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Solid Waste Management Improvement Project

ADB Loan No.: 3067-UZB

PROJECT MANAGEMENT, IMPLEMENTATION AND SUPERVISION CONSULTANCY SERVICES

Contract No.: SUE/Maxsustrans/QCBS-Cons\_1-2016-01

  

Annual Progress Report No. 4

January – December 2020

**CLIENT – IMPLEMENTING AGENCY**

**State Unitary Enterprise (SUE) “MAXSUSTRANS” (Uzbekistan)**

**PIU CONSULTANT**

**Infratech Consulting SDN Ltd. (Uzbekistan)**

Tashkent – February 2021

|  |  |
| --- | --- |
| **Project title:**Solid Waste Management Improvement Project (SWMIP)ADB Loan No.: 3067-UZB | **Client:**State Unitary Enterprise (SUE) “MAXSUSTRANS”Mr. Rakhmatilla Karshiev , Director Telephone: +998 71 247 06 70Facsimile: +998 71 247 79 21E-mail: maxsustrans@inbox.ru  |
| **Contract No.:**SUE/Maxsustrans/QCBS-Cons\_1-2016-01 from 11th of January 2017 | **Project Implementing Unit:**Mr. Jasur Hamidov, Head of PIUAddress: Uchtepa district, “Bekobod” Industrial Zone, Tashkent, 100132, Republic of UzbekistanTelephone: +998 71 247 38 16E-mail: piu3067@gmail.com  |
| **Date of the Commencement of the Services:**01st of August 2017**End of the Contract Date:**30th of June 2021 (as per Amendment No. 5) | **PIU Consultant:**Infratech Consulting SDN LtdAuthorized representative - Mr. Dilshod KhalmukhamedovAddress: Shahrizabs street, 16a, Tashkent, 100015, Republic of UzbekistanPhone: +998 71 256 39 01E-mail: infratech\_consulting@asia.com |
| **Name of Consultant’s Team Leader, telephone and email:** | Mr. Dilshod Mavlyan-KarievPhone: +998 90 975 27 00 E-mail: dilshod75@mail.ru  |

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List of Abbreviations

|  |  |
| --- | --- |
| **ADB** | Asian Development Bank |
| **AFS** | Audited Financial Statements |
| **BD** | Bidding documents |
| **BoQ** | Bill of quantity |
| **CDP** | Capacity Development Program |
| **CQS** | Consultant Qualification Selection |
| **EA** | Executing Agency (Tashkent City Administration or SCEEP) |
| **EIA** | Environmental Impact Assessment |
| **EMP** | Environmental Management Plan |
| **EMR** | Environmental Monitoring Report  |
| **FIDIC** | International Federation of Consulting Engineers |
| **GAP** | Gender Action Plan |
| **GCC** | General Contract Conditions |
| **GoU** | Government of Uzbekistan |
| **ITB** | Instruction to Bidders |
| **IA** | Implementing Agency (State Unitary Enterprise “Maxsustrans”) |
| **ICB** | International Competitive Bidding |
| **IEE** | Initial Environmental Examination |
| **LARP** | Land Acquisition and Resettlement Plan |
| **MSW** | Municipal Solid Waste |
| **MOF** | Ministry of Finance of Uzbekistan |
| **NGO** | Non-Government Organization |
| **O&M** | Operation and Maintenance |
| **PAM** | Project Administration Manual |
| **PIU** | Project Implementation Unit |
| **QCBS** | Quality and cost based selection |
| **RFP** | Request of Proposal |
| **SCC** | Special Contract Conditions |
| **SCEEP** | State Committee of Uzbekistan of Ecology and Environmental Protection |
| **SPS** | Safeguard Policy Statement |
| **SLF** | Sanitary Landfill Facility |
| **SUE** | State Unitary Enterprise |
| **SWMIP** | Solid Waste Management Improvement Project |
| **TA** | Technical Assistance |
| **ToR** | Terms of Reference |
| **USD**  | United States Dollars ($) |
| **UZB** | Uzbekistan |
| **UZS** | Uzbek Sums  |
| **WA** | Withdrawal Application |

# EXECUTIVE SUMMARY

This Annual Progress Report No. 4 was prepared by the PIU Support Consultants. This report outlines the achievements in terms of project management, procurement, contract administration and all other corresponding activities of the Solid Waste Management Improvement Project **between 1st of January until and 31st of December 2020**.

The report structure is similar to the already submitted reporting format developed for the Client and PIU and submitted to the ADB as before and we will continue in this form. This report covers the comprehensive progress made in project management, procurement activities and all others of the SWMIP within the year 2020. In addition to this Annual Report, the Consultant has submitted the Semi-Annual Environmental Monitoring Report and Semi-Annual Social Safeguard Monitoring Report for the period **July – December 2020**.

Some key activities and achievements during the reporting annual period are summarized below:

* **Replacement of PIU management**: Since 1st of July 2020 the PIU is managed by head Mr. Jasur Hamidov and his deputy Mr. Farkhod Hamdamov. The previous management of PIU was represented by Mr. Rustam Shukurov and by its deputy Mr. Muzaffar Maksudov. PIU accountant Ms. Lutsia Badalbaeva is still working.
* **COVID-19 pandemic**: Since March 2020 the Government of Uzbekistan taking measures against COVID-19 in the country. In the first half of 2020 the most of personal of the Consultant, PIU and the Client should work on the remote basis, but since July the most experts could work in office with limited days on online basis. Due to restrictions for international flights to and from Uzbekistan the international experts of PIU Consultant and other companies could not work in Uzbekistan.
* **Team Leader of the Consultant** Mr. Ingo Schoebe has left Uzbekistan on 29th of February 2020 and since March 2020 he working and helping to implement the project from home office.
* **Bankruptcy of H.P. GAUFF INGENIEURE GMBH & CO. KG-JBG**: In April 2020 the Company has applied for the opening of insolvency proceedings in self-administration under so-called “protective shield proceedings” according to German Law. Nuremberg Local Court has accepted this application and confirmed initiating of insolvency proceedings on 1 July 2020. On 17. September 2020 the new management of the Company appointed by the Court has informed SUE “Maxsustrans” about non-entry in the Contract Agreement No. SUE/Maxsustrans/QCBS-Cons\_1-2016-01.
* **Contract C1: PIU Consultants**: After non-entry in the Contract by H.P. Gauff the Client (SUE Maxsustrans) has negotiated with local JV partner of the PIU Consultant – Infratech Consulting SDN Ltd. from Tashkent to continue the consulting services until 30 June 2021 – ADB’s Loan Closing Date. On 9 December 2020 the Amendment No. 5 to the Contract of PIU Consultant has been signed and all further services to be performed by leadership of Deputy Team Leader – Mr. Dilshod Mavlyan-Kariev. Team Leader Mr. Ingo Schoebe has departed to home on 29 February 2020 for vacation, but due to COVID-19 pandemic restrictions could not come back to Uzbekistan for provision of services in the field. Since March 2020 he worked mainly from home office and supported the project team with technical issues, progress reporting and bid evaluation.
* **Procurement packages (awarded):** Within the reporting period the Client could award and sign the contract under package G1 - Supply of Landfill equipment and machinery (two lots only); package G6 – Supply of Waste Collection Trucks (59 pcs); and package CW4: Garage rehabilitation for the total amount of $8,7 million. Contract G6 is already completed and other two contracts G1 and CW4 are ongoing.
* **Procurement packages (delayed contract awards):** Selection of Contractor under package CW1: Sanitary landfill establishment and dumpsite closure is still pending due to missing final decision about contract award or re-bidding of the package between the City’s Tender Commission and ADB. Meanwhile, validity of bids and bid securities have expired on 30 September 2020 and there are no valid bids; Selection of Contractor under package CW2: Transfer Station Rehabilitation was initiated in 2020, unfortunately the bid evaluation could be not finished within 120 days after the bid opening on 3 August 2020. The contract award is expected in the beginning of 2021.
* **Contract C2: Sanitary Landfill Design and Supervision Consultants** – After completion of the design phase in October 2019, the further Services for Works Supervision are pending due to delay with selection of Contractor under package CW1: Sanitary landfill establishment and dumpsite closure. The Consultant is in a stand-by situation and waiting for commencement of civil works under CW1.
* **Contract C3: Capacity Development Program Consultants** – The Consultant has completed its services by December of 2019 and in the first quarter of 2020 they provided the final report and invoice which have been approved by Maxsustrans and paid in August 2020. The contract was completed by the final total price of $1,216,134.55 due to coordination and optimization of the expert input by the Client. The unused amount of $161,465.45.
* **Project Disbursements**: In 2020 the total disbursements reached $5.54 million including PIU costs and ADB’s commitment fees and interests paid from ADB Loan proceeds during the Project implementation. According to PIU data the cumulative amount of disbursements since the Project beginning was $35.58 million (51.56%) as per 31.12.2020.
* **Monitoring of Safeguard compliances**: The project is categorized as “B” for both resettlement and environment as per ADB’s Safeguard Policy Statement 2009. This monitoring has been mainly provided by the national specialists of PIU Consultant responsible for assessment and monitoring of all environmental and social issues related to the Project according to SPS 2009, applicable laws and regulations of Uzbekistan, and recommendations of the IEE and its EMP. In 2020 the PIU Consultant has submitted two semi-annual reports on Safeguard Monitoring. The civil works have not started yet excluding Garage Rehabilitation, which do not have impact on environment and there are no affected persons.
* **ADB Project Review missions**: Two virtual missions were held by ADB: 16-22 June 2020 and 3-9 November 2020. Due to COVID-19 pandemic restrictions all discussions and meetings of the mission were arranged by video conference with the relevant stakeholders of the Project. The main agenda was updating the current status of project implementation, pending procurement packages, low level of loan disbursement, IA’s compliancy with the Loan covenants, transfer of fixed assets of IA to other company, audit of annual financial statements of the IA and Project and other issues.

# Project Description

## Project Description

ADB approved the project on 27 November 2013 with a loan amount of $69 million from its ordinary capital resources. The total project cost is $76.0 million equivalent, inclusive of taxes and duties, and financial charges during implementation. The Loan and Project Agreements were signed on 27 February 2014. The loan became effective on 29 December 2014. The project is designed for five years of implementation with a loan closing date of 30 June 2019. On 17 December 2018, ADB approved a two-year loan extension with revised loan closing date of 30 June 2021 to complete all ongoing contracts and planned civil works, delayed due to start-up delays (including 10 months delay in effectiveness) and procurement delays (the first contract was awarded in 2016 only) because of the executing agency’s insufficient capacity and government’s prolonged contract registration process.

The project impact is improved urban environment and quality of life for the residents of Tashkent. The expected outcome is improved SWM services and management in Tashkent. The project has three outputs: output 1 - rehabilitated and expanded solid waste management (SWM) system in Tashkent; output 2 - strengthened operational capacity; and output 3 - national SWM strategy. Tashkent Municipality is the executing agency (EA) for the outputs 1&2, with SCEEP being the EA for output 3. Maxsustrans is the implementing agency (IA) responsible for the day-to-day project implementation.

Output 1: Rehabilitated and expanded SWM system in Tashkent

1. full rehabilitation of two transfer stations with the possibility maybe to close an existing transfer station without losing of the current capacity in waste management by minimum of 1,950 tons per day
2. with the foresight to established an disposal and operational capacity by app. 750 thousand tons/year of the rehabilitated and new constructed landfill – Akhangaran with international environmental standards
3. to create an operative system to reach a strengthened operational capacity with parallel replacement of old trucks and equipment in the fleet
4. to Improve the collection capacity and quality by waste separation by household waste and by small business

Output 2: Strengthened operational capacity

1. at least 90% of households actively segregating waste at source,
2. campaign to raise awareness will reach 90% of households on waste segregation with women household members’ participation,
3. improved management, operations and maintenance of MAXSUSTRANS.

Output 3: Elaboration of the National Solid Waste Management Strategy

1. Preparation of a draft national strategy for the management of solid waste, including a draft sector investment program

To date, the outputs 1 and 2 are ongoing, while the output 3 has been completed in 2019, with a national SWM strategy approved by the Government of Uzbekistan in April 2019 and with final activities of the CDP Consultants within April-December 2019 approved by Maxsustrans in Summer 2020.

## Source of Funding & Loan Proceeds Category

The total Project cost is **USD 76 million** equivalent, of which the ADB loan is USD 69 million and the Uzbek Government share – USD 7 million equivalent as taxes and duties, and financial charges during implementation.

Table 1: Sources of Financing

| Source of Financing | Total(million USD) | % |
| --- | --- | --- |
| Asian Development Bank Financing |
| Loan 3067-UZB (Ordinary Capital Resources) | 69.00 | 90.79% |
| Governmental Financing |
| Government of Uzbekistan (GoU)  | 7.00 |  9.21% |
| Total | 76.00 | 100% |

Table 2: Withdrawal of Loan Proceeds Category (as reallocated in August 2019)

|  |  |  |  |
| --- | --- | --- | --- |
| **Loan Category** | **Item**  | **Total amount allocated for ADB OCR Financing ($)**  | **Percentage and basis for Withdrawal from the Loan Account**  |
| Category | Subcategory |
| **1** | **Civil Works**  |  **33,600,480** |
| a+b | Landfill construction & Dumpsite closure | 23,531,000 | 100% of total expenditure claimed\*  |
| c | Transfer station, garages and collection points  | 7,779,000 | 100% of total expenditure claimed\*  |
| d | Design and Supervision  | 2,290,480  | 100% of total expenditure claimed\*  |
| **2** | **Plant and Equipment**  |  **26,756,900**  |
| a | Landfill equipment and machinery  | 3,800,000 | 100% of total expenditure claimed\*  |
| b | Waste collection and transfer trucks  | 17,188,900 | 100% of total expenditure claimed\*  |
| c | Bins and other equipment  | 5,768,000 | 100% of total expenditure claimed\*  |
| **3** | **PMU, Capacity Development and Studies**  |  **4,168,193**  |
| a | Project management personnel and support  | 2,517,958  | 100% of total expenditure claimed\*  |
| b | Consultants, capacity support and audit  | 1,650,235  | 100% of total expenditure claimed\*  |
| **4** | **Interest and Commitment Charges** | **4,474,427**  | **100% of amounts due**  |
| **5** | **Unallocated**  |  **-**  |
| Total | 69,000,000 |
| \* Exclusive of taxes and duties in Uzbekistan. Source: Loan Agreement with Asian Development Bank from 27.02.2014  |

# CONSULTANT TASKS and Activities DURING THE REPORTING PERIOD

## Project Management (TOR Task A)

The PIU Consultant is continuing his tasks according to the contractual obligation and in compliance with the current tasks given by the PIU/Maxsustrans. These activities cover assistance to the project stakeholders in project implementation, management, administration, communication and reporting about the project progress, procurement activities and current issues. The Consultant has participated in the regular meetings via video conferences with ADB, IA, EA, SCEEP and PIU and sometimes in the short daily briefings.

Due to restrictions caused by COVID-19 the Consultant team has worked since March to July 2020 mostly from home and since August 2020 the office work was a little bit stabilized. Team Leader Mr. Ingo Schoebe left Uzbekistan on 29 February 2020 and until December 2020 he managed the project implementation and progress reporting from home office with limited input as well as Mr. Aleksandr Maximov – International Procurement Specialist.

On 30 June 2020 PIU Head Mr. Rustam Shukurov and Deputy Head Mr. Muzaffar Mansurov have retired. Since July 2020 Mr. Jasur Hamidov is leading PIU and Mr. Farkhad Khamdamov has started his work as Deputy Head since August 2020. There are no changes in top management of Maxsustrans. Other staff of PIU is available and not changed.

During the reporting period ADB has conducted two loan review missions through video conference intermittently from **16 to 22 June 2020** and from **3 to 9 November 2020**. The missions held discussions with the Ministry of Investments and Foreign Trade, Ministry of Finance, Tashkent City Hokimiyat, Maxsustrans and PIU/PIU Consultants.

The missions aimed to (i) follow up with Tashkent Hokimiyat, the project executing agency, on the pending procurement of critical civil works package (CW1 - Sanitary Landfill Establishment and Dumpsite Closure); (ii) discuss with Maxsustrans and the Project Implementation Unit the project performance and compliance with the loan covenants; (iii) discuss the issue of Maxsustrans asset transfer which ADB had not been informed, which is not compliant with loan covenants; iv) monitor the project performance by Maxsustrans with methodology and plan for monitoring project performance using targets, indicators, assumptions and risks; and v) monitor the gender and social dimensions and implementation of Gender Action Plan by PIU’s gender focal person in place to coordinate the activities on a regular basis under the guidance of URM gender specialist.

During the reporting period the Client and PIU was assisted in communication and current progress reporting to the local authorities and the Executing Agencies like Tashkent City Administration and State Committee of Uzbekistan of Ecology and Environmental Protection. In addition, the PIU Consultant has supported the City’s Tender Commission and Evaluation Committee in conduction of procurement process, bid evaluation and clarifications to/from bidders.

Furthermore, within the reporting period, upon request of Maxsustrans, PIU and ADB, PIU Consultant was involved in discussions through video conference regarding project progress, current procurement issues, disbursements and other pending matters, which then resulted to Agreed Action Plan with highlighting the critical issues, mitigation/improvement measures and responsible persons.

Due to restrictions caused by COVID-19 the auditors from BDO Tajikistan could not come to Uzbekistan for audit of the accompanying Special Purpose Financial Statements of the Project “Solid Waste Management Improvement Project” for FY 2019. PIU Consultant’s team and PIU accountant have arranged preparation, scanning and providing all financial data and supporting documents to HQ of BDO Tajikistan in Dushanbe city. By this way, the auditors could conduct audit of the Financial Statements of SWMIP for 2019 on time. ADB by its fax letter from 27 July 2020 has found the unqualified opinion on the APFS acceptable and also noted that there is no opinion provided and unaudited figures were used in the computation of the financial covenants. Maxsustrans was advised to ensure that in the Audited Entity Financial Statements (AEFS): (i) auditor’s opinion is provided on the financial covenants; and (ii) financial covenants are calculated using audited numbers from the AEFS.

The APFS has been disclosed on the ADB website, at <https://www.adb.org/projects/documents/uzb-45366-004-apfs-3>.

In October 2020 Maxsustrans has submitted to ADB the Audited Entity Financial Statements (AEFS) and Management Letter for FY 2019. According to the Government resolution, preparation and submission of AEFS of the state-owned companies was postponed to October 2020.

The Consultant has prepared and submitted the following reports during 2020 (January – December 2020):

* Quarterly Progress Report (for 1. Quarter 2020)
* Quarterly/Semiannual Safeguard Compliance and Monitoring Reports (for 1. Quarter and January-June 2020)
* Quarterly/Semiannual Environmental Monitoring Reports (for 1. Quarter and January-June 2020)
* Updated Project Implementation and Procurement Schedule *(when required)*
* Updated Project Procurement Plan *(when required)*
* Disbursements Requests, Withdrawal Applications and Reporting (*as and when required)*
* Claims Evaluation Report of the Suppliers (*as and when required)*

In addition, the Consultant will support and advise the Client and PIU at preparation and submission of ad-hoc reports to local authorities and EAs upon demand.

## Procurement (TOR Task B)

The Consultant has continued to assist to the Client in procurement planning and tender implementation. The updated Procurement Schedule, version No. 8 from 31.12.2020 is provided in Annex 1. The latest updated Procurement Plan, version No. 8 was posted at ADB web site on 03.12.2020 (please see Annex 2).

The current status of procurement packages is summarized in this table:



As of 31 December 2020, 93% time lapsed against cumulative $33.51 million contract awarded and $27.86 million disbursed. Compared to the updated Procurement Plan (version No. 8) 52% of the contracts for goods, works and services have been awarded. The following packages are still in procurement stage: Works: CW1- Landfill Construction and Dumpsite Closure ($23.53 million) and CW2-Transfer Station Rehabilitation ($7.0 million); and not yet published to bid: Goods: G1 – Landfill Equipment ($194,400), lot 3 and 4 - Supply of trailer and pickup.

Referring to Aide Memoire of Loan (Virtual) Review Mission conducted on 3-9 November 2020, in 2020 the contract awards and disbursements achievement were 67% and 58% respectively. To be mentioned that while 6 goods contracts ($26.77 million), 11 consultant services ($5.98 million) and 3 civil works packages ($31.49 million) were envisioned in the procurement plan, all 5 goods contracts (excluding Contract G1, lot 3 and 4) and 11 consulting services contracts have been awarded to date.

During the reporting period under this Task B, the Consultant has performed the following activities and assistance to PIU and the Client:

**GOODS packages:**

G1 / Landfill Equipment & Machinery

After decision of the Tender Commission to award the contract to THG Technik Handels Gesellschaft AG in association with Zeppelin International AG (Switzerland) under Lot 1: Supply of Сrаwlеr Excavator, Bulldozer, Wheel Loader and Lot 2: Supply of Landfill Waste Compactor taken on the meeting from 10 December 2019, the BER was approved by ADB on 28 January 2020. The total contract price is $3,625,000 (Lot 1 - $1,977,422 and Lot 2 - $1,582,934). The Contract for Lot 1 was signed on 28 February 2020 and for Lot 2 on 22 May 2020. The revised Goods delivery schedule (Assembling of the goods at the point of delivery and training) is for Lot 1 - March 2021 and for Lot 2 – April 2021. The contract is on-going and completion is scheduled by 30 April 2021.

The Consultant activities performed for this package:

* Preparation and revision of Bid Evaluation Report
* Drafting Minutes of Meeting of the Tender Commission
* Assistance to PIU in communication with ADB and local authorities
* Drafting the Contracts and arrangement of Contract negotiations and signing
* Drafting the Amendment No. 1 and 2 to the Contracts Lot 1 and Lot 2 (change of excavator model and delivery schedules due to restriction and production limits in the CAT manufacturers caused by COVID-19
* Support to IA in communication with MIFT on request for review and registration of contract/amendments

G6 / Waste Collection Trucks (additional 59 units)

After decision of the Tender Commission to award the contract to Posco International Corporation (South Korea) for supply of 59 waste collection trucks taken on the meeting from 7 January 2020, the BER was approved by ADB on 5 February 2020. The contract price is $4,189,000. The Contract was signed on 28 February 2020. The final commissioning certificate was signed on 30 November 2020 and the final payment to the Supplier was done on 1 December 2020. The contract is completed.

The Consultant activities performed for this package:

* Preparation and revision of Bid Evaluation Report
* Drafting Minutes of Meeting of the Tender Commission
* Assistance to PIU in communication with ADB and local authorities
* Drafting the Contracts and arrangement of Contract negotiations and signing
* Support to IA in communication with MIFT on request for review and registration of contract

**WORKS packages:**

CW1 – CW3 / Sanitary Landfill Establishment and Dumpsite Closure

IFB was posted on 15 October 2019 and on 26 November 2019, bid opening was conducted. Two bids have been received to the deadline. The contract award under this package is still pending. After receiving ADB’s comments on 9 July 2020, the revised BER was submitted to ADB on 15 September 2020 proposing to award the contract to the noncompliant bidder – JV «Go’ksin Insaat and Hayat Group LLC» (Turkey and Azerbaijan). On 30 September, ADB sent objection letter to the revised BER. Maxsustrans advised the Tashkent Municipality’s Tender Committee to review the bid proposals and to find justifications to justify a request for rebidding.

On the meeting from 24 November 2020, the Tender Committee has determined the following two main justifications for request for rebidding:

* As per letter of the State Committee for Ecology and Environmental Protection from 4 November 2020 the existing dumpsite in Akhangaran district is provided for implementation of investment project with participation of Sejin G&E Co., Ltd. from South Korea intending to generate electrical power from transformation of landfill gas. The dumpsite closure works shall be implemented under this project and there is no need to spend the ADB loan funds for this works.
* The present design for construction of sanitary landfill on 30 ha in Akhangaran district shall be revised taking into account the technical aspects, in particular waste treatment technologies by using the alternative energy solutions as stipulated in the National Waste Management Strategy for the period 2019 – 2028 approved by the Uzbekistan President Decree No. PP-4291 from 17.04.2019.

On 19 December 2020, PIU sent to ADB the Minutes of Meeting of the City’s Tender Committee cancelling this bid and requesting the rebidding for construction of sanitary landfill with revision of design and bidding documents accordingly. ADB noted that the bid validity has expired on 30 September 2020 and PIU did not send to ADB an official request for further extension of validity of bids and bid securities. Meanwhile, upon request of PIU, the bidders have extended their bids until 30 November 2020 and bid securities until 31 December 2020.

Chronology of the tender process from IFB issuing till end of December 2020 is outlined below:

|  |  |
| --- | --- |
| **Data** | **Action** |
| 15 October 2019 | IFB posting on web site of ADB, Maxsustrans and [www.tenderweek.com](http://www.tenderweek.com), and also in local newspaper «Vecherniy Tashkent» |
| 26 November 2019 | Bid opening |
| 10 December 2019 | Review of initial bid evaluation by Tender Committee (TC) and comments for revision of BER |
| 17 February 2020 | Review of the revised BER by TC and request for clarification to MIFT and ADB re. correctness of PIU actions in terms of compliance with the Procurement Guidelines |
| 20 February 2020 | Responses from MIFT and ADB distributed to TC  |
| 23 May 2020 | Meeting of TC deciding to cancel the bid process and to request the rebidding through international competitive bidding.*Notes: Due to restrictions caused by COVID-19 and other urgent tasks of TC, there was a long interruption between the previous meeting from 17 February 2020 and the next meeting on 23 May 2020.*  |
| 28 May 2020 | Letter of Tashkent Municipality to ADB requesting the rebidding. |
| 19 June 2020 | Response of ADB requesting to provide submission of BER to justify the request and extension of bid validity from 31 May till 28 June or other acceptable date. |
| 23 June 2020 | BER with justifications and conclusions of TC made in the meeting on 23 May 2020 has been sent to ADB’s review. |
| 9 July 2020 | ADB provided comments to BER and objection for justifications and conclusion of TC about cancelling the bid results and request for rebidding. The bank requested to provide additional clarifications and confirmation documents for justifications of TC. |
| 10 August 2020 | Meeting of the Government of Uzbekistan leaded by the President of Uzbekistan. Tashkent Municipality and Maxsustrans were advised to complete the bid process and ensure the contract signing with company-winner until 1 September 2020.  |
| 2 September 2020 | Meeting of TC recommending the contract award to JV «Go’ksin Insaat and Hayat Group LLC» for the amount of $22,28 million. |
| 15 September 2020 | Revised BER with recommendation on contract award to JV «Go’ksin Insaat and Hayat Group LLC» sent to ADB’s review. |
| 30 September 2020 | ADB sent objection letter to the revised BER proposing to award the contract to the noncompliant bidder. Maxsustrans advised the Tender Committee is reviewing the bid proposals according to the bidding documents and ADB Procurement Guidelines and attempting to find justifications to justify a request for rebidding. |
| 24 November 2020 | Meeting of TC on which the ADB comments have been reviewed. Considering letter of the State Committee for Ecology and Environmental Protection from 4 November 2020 the existing dumpsite in Akhangaran district is foreseen for implementation of investment project with participation of Sejin G&E Co., Ltd. from South Korea intending to generate electrical power from transformation of landfill gas. The dumpsite closure works shall be implemented under this project and there is no need to spend the ADB loan funds for this works. Secondly, the present design for construction of sanitary landfill on 30 ha in Akhangaran district shall be revised taking into account the technical aspects, in particular waste treatment technologies by using the alternative energy solutions as stipulated in the National Waste Management Strategy for the period 2019 – 2028 approved by the Uzbekistan President Decree No. PP-4291 from 17.04.2019Based on above, TC decided to annul the bid results and to agree with ADB rebidding for construction of new sanitary landfill only. *Notes: Due to restrictions caused by COVID-19 and other urgent tasks of TC, there was a long interruption between the previous meeting from 2 September 2020 and the next meeting on 24 November 2020.* |
| 19 December 2020 | PIU sent to ADB minutes No. 26 of TC meeting from 24 November with decision to annul the bid results and to agree with ADB the revised design and tender documents for rebid the package for construction of new sanitary landfill. |
| 22 December 2020 | ADB advised that validity of both bids were expired on 30 September 2020 and currently there are no valid bids.  |

The Consultant activities performed for this package:

* Revision of BER based on comments and recommendations of TC/ADB and also clarifications from Bidders
* Assistance to PIU and IA in communication with local authorities, TC, ADB and Bidders
* Drafting clarification requests and requests for bid extension to Bidders
* Reporting to local authorities, EA and IA on status of this procurement package

Currently, the Ministry of Investments and Foreign Trade and Ministry of Finance are preparing an official request to ADB on rebidding the package CW1 due to above mentioned reasons and the ministries would like to provide to ADB clarifications about long-time bidding process under this package.

CW2 / Transfer Station Rehabilitation

Last revised draft of the bidding documents sent to ADB review on 4 June 2020 and on 8 June 2020 ADB has approved the BD. IFB was posted on 8 June 2020 and on 3 August 2020, bid opening was conducted. Four bids have been received to the deadline. The contract award under this package is still pending. The first draft BER sent to ADB on 11 December 2020. Since December 2020 ADB requested PIU to provide additional information, clarifications and justifications on evaluation of bids. Meanwhile, the bid validity has been extended two times the last extension was till 28 February 2021.

The Consultant activities performed for this package:

* Preparation/revision of bidding documents including bill of quantities completed with design consultants (C7)
* Preparation of IFB
* Arrangement of TC meetings for review and approval of BD and IFB
* Assistance to PIU and IA in communication with local authorities, TC and ADB
* Drafting BER and compilation of all supporting documents and appendices
* Drafting clarification requests and requests for bid extension to Bidders
* Reporting to local authorities, EA and IA on status of this procurement package

CW4 / Garage Rehabilitation

Last revised draft of the bidding documents sent to ADB review on 23 June 2020 and on 26 June 2020 ADB has approved the BD. IFB was posted on 25 June 2020 and on 3 August 2020, bid opening was conducted. Two bids have been received to the deadline. No-objection letter ADB for contract award has been provided on 4 December 2020. The contract was signed on 7 December 2020 and the works commencement date is 16 December 2020. The civil works are going on and scheduled for completion by 30 July 2021 or one month earlier.

The Consultant activities performed for this package:

* Preparation/revision of bidding documents including bill of quantities completed with design consultants (C8)
* Preparation of IFB
* Arrangement of TC meetings for review and approval of BD and IFB
* Assistance to PIU and IA in communication with local authorities, TC and ADB
* Drafting BER and compilation of all supporting documents and appendices
* Drafting clarification requests to Bidders
* Reporting to local authorities, EA and IA on status of this procurement package
* Preparation of contract draft and negotiations between Contractor and Employer

**SERVICES packages:**

C2 / Sanitary Landfill Design and Supervision Consultant

The Consultant - China Urban Construction Design & Research Institute Co. Ltd. (CUCD) in association with Mailc Engineering Ltd. and private enterprise TMM ARH has completed the first phase of assignment – elaboration of detailed design for new landfill establishment and closure of dumpsite - the both sites located in Akhangaran district of Tashkent region. Due to significant delay with selection of contractor under package CW1 the continuation of the supervision services (the second phase of assignment) was not possible during the reporting period.

In the meantime, the Consultant has requested to sign the Amendment No.2 to the Contract in order to get the pending payments to the Consultant for completion of the design work, totaling $365,875.84, consisting of remuneration amounting to $301,186.81 and reimbursable costs amounting to $39,610.51. The provided Amendment includes reallocation of field input to home input of key specialists of CUCD due to higher key staff efforts at home during the design phase, reallocation of reimbursable costs and advance payment conditions for the supervision phase of the project. The Consultant has requested also to increase by 1.5 months the international key input for the forthcoming supervision phase and to extend the service period for 12 months since 7 December 2020.

Review and approval of draft Amendment No. 2 was pending by the Client until December 2020 and after appeal letter of CUCD sent to the Government of Uzbekistan, the Client has agreed with the Consultant to amend the contract, in case of: positive legal opinion from independent lawyers; approval by local authority and ADB. During the reporting period, the Consultant’s services were in stand-by status. Now, the Service period can be extended till 30 June 2021 only – Loan Closing Date that was recommended by MIFT during review of the first draft Amendment No.2.

The legal opinion to draft Amendment No.2 has been obtained from independent local lawyers on 3 December 2020. Further, this Amendment to the Contract can be signed by the parties after approval by MIFT and ADB.

C3 / Capacity Development Program Consultant

The CDP Consultant has completed its services by end of December 2019. The final report and deliverables have been provided to the Client’s review during January-March 2020. In April 2020 the Consultant has submitted its final invoice which was paid in August 2020. The contract was completed with the final amount of $1,216,134.56 and the unused amount is $161,465.44.

**C6 / PIU Audit Consultant for the period 2018 - 2021**

The contract for audit of PIU accounts during 2018 – 2021 has been concluded with BDO Tajikistan LLC on 15 August 2019. The contract implementation is scheduled till September 2021 – aiming to audit of the Project accounts till the Loan Closing Period (30 June 2021). During the reporting period the Consultant has conducted audit of Project accounts for FY 2019 and provided Auditor’s report and Management Letter to the Project Financial Statement for this year. On 27 July 2020 the ADB has provided its letter with the following conclusion: “*We have reviewed the APFS for the captioned project and found the unqualified opinion on the APFS acceptable. We note that there is no opinion provided and unaudited figures were used in the computation of the financial covenants*”.

**C7 / Transfer Station Rehabilitation Design and Supervision Consultants**

The assignment consists of two main phases: detailed design and works supervision. After signing the Contract with the local company “Quality Planning” LLC in August 2019 and commencement of design services in September 2019 the Consultant could complete its design works by April 2020. Based on engineering design and cost estimate documentation the PIU Consultant and PIU has prepared the bidding documents for the procurement package CW2 - Transfer Station Rehabilitation.

The estimated cost after detailed design was $7.0 million, as included in the Project Procurement Plan. The current status: services are stand-by, the Consultant waiting for selection of the Contractor under CW2 to provide its supervision services. Selection status of CW2, please see in item above (CW2 / Transfer Station Rehabilitation).

**C8 / Garage Rehabilitation Design and Supervision Consultants**

The assignment consists of two main phases: detailed design and works supervision. After signing the Contract with the local company “Quality Planning” LLC in August 2019 and commencement of design services in September 2019 the Consultant could complete its design works by April 2020. Based on engineering design and cost estimate documentation the PIU Consultant and PIU has prepared the bidding documents for the procurement package CW4 – Garage Station Rehabilitation.

To be noted that the estimated cost after detailed design was calculated at about $1.0 million that is more by $221,000 as per the Project Procurement Plan. ADB and Maxsustrans have agreed to increase the initial budget for CW4 package, because currently under the Loan category “Civil Works” there are available loan proceeds due to none awarded contracts and disbursements. Tender for selection of the Contractor CW4 was completed and on 7 December 2020 Maxsustrans has signed the Contract for Garage rehabilitation works for the total amount of $957,285 in equivalent.

The Contractor (local construction company “Indigo Baraka Service” Ltd.) has notified the Employer about starting the civil works in Marabad District Garage on 16 December 2020. The current status: the Consultant providing supervision services by its Civil Engineer, who is Project Manager under the Contract CW4. Completion of supervision services is scheduled by June/July 2021.

## Construction Supervision & Monitoring (TOR Task C)

Under this task the Consultant shall assist the PIU and Maxsustrans with the oversight of all the construction activities particularly of the civil works packages. These shall include: (i) review and quality control of the design and other documents and monitoring the works that are performed in conformity to the approved designs, (ii) develop and implement construction quality assurance program, (iii) monitor contractors work schedule, (iv) monitor supply activities particularly with Uzbekistan Customs Clearances, and (v) address shortcoming in any of these areas.

CW4 / Garage Rehabilitation works

The PIU Consultant started its services under this task after commencement of civil works by the Contractor “Indigo Baraka Service” Ltd. on 16 December 2020. The Consultant has employed a local Supervision Specialist Mr. Jalolitdin Nabiev (Non-key expert acc. to Contract), who will be responsible for implementation of this task C and reporting on current progress and issues. From the first days Mr. Nabiev is in close contact and coordination with the Contractor’s representatives and Project Manager of the Design and Supervision Consultant - “Quality Planning” LLC.

The Contractor started with demolition of existing buildings and facilities acc. to design plan of Mirabad District Garage. Mr. Nabiev is supervising the construction works quality, occupational safety measures and monitoring compliancy with the following work schedules prepared by the Contractor:

|  |  |  |  |
| --- | --- | --- | --- |
| **№** | **Description of Works** | **Starting date** | **Ending date** |
|  | **Mirabad Garage Rehabilitation** |  |  |
| 1. | Site preparation | 16.12.2020 | 20.12.202 |
| 2. | General construction works | 18.12.2020 | 20.04.2021 |
| 3. | Decoration works | 10.03.2021 | 20.06.2021 |
| 4. | Electrical installation works | 01.04.2021 | 01.06.2021 |
| 5. | Sanitary engineering works | 10.04.2021  | 10.05.2021 |
| 6. | Special works and others | 01.04.2021 | 01.06.2021 |
| 7. | Site improvement works | 21.06.2021 | 30.07.2021 |
|  |  |  |  |
|  | **Bektemir Garage Rehabilitation** |  |  |
| 1. | Site preparation | 16.12.2020 | 20.12.2020 |
| 2. | General construction works | 18.12.2020 | 20.04.2021 |
| 3. | Decoration works | 10.03.2021 | 20.06.2021 |
| 4. | Electrical installation works | 10.04.2021 | 01.06.2021 |
| 5. | Sanitary engineering works | 10.04.2021 | 10.05.2021 |
| 6. | Special works and others | 10.04.2021 | 01.06.2021 |
| 7. | Site improvement works | 21.06.2021 | 30.07.2021 |

More details on further progress will be provided in the next progress report of the Consultant.

## Contracts Administration (TOR Task D)

Under this task the Consultant shall assist the PIU in the administration of the Goods, Works and Services contracts. During the annual reporting period the Consultant assisted PIU and Maxsustrans with:

1. disbursements under the ongoing contracts;
2. contract amendments and their review and registration by local authority;
3. monitoring of validity of the bank guaranties for advance payment and performance bond issued to Maxsustrans;
4. monitoring of validity of insurance policy provided by consultants, suppliers and contractors; and
5. other administrative support to PIU and Maxsustrans related to on-going contracts like minutes of meeting, arrangement of negotiations and communication with the national and international companies participating in implementation of the Project.

The following table includes the disbursements made within 2020 under the on-going contracts and balance of contract amounts as per 31 December 2020 (data provided by PIU accountant):



PIU Consultant’s team consisting of Deputy Team Leader and Financial Management Specialist assisted PIU with preparation of withdrawal applications for direct payments, liquidation of funds on advance account of the Project, review of invoices and supporting documents related to payments; verification of the provided documents for reimbursement and other support as and when needed for financial matters.

As mentioned in Executive summary of this report, the PIU Consultant’s Leading company - H.P. GAUFF INGENIEURE GMBH & CO. KG-JBG (Germany) has informed the Client in September 2020 about non-entry in the Contract C1 due to insolvency situation of the company. Upon such information, in October 2020the Client has requested the financial institution Euler Hermes Deutschland (Germany), which issued the advance payment guarantee under the contract of PIU Consultants, to transfer the remaining amount of advance payment of **$111,368.84** to bank account of Maxsustrans. This amount has been transferred in December 2020 on the Client’s account at Ipotekabank and will be used for further disbursements of the Project. PIU and Maxsustrans will report about liquidation of this amount by the next withdrawal application for disbursement of loan funds.

The following table includes the current status of disbursements per each Project category of the Loan Agreement of ADB. This data does not include the outstanding balance of the advance account as per 31 December 2020. Percentage of disbursements as per ADB Loan Agreement was **43.37% as per 31 December 2020**.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No** | **Item** | **Total Amount Allocated for ADB Financing in USD** | **Disbursements as of 31.12.2020** | **Balance as of 31.12.2020** |
|   |   | **Category** | **Subcategory** |   |   |
| **1** | **Civil Works** | **33,600,480** |  | **1,281,187** | **32,319,293** |
| 1A + 1B | Landfill Construction & Dumpsite Closure |   | 23,531,000 | 0 | 23,531,000 |
| 1C | Transfer Station, Garages and Collection Points |   | 7,779,000 | 0 | 7,779,000 |
| 1D | Design & Supervision |   | 2,290,480 | 1,281,187 | 1,009,293 |
|   |   |   |   |   |   |
| **2** | **Plant & Equipment** | **26,756,900** |   | **23,170,598**  | **3,586,302**  |
| 2A | Landfill Equipment and Machinery |   | 3,800,000 | 225,023 | 3,574,977 |
| 2B | Waste Collection and Transfer Trucks |   | 17,188,900 | 17,177,900 | 11,000 |
| 2C | Waste Bins and other Equipment |   | 5,768,000 | 5,767,675 | 325 |
|   |   |   |   |   |   |
| **3** | **Project Management, Capacity Development and** | **4,168,193** |   | **3,408,831**  | **759,362**  |
| 3A | Project Management Personal and Support |   | 2,517,958 | 1,867,080 | 650,878 |
| 3B | Capacity Development Program |   | 1,650,235 | 1,541,751 | 108,484 |
|   |   |   |   |   |   |
| **4** | **Interest and Commitment Charges** | **4,474,427** |   | **2,071,370** | **2,403,057** |
| **5** | **Unallocated** | **-** |   | **-** | **-** |
|   |   |   |   |   |   |
|  | **Total** | **69,000,000** |  | **29,931,986** | **39,068,014** |

Disbursement Plan for January – June 2021 related to ongoing contracts and the contracts to be awarded is presented in Annex 3.

Currently, 8 contracts are on-going for the total amount $8.97 million, of which: 5 services contracts; 2 goods contracts and 1 works contract. As of 31 December 2020 the undisbursed amount is $5.78 million that equals to 64.4%. In the coming months of 2021 the award of the contract CW2: Transfer Station Rehabilitation is expected for the amount of approx. $7.0 million. Award of the contract CW1: Sanitary Landfill Establishment and Dumpsite Closure seems rather not possible within the remaining 6 months until Loan Closing Date (30 June 2021).

According to the Disbursement Plan for January – June 2021 about $9.0 million is expected to disburse. This plan includes also the disbursed amount $180,156 for Project Management Support (PIU operational costs) until June 2021.

The following contracts are under certain risk to be completed by the Loan Closing Date with outstanding balance of the contract amount: C1 – PIU Consultants ($319,000); C2 – Landfill Supervision Consultants ($586,000); C7 – Transfer Station Supervision Consultants ($11,000) and CW2 - Transfer Station Rehabilitation ($3.0 million). In total $3.92 million can be undisbursed until 30 June 2021.

To be noted, that the outstanding balance under PCSS No. 0005 (Project Management Personnel and Support) can be not enough for covering the future costs of PIU. The current balance is $164,695.91, but the estimated disbursements until 30 June 2021 is $180,156. A deficit can be covered from the undisbursed amount under the Contract PCSS No. 0008 (PIU Consultants), because these two contracts are in the same Loan category 03A.

## Safeguards Implementation, Monitoring and Evaluation (TOR Task E)

The Consultant shall assist the PIU with the implementation of project development, particularly the construction activities in accordance with ADB’s Safeguard Policy. The Consultant shall help the PIU address environmental and social risks associated with the project implementation and provide guidance to minimize, mitigate and if not avoid adverse impacts potentially feasible.

### Social Safeguard Monitoring

The main objective of social safeguard monitoring under the Project is to provide assessment on involuntary resettlement issues on any negative project potential impacts or any other social concerns that may occur during project implementation. Monitoring and evaluation was directed to confirm that the project implementation does not trigger ADB’s Safeguard Policy Statement (2009)’s Safeguard Requirements.

During 2020 the social safeguard monitoring was carried out by Ms. Maria Malinovskaya, the Social Safeguard and Development Specialist of PIU Consultant on semiannual basis and related to the Akhangaran landfill site only. In 2020 PIU Consultant has prepared and submitted to PIU and the Client two semi-annual Social Safeguard Monitoring Reports covering the period January – June 2020 and July – December 2020 (for details please refer to these Reports). The objectives of the social safeguard monitoring were the following:

* review overall progress of the project implementation;
* identification of any social issues and constraints that encountered in project implementation;
* development of social safeguard monitoring indicators for the construction stage under the packages CW1: Sanitary Landfill Establishment and Dumpsite Closure; and
* recommendation of mitigation measures (if required).

Initial project document for social safeguard monitoring is Land Acquisition and Resettlement Plan (LARP) prepared in 2012 for the new landfill construction in Akhangaran district of Tashkent region. In compliance with the ADB’s SPS, LARP was disclosed in 2013 and time-to-time updated. The safeguard and mitigation measure according to LARP included the following:

(i)        land for land compensation;

(ii)       compensation for lost crops and profit;

(iii)     compensation to 4 workers of the affected leasehold farm (Loss of Income/Livelihood of workers).

Since 2013 till 2020 no civil works or other project activities have been carried out on new landfill area in Akhangaran district, so that no safeguard and mitigation measures were required during this period. In October 2019, upon request of ADB, Due Diligence for involuntary resettlement impacts has been completed by PIU Consultant and the updated SDDR has been agreed with ADB team. Due Diligence confirmed that the project will not require land acquisition and involuntary resettlement for the construction of new landfill on 30 ha land in Akhangaran district.

According to last communication on this subject, Maxsustrans should provide to ADB additional clarifications on the affected farmer for re-categorization the project from Involuntary Resettlement Category B to C, so that SDSS will not need to monitor this for the submission of social Safeguard Monitoring Reports.

From March until September 2020 the Government of Uzbekistan took strict relevant measures against to COVID 19 pandemic. Despite the mitigation of the quarantine adopted in August – September 2020, air flights are still locked down to prevent the spread of the new coronavirus pandemic. During this time, the social as well the economic and business life was locked down. All international experts of this and other projects left the country and have not yet returned.

### Environmental Monitoring and Evaluation

As per the Loan and Project Agreements for the L3067-UZB: Solid Waste Management Improvement Project (SWMIP), State Unitary Enterprise “MAXSUSTRANS” and Project Implementation Unit (PIU) is bound to ensure that:

1. the project is constructed and operated in accordance with the national and local environmental regulations and guidelines, ADB's Environment Policy (2002) and the Initial Environmental Examination (IEE) report;
2. any adverse environmental impacts arising from the construction and operation of the project facilities are minimized by implementing the mitigation measures; and
3. implementation of the Environmental Management Plan (EMP) and violations of safety or environmental standards, if any, be regularly reported to ADB.

In 2020 the Consultant has prepared and submitted to PIU and the Client two semi-annual Environmental Monitoring Reports for the period January – June 2020 and July – December 2020 (for details please refer to these Reports). These EM reports described implementation of the environmental monitoring and mitigation measures recommended in the IEE reports, included an analysis of environmental data collected from the related sub-projects during 2020, and provided recommendations for the resolution of identified issues.

To be more specific, the EM reports covered the following areas: (i) documentation review and compliance assessment with the applicable environmental regulations, (ii) environmental management institutional structure and responsibilities, (iii) mitigation measures undertaken to minimize adverse environmental impacts arising from the construction, (iv) environmental monitoring results and analyses, and (v) conclusions and recommendations.

Uzbekistan took tough measures against COVID-19 and has taken all necessary preventive measures to prevent the spread of coronavirus infection since March 2020. In particular, all transport communication has been limited. Tashkent went into quarantine mode, and most organizations and institutions were transferred to remote work. Thus, during the reporting period there was no significant progress or any changes in the project implementation, especially with civil works packages.

The project includes a dynamic Sanitary Landfill Facility (SLF) development concept approach. This utilizes the planned SLF as an immediate and effective solution for Tashkent’s waste disposal challenges, with the potential to progressively expand the facility to become a disposal solution that can serve the Tashkent region over the long term. In comparison to the last submitted report here are no changes which have currently influent of the further developing of the SWMIP Project during the last reporting time.

In addition, the SWMIP project has financed or will finance:

* procurement of garbage trucks for collection and transportation household solid waste;
* procurement of equipment and machinery for the sanitary landfill;
* procurement of waste bins for waste collection points and containers for transportation of solid waste;
* revamping of two transfer stations in the city of Tashkent;
* reconstruction of two garages of Maxsustrans (located in Mirabad and Bektemir districts).

Waste collection points in the city area are equipped with functional and suitably sized waste bins, with provision for recyclable materials to be segregated and collected. Outdated collection vehicle fleets was replaced with appropriately sized and highly efficient collection vehicles, dramatically reducing operation and maintenance costs. Transfer stations will be equipped with improved press, infrastructure and electromechanical components, and the transfer trucks to the landfill have been replaced by new. With these activities an improvement of the environmental impact should be also expected.

## Media and Public Relations (TOR Task F)

The Consultant shall assist PIU in the awareness of the environment and social risks that may potential impacted by the project development activities. The Consultant shall guide the PIU to carry out media and public relations activities; public consultations with potential affected people, detailed measurement surveys of lands identified for development, recommend appropriate actions that can be taken.

Within the reporting period, due to pandemic situation in Uzbekistan caused by COVID-19 no public relations activities and public consultations was held with potential affected persons like farmer or local residents inhabited in vicinity of the new landfill area in Akhangaran district of Tashkent region. As reported in paragraph 3.5.1 above, the latest Social Due Diligence confirmed that the project will not require land acquisition and involuntary resettlement for the construction of new landfill in Akhangaran district. There are no potential environmental and social risks and property issues expected at the start of civil works for establishment of new landfill.

The public consultations and PR activities with local residents and communities may be needed before or during civil works for rehabilitation of Transfer Stations located in Yunusabad and Yakkasaray districts. In Yunusabad district the transfer station is located too close to residential area. The fact is that, within the last years the local authority has allocated the land for individual house construction without keeping the minimal safe distance as specified in the local construction norms. Now, the individual houses are located very close to transfer station and time to time complaining to local authorities about smell and dust issues. The same situation with Yakkasaray TS, in vicinity of this station there are railway station, educational and other public use buildings, which management requesting to mitigate the negative impacts of TS operations in future.

The current smell and dust issues within the last years are caused by warn-out components of TS station, which will be replaced or modernized during the TS rehabilitation under the Project. These activities and plans of Maxsustrans shall be explained to local population or communities affected by the project development activities during the next reporting period. TS rehabilitation works are scheduled to be commenced within the 1. Quarter 2021, in case of contract award under the works package CW2 – Transfer Station Rehabilitation.

During 2020, the Consultant assisted to update the web site of SUE “Maxsustrans”, in order to post regularly the project key activities and procurement progress as well as to create a Project Grievance Mechanism for public and potential affected people through web site of the Implementing Agency. Since March 15, 2018 all relevant documents related to project are available on website of SUE “Maxsustrans” and updated on the regularly basis.

The civil works under the package CW4 – Garage Rehabilitation started on 16 December 2020. These are rehabilitation of the existing garages of Maxsustrans located in Mirabad and Bektemir districts of Tashkent city. All civil works under the contract are implemented on existing area of garage facilities and there are no potential affected people, environmental and social risks to be monitored.

## Other activities and tasks performed by the Consultant

In addition to above mentioned activities, the PIU Consultant has performed the following other activities and tasks during 2020:

* Drafting the letters, official requests, small ad-hoc reports and other documents relating to Project progress, issues and plans upon request of Maxsustrans and PIU;
* Assisting the City’s Tender Committee in drafting the minutes of meeting and other information from the on-going bid proposals;
* Supporting PIU during the audit of the Project annual Financial Statement for FY 2019;
* Supporting Maxsustrans during the audit of the Entity’s annual Financial Statement for FY 2019 and updating the Loan Covenants;
* Preparing and providing to Maxsustrans the Project related data for preparation of the Entity’s Annual Business Plan for FY 2020 and 2021;
* Communication with the local Government’s authorities (MIFT, MoF, Tashkent Municipality and others) regarding the Project progress and issues and providing the Project related data;
* Coordination and communication with other Consultants of the Project regarding the current issues and future plans;
* Assisting ADB team during Project review missions, providing the project data updating the Procurement Plan, Procurement Schedule and Disbursement Plan;
* Updating the Loan Covenants and submitting to ADB for review;
* Drafting the Project related information, procurement notices and announcements for posting at the web site of Maxsustrans, Tashkent Municipality and others;
* Drafting the Grant Agreement between Maxsustrans and Evergreen Motors Group (South Korea) for supply of 10 waste collection trucks “Hyundai HD120” on the grant basis. In course of the bid under package G6 – Supply of Waste Collection Trucks (59 pcs), the Evergreen Motors Group has offered to the Government of Uzbekistan to supply additional 10 waste collection trucks free of charge as contribution of the Korean company in development of Uzbekistan (please see letter Ref. No. EGM-20200210 from 10 February 2020 in Annex 4).
* Assistance to the Client/PIU in communication with Evergreen Motors Group to agree and sign the Grant Agreement and coordination with the Ministry of Investments and Foreign Trade, which is responsible for review and approval of the Grant Agreements on behalf of the Government of the Republic of Uzbekistan.

*For information:* The Grant Agreement for supply of 10 waste collection trucks “Hyundai HD120” was signed by the Parties on 20 May 2020. The total amount of supply is $840,000. The deadline for completion of supply of the Goods, incl. commissioning of the Goods and training of Maxsustrans’s staff: One hundred fifty (150) calendar days from the date of final payment for 59 units of waste collection trucks as per Contract No. SUE/Maxsustrans/ICB-G6-02 from 28.02.2020. The final payment to Posco International Ltd. was done on 1 December 2020, it means the deadline for supply of 10 additional trucks is **30.04.2021**.

# Activities planned for the next reporting period

In the following quarterly reporting period (**January – March 2021**) the Consultant intends to perform the following activities:

## Project Management (TOR Task A)

The Consultant will conduct project management tasks (planning, monitoring, evaluation and progress reporting) and assist the Client and PIU in coordination and communication with other Consultants engaged under the Project and also with local authorities regarding progress, planning, monitoring and reporting on the Project development activities. A certain support will be provided to PIU on accounting and financial matters relating to the Project disbursements, withdrawal applications, financial and audit reports.

The following reports and key outputs are expected from PIU Consultants within the next reporting period:

|  |  |  |
| --- | --- | --- |
| Action / Deliverable acc. to Contract | Time frame | Responsibility within PIU Consultant  |
| Quarterly Progress Report for 1. Quarter 2021 | Within 15 days after Q1/2021 | Deputy Team Leader, Team Leader |
| Social Safeguard Monitoring Report  | Within 15 days after Q1/2021 | National Social Safeguards and Development Specialist |
| Environmental Monitoring Report | Within 15 days after Q1/2021 | National Environmental Specialist |
| Update the Project Implementation and Procurement Schedule/Plan | As and when required | International and National Procurement Specialists |
| Update/complete the Bid Evaluation Report under the ongoing packages (CW2-Transfer Station Rehabilitation) | As and when required | International and National Procurement Specialists |
| Revision and completion of the Bidding Documents for package CW1-Sanitary Landfill Establishment (in case of rebidding) | As and when required | Deputy Team Leader, International SWM Specialist, SWM Engineer, International and National Procurement Specialists |
| Disbursement Requests (Withdrawal Applications)  | As and when required | National Financial Management Specialist |
| Assessments to design and other documentations for construction works  | As and when required | International SWM Specialist, SWM Engineer and National Supervision Specialist |
| Other activities required for Project implementation and monitoring (ed-hoc tasks and progress reporting, correspondences with ADB, local Government and other project stakeholders)  | Upon demand | The whole team under leadership of Deputy Team Leader |

The updated Project Implementation Schedule is provided in Annex 5.

## Procurement (TOR Task B)

The Consultant will assist the Client and PIU with following activities under this task:

|  |  |
| --- | --- |
| GOODS | Description of activities |
| G1 (Lot 1 and 2) | Monitoring over completion of supply of Goods and Related Services, final commissioning, preparation of documents for completion of the Contracts |
| G1 (Lot 3 and 4) | Revision/preparation of the bidding documents of Lot 3 – Supply of Bolster-type Truck and Tipping Semi Trailer and Lot 4 - Supply of Pickup for rebidding based on the Shopping bidding procedure. Acc. to Minutes of Meeting of the City Tender Committee No .8 from 10.12.2019, Lot 3 and Lot 4 was recommended to rebid based on the Shopping bidding procedure. Due to lack of substantially responsive bids, ADB had no-objection to rebid Lot 3 and 4.  |
| WORKS | Description of activities |
| CW 1 & CW3 | Support in communication with ADB, City’s Tender Committee and local authorities on further steps and decision on the package (for example, recommendation on rebidding). In case of rebidding with changing (or without changing) the present design of new sanitary landfill, revision of the bidding documents and assist the Client/PIU in review and approval of BD by the Tender Committee/ADB.  |
| CW2  | Support in completion of bid evaluation report and in negotiation/signing of contract, in case of no-objection of ADB/Tender Committee to contract award. |
| CW4 | Monitoring over civil works and implementation of contract, assist the Client/PIU in case of variation orders/amendment to the contract are required.  |
| SERVICES | Description of activities |
| C2 | Support in finalization and signature of Contract amendment No. 2 re. reallocation of key staff input, extension of Service period and others. Assistance in communication, clarification requests and supporting documents with MIFT and ADB, as required.  |
| C6 | Monitoring over audit services and implementation of contract, assist the Client/PIU in case of amendment to the contract is required.  |
| C7 | Monitoring over works supervision services and implementation of contract, in case of contract award and commencement of the works under package CW2 – TS Rehabilitation. Assistance to the Client/PIU in case of amendment to the contract is required. |
| C8 | Monitoring over the on-going works supervision services and implementation of contract. The civil works are in progress under package CW4 – Garage Rehabilitation. Assistance to the Client/PIU in case of amendment to the contract is required. |

## Construction Supervision & Monitoring (TOR Task c)

Continuation of construction supervision and monitoring services related to the on-going works contract CW4 – Garage Rehabilitation. Starting of supervision over mobilization by the Contractor, in case of contract award and signing under the package CW2 – Transfer Station Rehabilitation.

Communication and coordination with all Project stakeholders, including but not limited with Civil Engineer of Maxsustrans and Project Manager of the Design and Supervision Consultant (Quality Planning LLC) responsible for supervision and management of the works contracts CW2 and CW4.

Site supervision and monitoring over construction and other activities of the contractors and Project Manager, including progress reporting and monitoring on safeguard issues.

## Contract Administration (TOR Task D)

The Consultant will assist the Client/PIU in further administration of the Goods, Works and Services contracts listed below:

|  |  |
| --- | --- |
| GOODS | Description of activities |
| G1 (Lot 1 and 2) | Administration of timely and properly completion of supply of Goods and Related Services, final commissioning, preparation of documents for completion of the Contracts. Disbursement and withdrawal applications for interim and final payments to the Supplier acc. to contracts. Communication with banks issued the Letter of Credit under the Contracts.  |
| WORKS | Description of activities |
| CW2  | In case of no-objection by ADB/Tender Committee, administration of contract negotiation and preparation of minutes of meeting, finalization of contract terms and conditions including advance payment, works mobilization and implementation schedule. Assistance to Contract and Client in initial phase of the contract/civil works. |
| CW4 | Current disbursements and preparation of withdrawal applications for interim payments to Contractor. Cash flow plan for further period of construction works and close monitoring over fulfillment of disbursement plan to ensure the CAD projections. Assistance in variation orders/amendments to the contract, when as as needed.  |
| SERVICES | Description of activities |
| C2 | Support in finalization and signature of Contract amendment No. 2 regarding reallocation of key staff input, extension of Service period and others. Assistance in communication, clarification requests and supporting documents with MIFT and ADB, as required. Further disbursements to Consultant after signing Amendment No. 2 and close monitoring over further works supervision services in case of works commencement under the package CW1.  |
| C6 | Monitoring over audit services and implementation of contract, assist the Client/PIU in case of amendment to the contract is required. Further disbursements to audit company (BDO Tajikistan) based on acceptable service statement and supporting documents for reimbursement of the provided services.  |
| C7 | Monitoring over works supervision services and implementation of contract, in case of contract award and commencement of the works under package CW2 – TS Rehabilitation. Assistance to the Client/PIU in case of amendment to the contract is required. Further disbursements to the Design and Supervision Consultant (Quality Planning LLC) based on acceptable service statement and supporting documents for reimbursement of the provided services. |
| C8 | Monitoring over the on-going works supervision services and implementation of contract. The civil works are in progress under package CW4 – Garage Rehabilitation. Assistance to the Client/PIU in case of amendment to the contract is required. Further disbursements to the Design and Supervision Consultant (Quality Planning LLC) based on acceptable service statement and supporting documents for reimbursement of the provided services. |

## Safeguards Implementation, Monitoring and Evaluation (TOR Task E)

The Consultant will continue to assist the Client and PIU with the monitoring of safeguard issues under the Project. This activity will cover monitoring of compliancy to the environmental and social safeguard policy of ADB. The Consultant will assist the Client and PIU in the awareness of the environmental and social risks that may potential impacted by the project development activities.

To be noted that social safeguard monitoring means monitoring of Land Acquisition and Resettlement Plan of the Project, in particular all aspects and progress with land acquisition for new landfill site as explained in items above. If the Project will be re-classified from the IR category B to C, and ADB will approve this, the monitoring of LARP will be stopped. However, the next monitoring step is development of indicators for social monitoring during the construction phase (CW1 package). Tasks for social safety at the construction site are included in the scope of works for the CW1-Contractor. The Contractor shall consider implementation and monitoring of the social and gender issues and the PIU Consultant will monitor it. Gender aspects are monitored by PIU staff and reported to ADB accordingly.

The monitoring of social safeguard issues will be summarized and reported through Quarterly SSMR after end of the first quarter 2021.

As soon as construction works of package CW1 commence (scheduled by end of Q2 2021), environmental monitoring will be continued. Specific Environmental Management Plan (SEMP) shall be prepared before commencement of construction activities, during mobilization stage, before commencement of construction activities by Environmental Specialist of the Contractor.

The preparation of the quarterly and semi-annual environmental reports will be continued but all items / paragraphs, which haven’t changed or developed will not repeated as in the Report. The Environmental Monitoring Reports upon review and approval by ADB will be posted on the Maxsustrans website and disclosed on ADB web-site as before. The next Semi-annual EMR for the reporting period from January to June 2021 will be submitted to the Client and PIU in July 2021.

## Media and Public Relations (TOR Task F)

The Consultant will guide the Client/PIU to carry out Media and Public Relations activities within the reporting period as well as a part of this work will be assistance to the Client in posting of relevant project progress reports at the Maxsustrans website.

When the civil works will be started under package CW2 – Transfer Station Rehabilitation, a special focus will be given to public relations and information program addressed to local residents and communities located in vicinity of the transfer station in Yakkasaray and Yunusabad districts.

In the next reporting period (January – March 2021), it is not realistic and feasible to commence the civil works of package CW1 (and CW3) due to rebidding issues.

# Consultant’s staff and budget used

The latest interim invoice No. 13 for the services from April to November 2020 has been paid to PIU Consultant in December 2020. According to this invoice the following data as of 30 November 2020 is provided in summary below:



As of 30 November 2020, $179,000, i.e. about 10% of the total amount of Remuneration and Reimbursable cost of PIU Consultants remains unused, which is foreseen to be claimed till the end of this assignment. Against 85% of assignment period lapsed, about 90% of the total budget is used. About $318,000 (Contingency and Provision Sums) can be unused until end of this assignment, in case of completion of the services by 30 June 2021.

The following table shows the used and remained input of key and non-key staff of PIU Consultants as of 30 November 2020. 35.61 input months remain to date, of which 20.61 months for key staff and 15.01 for non-key staff.



ANNEXES