

Project Implementation Monitoring Report (#6)

Reporting Period From 2024/01 To 2024/06

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:	Konstantin Limitovskiy		
Responsible Department:	PSC2		
Project Team Members:	Chitambala Sikazwe, SFD - Procurement Specialist; Komron Rajabiyon, Co-PTL; Christopher Damandl, Project Counsel; Liu Yang, Alternate Counsel; Yogesh Malla, SFD - Financial Management Specialist; Yang Shuai, SFD - 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 May, 2024 Virtual Implementation Review Mission		
Planned Site Visits by AIIB:	Sep, 2024 Mid-term Review Mission (tentative)		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags	2023/12		

Project Implementation Monitoring Report (#6)

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Assigned Date:	
Brief justifications for assigned red flags:	The implementation of the main contract with UNOPS got delayed due to the lengthy process of Feasibility Study approval.

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:		Cancellation (if any):	0.00
Disbursed:	49.00	Latest disbursement (amount/date):	3.50/Dec. 26, 2023
Undisbursed:	51.00	Disbursement Ratio (%) ¹ :	49.00

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

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.

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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, 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.
 - 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 and approved in late December 2023.
 - Following the approval of the Feasibility Study in late December 2023, key actions included the launch of multiple procurement procedures for medical and laboratory equipment, guided by UNOPS' procurement strategy and in line with approved technical specification.
 - The infrastructure component of the project to modernize and renovate SES laboratories throughout Uzbekistan has seen good progress and since its inception, with overall 46 project facilities (100% of sites as per National Feasibility Study) under development. Following the formal approval of the Feasibility Study in December 2023, the project reached a crucial milestone with the successful conclusion of the procurement process for Design and Technical Consultancy Services. Notably, local design practitioners were selected for 16 out of the 22 targeted regional facilities in December 2023.
 - UNOPS proceeded with implementation of the other components too. This included the design and renovation of national and regional laboratories to allow them to operate under Biosafety Level II standards. Procurement and supply of various items of laboratory equipment will allow for increased operational capacity and efficiency. UNOPS published five tenders for the procurement of equipment for 14 infectious disease hospitals following the approval of technical specifications by the expert group. Three procurements have been finalized, and contracts are signed, while one is
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Project Implementation Monitoring Report (#6)

Reporting Period From 2024/01 To 2024/06

pending SES' review and comments. The enhancement of ICT operations through procurement of modern equipment and the development of a laboratory information system sets SES up to adequately respond to COVID-19 and future epidemics. A capacity building initiative for 5,000 SES employees on equipment usage, infection prevention, and gender-sensitive patient management, is being rolled out in line with established frameworks and action plans.

- As of June 2024, UNOPS has received a total of USD 66 million in contributions against the approved budget of USD 160.75 million.

Ambulance procurement

- As of June 27, 2024, all 1,000 ambulances of Type A, Volkswagen Caddy are delivered to facilities of the Ministry of Health (MoH). The MoH is in process of finalization of the acceptance documentation and issuing the withdrawal request to the Banks for the remaining part of the payment according to the contract.
- Independent inspection by a third party certified surveyor (Crown Agents) was conducted in Bukhara, Khorezm, Tashkent, Navoi and Fergana regions. In total, 122 ambulances were selected for sampling inspection under this final batch. The inspection was carried out in accordance with the specifications and ISO Sampling Standard. The inspection found some occasions of variations from the specifications in the delivered vehicles. Those are related to difference of the vehicle models and difference of the year of production. The Project Teams are clarifying these differences with the implementing agency.

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	Physical	No issues	No unresolved issues

Project Implementation Monitoring Report (#6)

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building for COVID-19 treatment and case management	implementation not started 700 ambulances are delivered to enhance the healthcare capacity		
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Financial Management:

The auditor's contract was signed to conduct the audit for the Financial Year 2023.

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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The GRMs is being established 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:

- Feasibility Study was approved and some design, preparatory and procurement works are commenced. Refer to Section 5 for further information.
- 1,000 ambulances (100% of the total number) are fully delivered.

According to the revised Results Monitoring Framework approved November 30, 2022, the due date for the reporting of the Intermediate Targets is 2024. The results will be reported after the Mid-term review. In case of the loan closing date extension, the Results Monitoring Framework might be revisited accordingly.

Remarks:
