

## Project Summary Information (PSI)

Project No: 000071

Project Name	Railway Electrification Project (Bukhara-Urgench-Khiva)
Country	Republic of Uzbekistan
Sector	Transportation/ Railways
Project No	00000071
Borrower	Republic of Uzbekistan
Implementation Agencies	Uzbekiston Temir Yollari (UTY) Joint Stock Company
Environmental and Social Category	Category B
Date of PSI prepared or updated	March 9, 2018
Estimated Date of Board Consideration	September 2018
Concept Decision	February 9, 2018

### I. Introduction

Uzbekistan is strategically located in the heart of Central Asia. It is a doubly landlocked country and shares land borders with Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan. As a landlocked country, Uzbekistan does not have direct access to sea routes, typically a cheaper mode of transport, and has traditionally relied on overland routes for its transportation requirements. Railway is therefore a dominant mode of transport within the country. Regionally, Uzbekistan has railway links to all geographic neighbors.

Uzbekiston Temir Yollari (UTY) is a Joint Stock Company that manages the railway network in Uzbekistan. Since its establishment, UTY has been rehabilitating Uzbekistan's railway network through electrification of certain sections of the existing railway lines, modernization/ overhaul of rolling stock. It has also supplemented the network by construction of new rail lines.

### II. Project Objectives and Expected Results

The objective of the Project is to improve connectivity of the railway network connecting the cities of Bukhara, Urgench and Khiva in western Uzbekistan, reducing travel times and increasing the freight handling capabilities of the rail connections amongst these cities.

The proposed key performance indicators for the Project include:

- (i) reduction in travel time from Tashkent to Khiva, and from Bukhara to Khiva through increase in speed of passenger trains and freight trains;
- (ii) increase in the number of passengers travelling to and from these three cities; and
- (iii) increase in the tonnage rating of freight trains on this railway line.

### III. Project Description

The Project comprises of the electrification of three railway segments, as well as the construction of associated auxiliary facilities.

The three railway segments are:

- (i) 357km line between the cities of Bukhara and Misken;
- (ii) 77km line between the cities of Misken and Urgench; and
- (iii) 33km line between the cities of Urgench and Khiva.

#### **IV. Environmental and Social**

The Project involves the electrification of the Bukhara-Urgench-Khiva railway section which is currently already operational. As per the Bank's Environmental and Social Framework, the Project is currently proposed to be Category B, considering the nature of the project activities and local environmental and social contexts. However, categorization of the Project will be further reviewed and finalized based on the environmental and social impact assessment to be carried out, as well as the Bank team's site visits prior to Appraisal. The implementation of the Project will result in the elimination of the use of diesel trains, and shall reduce greenhouse gas emissions along this section throughout the operation period of the Project. It is expected that there shall be limited land acquisition and no displacement of local population during the implementation of the Project. This will need to be confirmed during Project preparation.

During Project appraisal, due diligence will be conducted to assess the environmental and social impacts and the key environmental and social issues/risks, as well as to propose suitable mitigation measures and a monitoring program. UTY will prepare an Environmental and Social Management Plan (ESMP) to address environmental and social issues.

The draft Environmental and Social Impact Assessment, together with the resulting ESMP, and any other related documentation will be disclosed both on the Borrowers' website as well as the Bank's prior to appraisal.

#### **V. Estimated Project Cost and Financing Source (US\$ million)**

The Project cost is estimated to be USD 339.10 million. The financing sources are as follows:

<b>Loans/Credits/Others</b>	<b>Amount (USD million)</b>
AIIB	168.20
Others – UTY	170.90
Total	339.10

#### **VI. Implementation**

The Project will be implemented by UTY under the Ministry of Finance.

The Project is expected to be implemented from December 2018 to December 2022.

Procurement for all contracts funded by the Loan proceeds will be carried in accordance with the requirements of the Bank's Procurement Policy and its associated Interim Operational Directive: Procurement Instructions for Recipients.

Participation is open to firms and individuals from all countries to offer, goods, works and services, regardless of whether the country is a member of the Bank.

Opportunities will be published on the Bank's website available at the following link: <https://www.aiib.org/en/opportunities/business/index.html?business=investment>

#### **VII. Contact Points**

##### **Asian Infrastructure Investment Bank (AIIB)**

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**Implementing Agency**

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