

Uzbekistan : Healthcare Emergency Response Project

1. Project Information

Project ID:	P000402	Instrument ID:	L0402A
Member:	Uzbekistan	Region:	Central Asia
Sector:	CRF-Public Health	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:100.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	Asian Development Bank
ES category:	B	Borrowing Entity:	Ministry of Economy and Finance, Uzbekistan
Implementing Entity:			
Project Team Leader:	Igor Popkov		
Responsible DG:	Gregory Liu		
Responsible Department:	INF2		
Project Team Members:	Chitambala Sikazwe, OSD - Procurement Specialist; Komron Rajabiyon, Co-PTL; Christopher Damandl, Project Counsel; Liu Yang, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Yang Shuai, OSD - Environment & Social Development Specialist; Komron Rajabiyon, Back-up PTL		
Completed Site Visits by AIIB:	Nov, 2021 From November 22 to 24, a mission to Uzbekistan was held to inspect ambulance procurement under the Healthcare Emergency Response Project. AIIB team consisted of Giacomo Ottolini, Consultant, OSD and Igor Popkov, Private Sector Operations Specialist, INF2. Mar, 2022 On the sidelines of Tashkent Investment Forum, PTL Igor Popkov held meetings with SES and MoH Seniors. Jun, 2022 PTL held meeting with SES and ADB URM Mar, 2023 Loan Review Mission Aug, 2023 Implementation Review Mission		
Planned Site Visits by AIIB:	Mar, 2024 Planned implementation review mission		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2023/05		

2. Project Summary and Objectives

The Project's objective is to strengthen the public health emergency response and preparedness in Uzbekistan to address the COVID-19 pandemic and enhance country's resilience to future public health disasters. The project has three main interlinked components: (1) strengthening the National Laboratory System; (2) establishing a National Surveillance and Response System; and (3) capacity building for COVID-19 treatment and case management. The project components and scope were developed in consultation with the Government and the co-financier, Asian Development Bank (ADB).

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

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

3. Key Dates

Approval:	Aug. 13, 2020	Signing:	Dec. 31, 2020
Effective:	Jun. 14, 2021	Restructured (if any):	
Orig. Closing:	Jan. 31, 2023	Rev. Closing (if any):	Jan. 31, 2025

4. Disbursement Summary (USD million)

Contract Awarded:	195,750,000.00	Cancellation (if any):	0.00
Disbursed:	16.00	Most recent disbursement (amount/date):	29,500,000.00/Dec. 01, 2023
Undisbursed:	84.00	Disbursement Ratio (%) ¹ :	16.00

5. Project Implementation Update

Engagement of Implementation Service Provider

- On December 22, 2022, the Government of the Republic of Uzbekistan signed a contract with the United Nations Office for Project Services (UNOPS) for provision of a turnkey implementation service to the Project, except for the procurement of ambulances for USD 35,000,000.
- UNOPS undertakes full implementation of the Project, preparing the feasibility study, conducting the procurement process, and taking responsibility for the delivery of the Project activities and outputs, including the civil works component. The UNOPS Outputs Agreement and UNOPS Project Proposal were reviewed and endorsed by both Banks. Total UNOPS' contract cost is USD 160.75 million.
- UNOPS is a United Nations agency dedicated to implementing infrastructure and procurement projects for the UN system, international financial institutions, governments and other partners around the world. Given its procurement knowledge,

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

capacity, and proven experience in rapidly sourcing and supplying medical equipment and goods, as well as its status and privileges as a UN agency, UNOPS was proposed to be engaged on single source selection method. The GoU also reached out to some other potential international and local service providers for market sounding and found the UNOPS option the most appropriate in terms of value for money. UNOPS already established an office in Tashkent in late 2022.

