, as well as provide feedback on the quality of services.

Business Opportunities

Consulting Services	All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). 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.
Procurement	All advance contracting and retroactive financing 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). The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. Retroactive financing has been requested for the civil works contract and consultancy contracts mentioned above. Retroactive financing of up to 20% of the respective loan will be applied only for eligible expenditures incurred before the loan effectiveness but not earlier than 12 months before the loan signing. The borrower and UCSA have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

Responsible Staff

Responsible ADB Officer	Hu, Ruoyu
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Urban Development and Water Division, CWRD
Executing Agencies	<i>Uzbekistan Communal Services Agency "Uzkommunkhizmat" PMU_2466@RAMBLER.RU 1, Niyozbek Yuli Str. Tashkent 100035 Republic of Uzbekistan</i>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	13 Jun 2013
Approval	25 Nov 2013
Last Review Mission	-
Last PDS Update	27 Mar 2017

Loan 3064-UZB

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
25 Nov 2013	27 Feb 2014	05 Sep 2014	31 Mar 2018	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	52.50	Cumulative Contract Awards			
ADB	42.00	25 Nov 2013	37.56	0.00	97%
Counterpart	10.50	Cumulative Disbursements			
Cofinancing	0.00	25 Nov 2013	26.28	0.00	68%

Project Page	https://www.adb.org/projects/42489-053/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=42489-053
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