- Engagement of UNOPS as the Implementation Service Provider entailed changes in the procurement arrangements and the Procurement Plan. Based on the Co-financing Framework Agreement and upon the respective request from the lead co-financier, change of the Procurement Plan was confirmed by AIIB before implementation and contract signing.
- First advance disbursement in amount of USD 3,500,000 by AIIB and USD 3,500,000 by ADB was made to UNOPS on February 16, 2023.
- UNOPS started the feasibility study on March 13, 2023, while a technical assessment firm selected by UNOPS was given no objection by AIIB and ADB on March 21, 2023 after checking against sanctions lists. Reports of the rapid assessment and pre-feasibility study were shared with SES and ADB.
- Delivery #1 of UNOPS according to their contract is the Assessment and Feasibility Study (FS) for 54 facilities, i.e., 38 national and regional laboratories for infrastructure renovations and procurement of medical equipment, and 16 national and regional treatment centers for procurement of medical equipment. UNOPS' technical team conducted fact finding activities with stakeholders on each facility between March-June 2023. The draft FS was submitted to SES on July 7, 2023. Since then, SES and UNOPS have had continuous iterations on finalization of the project scope and preparation of the FS for the governmental approval. The final project scope will be examined by Banks' for alignment with the project parameters agreed in the Loan Agreement. In case amendments would be required, corresponding adjustments will be assessed respectively.
- A snapshot of the Feasibility Study:
 - **Project cost** for UNOPS' scope is estimated at USD 146.7 million.
 - **Project scope.** The following scope is proposed:
 - Infrastructure – USD 77.7 million
 - Equipment – USD 62.4 million
 - Information and communication technologies (ICT) – USD 3.6 million
 - Training and Capacity Building – USD 3.0 million
 - **Timeline.** UNOPS estimates that the full project implementation would go beyond the loan extension date. This is mainly due to (i) unfinalized scope, (ii) additional study required for the new facilities, (iii) delayed FS finalization to date.

Ambulance procurement

- As of October 31, 2023, 700 ambulances of Type A, Volkswagen Caddy (70% of the total amount) were fully delivered to the Ministry of Health (MoH) against the 70% of the contract advance payment.
- Independent inspection by a third party certified surveyor was conducted for the first 338 ambulances in batches. Inspection was carried out in accordance with the specifications and

ISO Sampling Standard. All ambulances were found matching the requirements as per the supply contract specifications. The inspection of the remaining delivered ambulances will be conducted duly.

- Timeline and payment schedules for the remaining 300 ambulances is under discussion between MoH and the supplier. According to the proposed structure, the remaining 300 ambulances will be delivered by March 31, 2024 (100 vehicles by January 31, 2024 and 200 vehicles by March 31, 2024). Any advance payment to the supplier will be made only against full irrevocable advance payment guarantee.
- The initial schedule of delivery was not obeyed because of supply chain difficulties caused by war in Ukraine, as parts, previously manufactured by Volkswagen Group Rus, now had to be manufactured on new assembly-lines in European factories.

E&S aspects

- AIIB agreed that the ADB SPS would apply to the project in lieu of AIIB's ESP, ADB has categorized the ES risks of the project as B for Environment, C for Involuntary Resettlement and C for Indigenous Peoples.
- The Environmental Assessment and Review Framework was prepared and disclosed. UNOPS has been engaged for feasibility study and preparation of E&S instruments for project activities involving civil works.
- In case the new constructions proposed by UNOPS considered and agreed by ADB and AIIB, the ES risk of such new constructions will be assessed respectively, to avoid significant adverse ES impact, also to make sure such risks can be properly managed

Components	Physical Progress	Environmental & Social Compliance	Procurement
(1) strengthening the National Laboratory System	Physical implementation not started	No issues	No unresolved issues
(2) establishing a National Surveillance and Response System	Physical implementation not started	No issues	No unresolved issues
(3) capacity building for COVID-19 treatment and case management	Physical implementation not started 700 ambulances are delivered to enhance the healthcare capacity	No issues	No unresolved issues

Financial Management:

Project audit report has been provided to the lenders. As per auditor's recommendations, PIU will discuss with the Ministry of Economy and Finance the mechanism regarding VAT financing.

6. Status of the Grievance Redress Mechanism (GRM)

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Governed by relevant national law, there is existing complaints handling mechanism, according to which complaints

can be submitted to makhalla, village assembly of citizens and farmer councils via different channels and ways.

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Subproject level GRM will be established for each of subprojects in order to receive and facilitate the resolution of affected peoples' concerns, complaints,

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The GRMs will be established and operated in compliance with the Uzbek Regulations as well as with ADB and AIIB Policy requirements.

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

The project implementation is still in process of delivery. Some interim results to report:

- Draft Feasibility Study has been prepared by UNOPS and been agreed with the Government in principle. It is pending Banks' concurrence and Government's approval.
 - 700 ambulances (70% of the total number of ambulances) were fully delivered to the MoH against the 70% of the contract advance payment.
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Remarks:
