



SOLID WASTE MANAGEMENT IMPROVEMENT PROJECT

ADB LOAN NO.: 3067-UZB

MANAGEMENT CONSULTING SERVICES,

PROJECT IMPLEMENTATION AND SUPERVISION

Contract No.: SUE/Maxsustrans/QCBS-Cons_1-2016-01



Semi-Annual Progress Report No. 7

January – June 2023

IMPLEMENTING AGENCY

State Unitary Enterprise (SUE) “Maxsustrans” (Uzbekistan)

PIU CONSULTANT

Infratech-Consulting SDN LLC (Uzbekistan)



Tashkent - July 2023

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List of abbreviations

ADB	ASIAN DEVELOPMENT BANK
AFS	AUDITED FINANCIAL STATEMENTS
TD	TENDER DOCUMENTATION
SW	SCOPE OF WORK
CDP	CAPACITY DEVELOPMENT PROGRAM
SCQ	SELECTION OF A CONSULTANT FOR QUALIFICATION
EA	EXECUTIVE AGENCY (Tashkent City Municipality)
EIA	ENVIRONMENTAL IMPACT ASSESSMENT
EMP	ENVIRONMENTAL MANAGEMENT PLAN
IFCE	INTERNATIONAL FEDERATION OF CONSULTING ENGINEERS
GAP	GENDER ACTION PLAN
GCC	GENERAL CONDITIONS OF THE CONTRACT
GOU	GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN
GIS	GEOGRAPHICAL INFORMATION SYSTEM
IB	INSTRUCTIONS FOR BIDDERS
IA	IMPLEMENTING AGENCY (SUE “Maxsustrans”)
ICB	INTERNATIONAL COMPETITIVE BIDDING
IEA	INITIAL ENVIRONMENTAL ASSESSMENT
LARP	LAND ACQUISITION AND RESETTLEMENT PLAN
MSW	MUNICIPAL SOLID WASTE
MOF	MINISTRY OF FINANCE
NGO	NON-GOVERNMENTAL ORGANIZATION
O&M	OPERATION AND MAINTENANCE
PAM	PROJECT ADMINISTRATION MANUAL
PIU	PROJECT IMPLEMENTATION UNIT
QCBS	QUALITY AND COST BASED SELECTION
RFP	REQUEST FOR PROPOSAL
SCC	SPECIAL CONDITIONS OF CONTRACT
SCEEP	STATE COMMITTEE ON ECOLOGY AND ENVIRONMENTAL PROTECTION OF THE REPUBLIC OF UZBEKISTAN
SPR	SAFEGUARD POLICY REPORT
SLF	SANITARY LANDFILL FACILITY
SWMIP	SOLID WASTE MANAGEMENT IMPROVEMENT PROJECT
TCM	TASHKENT CITY MUNICIPALITY
TS	TECHNICAL SUPPORT
TOR	TERMS OF REFERENCE
\$	U.S. DOLLARS
UZB	UZBEKISTAN
UZS	UZBEK SUMS
WA	APPLICATION FOR WITHDRAWAL

1 EXPLANATORY NOTE

Semi-Annual Progress Report No. 7 contains information on the activities of PIU Support Consultant, the results achieved and current problems within the framework of the ADB's Solid Waste Management Improvement Project (the Project or SWMIP) for the reporting period from **January 1st to June 30th, 2023**. This report presents the progress of the Consultant tasks in terms of project management, procurement, contract administration, financial management and reporting, safeguard monitoring and other activities of the Project.

The structure of the report is similar to the previously presented reporting form developed for the Client and the PIU and submitted to ADB. This report covers comprehensive progress made in project management, procurement activities and all other aspects of the Project during the 1st and 2nd Quarters of 2023. In addition to this report, the following reports have been submitted by PIU for ADB's review during the reporting period:

- Semi-Annual Gender Action Plan (July-December 2022)
- Semi-Annual Environmental Monitoring Report (July-December 2022)
- Semi-Annual Social Safeguard Monitoring Report (July-December 2022)
- Annual Progress Report (January-December 2022)
- Corrective Action Plan addressing the non-compliances identified during the safeguards review mission of ADB in July 2022
- Semi-Annual Gender Action Plan (January-June 2023)
- Semi-Annual Environmental Monitoring Report (January-June 2023)
- Semi-Annual Social Safeguard Monitoring Report (January-June 2023)

The following is a summary of some of the main activities and achievements during the reporting half-year period:

- **Replacement of SUE "Maxsustrans" management:** Since February 14, 2023, the State Unitary Enterprise "Maxsustrans" is led by Director Mr. Komoliddin Nabiev. The previous director of SUE "Maxsustrans" Mr. Abdujamil Abduvakhobov has retired on own request since February 11, 2023.
- **Replacement of PIU management:** Since March 1, 2023, the Solid Waste Management Improvement Project Implementation Unit (PIU) is led by acting Head Mr. Akmalxon Khikmatullaev. The previous head of PIU, Mr. Sherzod Mukhtarov has retired on own request since February 13, 2023.
- **Procurement packages (contracts awarded):** during the reporting period, SUE Maxsustrans did not conclude any new contract under the Project, but two new procurement packages (G7 – Purchase of garbage and waste collection trucks and G8 - Purchase of waste collection bins and containers) have been initiated by the Executing and Implementing Agencies and agreed with the Government of Uzbekistan and ADB.
- **Contract CW1R: Sanitary Landfill Establishment:** The Contractor has requested to conclude the Amendment No. 1 to the Contract covering the technical variations caused by the site conditions, changes proposed by the Employer and corrections of the quantities due to omissions made during the design phase in 2019.
- **Contract Cons_2: Consultant for Design and Supervision of Sanitary Landfill:** The Consultant has requested to conclude the Amendment No. 4 to the Contract covering the key personal changes,

remuneration rate adjustments of the key staff and reallocation of reimbursable costs required until the end of the assignment (December 2023).

- **Project payments:** The disbursements under the Project during the reporting period reached \$3.56 million, including PIU expenses, fees and interests paid to ADB during the project implementation. The total amount of payments since the beginning of the Project totalled to \$51.76 million, which is 75% of the ADB loan amount as of 30 June 2023.
- **Safeguard compliance monitoring:** The safeguard experts responsible for the environmental and social safeguard issues have continued their tasks to monitor and report on the safeguard compliancy issues. As result the following monitoring reports have been prepared by the safeguard specialists and submitted to ADB: Semi-Annual Environmental Monitoring Reports (July-December 2022 and January-June 2023) and Semi-Annual Social Safeguard Monitoring Report (July-December 2022 and January-June 2023). In addition, the Corrective Action Plan (CAP) updating the status of non-compliances identified during the safeguards review mission of ADB in July 2022.
- **ADB Loan Review Missions:** On March 7 - 13, 2023, ADB conducted a loan review mission with the participation of officials from the Ministry of Economy and Finance (MOEF), the Ministry of Investment, Industry and Trade (MIIT), the Tashkent City Municipality (TCM - EA), SUE Maxsustrans (Client - IA), the SWMI-PIU (PIU) and the PIU Support Consultant to discuss project implementation status, issues and progress.

2 PROJECT DESCRIPTION

2.1 PROJECT DESCRIPTION

ADB approved the Project on 27 November 2013 with a loan of US\$69 million from its ordinary capital resources. The total cost of the Project is the equivalent of US\$76.0 million, including tax and customs benefits of the Government of Uzbekistan, as well as financial expenses during the implementation of the project. The Loan Agreement and the Project Agreement have been signed with ADB on February 27, 2014. The loan became effective on 29 December 2014. Initially, the Project was designed for a five-year implementation (2014-2018) with a loan closing date of 30 June 2019.

On the request of the Government from 17 December 2018, ADB approved a two-year loan extension with the revised loan closing date of 30 June 2021 in order to complete all remaining Project activities, including civil works. However, during the first extended period the EA and IA were unable to sign the contract CW1 – Sanitary Landfill Establishment and Dumpsite Closure, which is the largest component of this project worth 23.53 million dollars.

On 26 March 2021 the Government has requested ADB on the second extension of the loan closing date from 30 June 2021 to 30 June 2023. After clarifications and corrective action plan provided by the Government ADB has confirmed the second loan extension until 31 December 2023 (+30 months) in 23 June 2021.

Expected results

The impact of the project is to improve the urban environment and the quality of life of Tashkent residents. Expected results - improved services and management of solid waste in Tashkent. The project has three deliverables: deliverable 1 – rehabilitated and expanded solid waste management system in Tashkent; Outcome 2 - increased operational capacity; and Outcome 3 - National SWM strategy. Tashkent Municipality is the Executing Agency (EA) for outputs 1 and 2, and the State Committee for Ecology is the EA for output 3. SUE “Maxsustrans” is the implementing agency (IA) responsible for the day-to-day implementation of the project.

Outcome 1: Rehabilitated and expanded MSW management system in Tashkent

- (i) complete rehabilitation of two transfer stations with the possibility of closing one existing transfer station without losing the current waste handling capacity of at least 1,950 tons per day
- (ii) prudently install a recycling system with a capacity of approximately 750 thousand tons / year by restoring and building a sanitary landfill in the Akhangaran district in accordance with international environmental standards
- (iii) creation of an operating system to achieve an improvement in production capacity while replacing old garbage trucks and equipment in the fleet
- (iv) improving the capacity and quality of collection by sorting household waste by the population and small businesses.

Outcome 2: Strengthening operational capacity

- (i) at least 90% of households actively sort waste at the source,
- (ii) waste sorting awareness campaign will reach 90% of households with the participation of female household members,

(iii) improvement of management, operation and maintenance of SUE “Maxsustrans”.

Outcome 3: Development of a national strategy for the management of municipal solid waste

- (i) Preparation of a draft national strategy for the management of municipal solid waste, including a draft sectoral investment program

To date, results 1 and 2 are on-going, and result 3 was completed in 2019, while the National Strategy for MSWM was approved by the Decree of the President of Uzbekistan No. 4291 from 17 April 2019, and the Corporate Development Program Consultant has completed its services in December 2019, after approval of the Final report of the Consultant.

2.2 SOURCE OF FINANCING AND CATEGORY OF LOAN FUNDING

The total cost of the project is US\$76 million equivalent, of which ADB loan is US\$69 million and the Government's share is US\$7 million equivalent in the form of tax and customs exemptions.

Table 1: Funding Sources

Funding Source	Total amount (million USD)	%
Asian Development Bank funding		
Loan 3067-UZB (Ordinary Capital Resources)	69.00	90.79%
Uzbekistan Government funding		
Government of Uzbekistan (Government)	7.00	9.21%
TOTAL	76.00	100%

Table 2: Allocation of Loan Proceeds of ADB No. 3067-UZB (reallocated in August 2019)

Loan category	Category Description	Total Funding Amount (\$)	Total Funding Percentage (%)
1	Civil Works	33,600,480	
a+b	Sanitary Landfill Establishment & Dumpsite Closure	23,531,000	100% of the total amount of declared expenses*
c	Rehabilitation of transfer stations, garages and waste collection points	7,779,000	100% of the total amount of declared expenses*
d	Design and supervision services	2,290,480	100% of the total amount of declared expenses*
2	Plant and Equipment	26,756,900	
a	Landfill Equipment and Machinery	3,800,000	100% of the total amount of declared expenses*
b	Waste collection and transfer trucks	17,088,900	100% of the total amount of declared expenses*
c	Bins and other equipment	5,768,000	100% of the total amount of declared expenses*
3	Project Management, Capacity Development and Studies	4,168,193	
a	Project Management Personnel and Support	2,517,958	100% of the total amount of declared expenses*
b	Capacity Support Programs	1,650,235	100% of the total amount of declared expenses*

4	Interest and Commitment Charges of ADB	4,474,427	100% of the amount due
5	Unallocated	-	
TOTAL		69,000,000	
* Without taxes and fees in Uzbekistan. Source: Loan agreement with ADB dated February 27, 2014.			

Request to utilize loan savings (August 2022)

During the loan review mission of ADB in August 2022, Tashkent Municipality and Maxsustrans proposed to utilize the loan savings (\$8.65 million based on IA's calculations) to include contract packages for rehabilitation of additional transfer station in Yashnabad District in Tashkent City, for construction and rehabilitation of additional garage facilities and to procure additional equipment including solid waste collection trucks and bins. Per the Tashkent Municipality, Maxsustrans' service area is extended substantially due to the expansion of the municipality and fast-growing population, additional household waste collection and transfer system should be provided.

The Mission advised the Tashkent Municipality and Maxsustrans that ADB may consider the updated proposal subject to (i) all efforts should be prioritized for timely completion of the ongoing CW1 contract with sufficient resources allocated; (ii) under no circumstances the current loan closing date will be extended, and detailed specific action plans developed to ensure the additional scope will be completed before the loan closing date of 31 December 2023; (iii) project performance should be "On Track", all loan covenants are complied with; (iv) detailed justifications with supporting documents and proposals to be prepared by the Tashkent Municipality and Maxsustrans for ADB to review; and (v) in case the implementation of the additional scope cannot be completed by 31 December 2023, ADB will close the loan as scheduled, and the Government will fund the balance from government resources. After receipt of the official request from MOEF and Ministry of Investment, Industry and Trade, the project team will initiate ADB's internal review and advise the result Tashkent Municipality and Maxsustrans (paras 8-10 of the AM for loan review mission 8–13 August 2022).

To date of the ADB Mission in March 2023, MOEF has not sent ADB the request as well the utilization plan. However, the Mission was informed by the MOEF that a new resolution for optimization of the project and utilization of loan savings has been initiated, MOEF will send ADB official request to procure additional solid waste equipment (e.g. trucks, containers, bins) and reallocation of loan proceeds upon receiving an appropriate order from the Cabinet of Ministers and consent of the MIIT. The Mission advised the MOEF and Maxsustrans that no loan extension can be accommodated, and ADB will review the proposal once request received.

Request to utilize loan savings (2023)

On 24 January 2023 the Tashkent Municipality sent to the Government of Uzbekistan its updated proposal on utilization of the loan savings for the total amount of \$8.4 million. On 14 March 2023 the Government has ordered to MOEF and MIIT to consider the proposal of the Tashkent Municipality dated from 24 January 2023.

On 13 March 2023 the SUE Maxsustrans sent to the Tashkent Municipality its revised proposal on utilization of the loan savings for the total amount of \$8.65 million, which was supported by the Municipality and forwarded to MOEF and MIIT on 14 March 2023.

On 1 April 2023 the MIIT has presented to the Government and MOEF its no-objection on reallocation of loan proceeds for the additional new procurements in case of approval of this proposal by ADB.

On 6 April 2023 the MOEF sent to ADB URM the reallocation proposal of loan proceeds for the total amount of savings \$8.65 million. The Government proposed to reallocate the ADB loan for financing the additional procurement packages to be completed by 31 December 2023.

On 11 April 2023 the SUE Maxsustrans sent to ADB the updated proposal of utilization of loan savings with the revised amount of savings from \$8.65 million to \$7.81 million. The amount of savings was reduced considering the latest payment of Interest and Commitment Charges of ADB by the MOEF in the amount of \$957,545.25 with the value date 15 March 2023.

The last communication on this subject between ADB and Maxsustrans was in July 2023, when Maxsustrans has requested to consider further the updated proposal of utilization of loan savings for the amount of \$7.69 million. Finally, ADB's Team Leader Mr. Xijie Lu has requested to re-submit official local reallocation request based on the latest proposal of Maxsustrans and Tashkent Municipality in order to process the loan minor change. Maxsustrans replied on 28 July 2023 that the finally updated request will be sent to ADB after bid opening under the new additional packages G7 and G8 on 4 August 2023.

The current version of loan reallocation proposal is provided in **Annex 1.**

Table 3: Breakdown of Loan Proceeds (as of June 2023) - USD

Project component	Current allocation of loan	Proposed reallocation of loan	Revised allocation of loan
CIVIL WORKS	33 600 480	- 5 980 437	27 620 043
PLANT & EQUIPMENT	26 756 900	5 722 619	32 479 519
PROJECT MANAGEMENT	4 168 193	257 818	4 426 011
INTEREST & FEES	4 474 427	0	4 474 427
UNALLOCATED	0	0	0
TOTAL	69 000 000	0	69 000 000

3 TASKS AND ACTIVITIES OF THE CONSULTANT IN THE REPORTING PERIOD

3.1 PROJECT MANAGEMENT (TASK A OF TOR)

The PIU Consultant continued to perform its tasks to support the PIU and the Client (SUE Maxsustrans) in implementation of the Project in accordance with its contractual obligations. These activities include assisting the project stakeholders in implementing, managing, administering, exchanging information and reporting on project progress, including safeguard monitoring and procurement administration. The Consultant attended in the project progress meetings arranged by ADB and the Client.

On February 14, 2023, Mr. Komoloddin Nabiev was appointed as Director of the State Unitary Enterprise "Maxsustrans" by the order of the TCM.

On March 1, 2023, Mr. Akmalkhon Khikmatullaev was appointed as acting head of Solid Waste Management Improvement Project Implementation Unit by the order of the Director of SUE "Maxsustrans".

During the reporting period, ADB conducted the Loan Review Mission from 7 to 13 March 2023. The Mission held discussions with Ministry of Economy and Finance (MOEF, replacement of Ministry of Finance starting from 1 January 2023), Tashkent Hokimiyat, and Maxsustrans.

The Mission findings:

- (i) As of 13 March 2023 the cumulative contract awards stood at \$ 57.01 million and disbursements achieved \$49.09 million against 92% time lapsed, the 2023 contract awards and disbursements (CAD) achievement are 96.77% and 93.40% respectively;
- (ii) The project is rated "On track";
- (iii) The physical progress achieved 46% with the 7.5 months remained until the completion of the contract CW1;
- (iv) As explained by the Maxsustrans and Contractor, no civil works executed because of the abnormal precipitation since November 2022 until the middle of March 2023;
- (v) The project was rated "For Attention" for safeguards implementation due to delayed completion of the actions: (i) recruitment of PIU Environment Specialist by 31 August 2022; and (ii) installation of impermeable secondary containment vessel under the fuel storage tanks by 20 July 2022. During the mission these two actions have been done by the efforts of IA/PIU and confirmed by site inspections of ADB staff;
- (vi) Loan Reallocation Request to utilize the local savings – see details in item 2.2 above.
- (vii) Discussions on the proposed Public Private Partnership initiative.
- (viii) Compliance with Loan Covenants and ADB SPS 2009 requirements, no pending Land Acquisition and Resettlement issue;
- (ix) Reporting on Gender and social dimensions monitoring;
- (x) Additional Scope of Works and Modification in Design of sanitary landfill
- (xi) Amendments of the Consulting Contracts Cons_1 and Cons_2 due to necessary changes in costing and staffing the both Consultants.

In accordance with the terms of reference, the PIU Consultant prepared and submitted the following reports during the reporting period:

- 1) Annual Report No. 6 on the progress of the project (January – December 2022);
- 2) Semi-annual report on environmental monitoring (July – December 2022);
- 3) Reports on monitoring visits of Environmental specialist (January – June 2023).

In addition, the Consultant supported and advised the Client and the PIU in preparation and conduction of the ADB loan review mission ad-hoc and special reports, statistics and other updated information to local authorities upon their request.

3.2 PROCUREMENTS (TASK B OF TOR)

According to the reallocation proposals revised by the Client in April, May and July 2023 the Consultant has updated the Procurement and Implementation Schedules respectively. The latest updated Procurement Schedule and Implementation Schedule are presented in **Annex 1**.

Based on the reallocation proposal of the IA from May 2023 the Procurement Plan was updated and posted at ADB website after approval of the Bank. Please see the updated PP version No. 11 from 9 May 2023 in **Annex 2**. The main updates are including the new procurement packages G7: Supply of Waste Collection and Waste Transfer Trucks (\$5.0 million) and G8: Supply of Waste Collection Bins and Containers (\$2.28 million).

The Consultant has assisted the Client in revising the Project Procurement Schedule and preparing the bidding documents and invitation for bids of the new procurement packages G7 and G8. After no-objection of ADB for the final BD and IFB provided on 23 June 2023, the IFBs of the both packages have been advertised at ADB website on 23 June 2023 and at local newspaper on 27 June 2023. The deadline for bid submission is 4 August 2023.

The current status of the Procurement Plan is presented below:

Table 4: Status of procurements as per Loan categories (as of June 2023)

Procurement categories	Total Contracts USD	Signed Contracts USD	Balance of funds USD	Notes
WORKS	24 823 193,00	23 436 932,00	1 386 261,00	This amount is for increasing the contract CW1 (Amendment 1)
GOODS	32 479 519,00	26 509 519,00	5 970 000,00	For financing two additional packages G7 and G8
SERVICES	7 222 861,00	6 937 861,00	285 000,00	This amount is for increasing the contract Cons_2 (Amendment 4)
TOTAL	64 525 573,00	56 884 312,00	7 641 261,00	

3.3 SUPERVISION AND MONITORING OVER CONSTRUCTION (TASK C OF TOR)

As part of this task, the Consultant shall assist the PIU and Maxsustrans in administering the supervision of all construction works, which includes: (i) studying and quality control of design and other documentation and monitoring of works that are being carried out in accordance with approved projects, (ii) developing and implementation of a construction quality assurance program, (iii) monitoring contractors' work schedules, (iv) control of supplies, in particular customs clearance in Uzbekistan, and (v) rectification of deficiencies in any of these matters.

During the reporting period, the Consultant assisted to administrate two works contracts:

CW1 / Sanitary Landfill Establishment

Supervision Specialist of the Consultant has continued to monitor the supervisory activities of the Design and Supervision Consultant (CUCD from China) over the construction of new landfill. At the same time, the Supervision Specialist supervising the physical works on site and helped PIU and the Client in review and verification of the work quantities performed by the Contractor and IPCs. In addition, the Consultant helped in communication between the Employer, the Contractor and the Engineer on the current issues of the works and in resolving/clarification of technical requests of the Contractor.

CW2 / Rehabilitation of Transfer Stations

Currently, the defects liability period is going on, that ends by 31 August 2023. The Consultant supported PIU and Client in communication with the Contractor on the defects identified and to be remediated and

also in resolving the debt issue between the Contractor and the Supplier of the press equipment from Germany. The as-built drawings and final documentations on the Project/Contract shall be prepared by the Contractor and the Engineer for properly closing the contract. To the time being the outstanding amount is \$ 6,797.15 to be paid after properly closure the Project.

3.4 ADMINISTRATION OF CONTRACTS (TASK D OF TOR)

The Consultant assisted PIU in administration of the on-going contracts for works and services, in particular:

- i) drafting the withdrawal applications for direct payment and liquidation;
- ii) review of the interim payment certificates and invoices of the contractors and consultants;
- iii) review of contract variation requests and preparation of amendment documents and cost estimate;
- iv) monitoring the validity of bank securities for advance payment and contract performance provided by the contractors and the consultants;
- v) other administrative support to PIU and Maxsustrans.

The following disbursements have been made during the period January – June 2023 as per 30 June 2023 (according to PIU data):

1) Direct payments:

Contract CW1R: Sanitary Landfill Establishment	\$1,729,453.96
Contract CW2: Transfer Station Rehabilitation	\$300,000.00
Contract Cons_2: SLF Design and Supervision Consultant	\$219,101.32
Contract Cons_1: PIU Consultant	\$116,844.15
ADB Interests and Fees	\$957,545.25

2) Payments from imprest account:

Contract Cons_9: Project Audit	\$7,080.00
Contract Cons_7: TS Rehabilitation Design & Supervision	\$18,552.00
Contract CW4: Garage Rehabilitation	\$21,165.36
PIU costs	\$23,745.76

TOTAL for I and II Quarter 2023: **\$3,393,487.80**

TOTAL from the Project beginning: **\$51,744,621.39** (75% of the total loan)

The Consultant's financial management specialist and accountant have supported PIU in conduction of the Project audit for FY 2022 and communication with the financial controllers of ADB in terms of submitted loan withdrawal applications.

3.5 IMPLEMENTATION, MONITORING AND EVALUATION OF SAFEGUARDS (TASK E OF TOR)

The Consultant shall assist the PIU in the implementation of project development, in particular civil works in accordance with ADB's 2009 Safeguard Policy. The Consultant shall assist the PIU in managing the environmental and social risks associated with the implementation of the project and provide recommendations for minimizing, mitigating and, if not avoiding, potential adverse impacts.

3.5.1 Social Safeguards Monitoring

The main purpose of monitoring social safeguards under the Project is to provide an assessment of involuntary resettlement issues, taking into account any negative potential project impacts or any other social issues that may arise during project implementation. Monitoring and evaluation of social

safeguards in the reporting period were aimed at confirming that project implementation does not lead to violation of the requirements of the ADB Safeguard Policy.

During the reporting period the monitoring of social safeguard issues was carried out by the Social Protection and Development Specialists of the PIU Consultant, only concerned the civil works that going on at Akhangaran landfill. PIU Consultant prepared and submitted to the PIU two semi-annual social safeguard monitoring reports covering the period from July to December 2022 and from January to June 2023. The objectives of monitoring social safeguards are:

- analyze the overall progress of the project;
- identify any social problems and constraints encountered in the implementation of the project;
- develop social protection monitoring indicators for the construction phase under the CW 1 contract;
- evaluate the potential impact of the investment project implemented by Sejin G&E Co., Ltd;
- recommend mitigating measures (if necessary).

The initial project document for social protection monitoring is the Land Acquisition and Resettlement Plan (LARP) prepared in 2012 for the construction of a new landfill in Akhangaran district of Tashkent region. In accordance with the ADB Safeguard Policy, the LARP was published in 2013 and has been updated from time to time. Protective and mitigating measures under the LARP included the following:

- (i) land on account of land compensation;
- (ii) compensation for lost crops and profits;
- (iii) compensation to 4 workers of the affected leasehold farm (loss of income/livelihood of workers).

Based on the Decree of the Cabinet of Ministers No. 895 dated November 1, 2018, the South Korean company "Sejin G&E Co., Ltd" shall implement a waste-to-energy project on the existing dumpsite. No physical progress of the project was observed during the reporting period, and it seems the further implementation of the project is suspended. The Executing Agency of the project is SCEEP.

During the reporting period, as part of the ADB loan review mission Farida Djumabaeva, Gender and Social Development Officer of ADB has visited the landfill site in Akhangaran district in order to check the current status and compliance with the social safeguards.

3.5.2 Environment Safeguards Monitoring

In accordance with the Loan and Project Agreement for loan L3067-UZB: Solid Waste Management Improvement Project, Maxsutrans and PIU are required to ensure that:

- (i) the project is constructed and operated in accordance with national and local environmental regulations and guidelines, the ADB Environmental Policy (2002) and the Initial Environmental Assessment Report (EAR);
- (ii) any adverse environmental impacts arising from the construction and operation of the project facilities are minimized through the adoption of mitigation measures; and
- (iii) the implementation of the Environmental Management Plan (EMP) and violations of safety or environmental standards, if any, be regularly reported to ADB.

During the reporting period, the Consultant prepared and submitted to PIU two semi-annual environmental safeguard monitoring reports for the period from July to December 2022 and from January to June 2023. These environmental monitoring reports describe the implementation of the environmental monitoring and mitigation measures during the SLF construction as specified in the Environmental Management Plan of the Project.

The main focus of environmental safeguards monitoring is directed to access the compliance of the SLF Contractor with the safeguard measures specified in the Site-Specific EMP. The environmental specialists of PIU Consultant and PIU have conducted the site visits to check the compliance with the environmental

safeguards and monitor the status of the mitigation measures as specified in the Corrective Action Plan updated regularly by the Consultant and submitted to PIU and ADB's Project team.

Given that the ADB project involves two Consultants for project implementation and construction supervision, the following task distribution of monitoring and reporting on environmental safeguards was agreed:

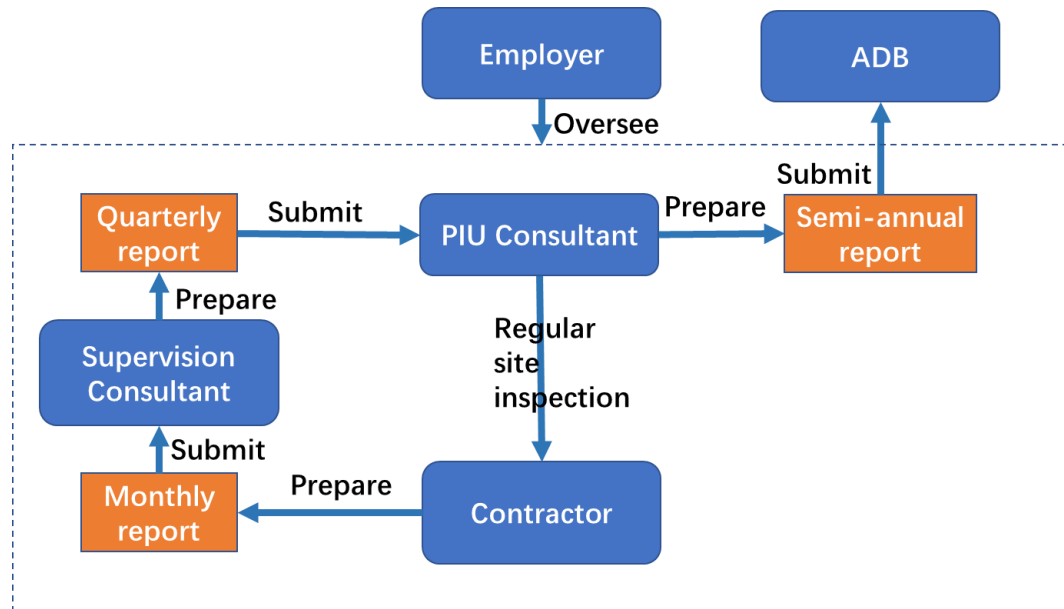


Fig. 1. Scheme of distribution of tasks for environmental monitoring

During the Environmental Safeguards Review Mission of ADB held in Jul 2022, some non-compliances were identified, and corrective actions were proposed with the timeframe. The project was rated “For Attention” for safeguards implementation due to delayed completion of the actions (i) recruitment of PIU Environment Specialist by 31 August 2022, and (ii) installation of impermeable secondary containment vessel under the fuel storage tanks by 20 July 2022 were not implemented by the agreed deadline as of 7 October 2022.

The PIU submitted on 3 February 2023 the Corrective Action Plan (CAP) implementation report, which indicates that there was no chance to attract a separate Environment specialist, due to limited qualified experts and low salary. In the interim, the PIU Head covers the environment issues and assists in the preparation of the semi-annual safeguards reports, with the support of PIU Consultant's and Contractor's Environment Specialists. The secondary fuel containment vessel for the storage tanks at the present camp has not been installed. Also, a storage of petroleum products, which sample has been provided to the Contractor during the site monitoring missions of PIU EHS Specialist from August until November 2022 has not been installed at the new camp yet.

The Mission followed up with the Maxsustrans on the delayed hiring of Environment Specialist for PIU which was highlighted in the July ADB's review mission for environmental compliance. The mission confirmed the PIU Environment Specialist, Mr. Akmal Begimkulov has been engaged and mobilized starting March 2023.

The Mission visited on 8 March 2023 the construction site for the sanitary landfill to review the implementation of the CAP and Environmental Management Plan (EMP), addressing the non-compliance on the storage area of fuel tanks on site. No civil works were ongoing due to weather conditions at the construction site. A roof was constructed to protect the fuel tanks from extreme weather conditions. The area has a fire extinguisher, which is in compliance with safety rules. However, the bottom of the fuel tanks requires improvement although absorption of fuel into the ground was not observed. The

Contractor proposed to remove the fuel tanks and clean the location. The Mission clarified with the Contractor on refueling of vehicles for continuation of civil works. The Contractor informed that refueling will be implemented using direct delivery method to avoid storage of fuel for civil works vehicle. During the second inspection by the Mission on 11 March 2023, it was confirmed that the fuel tanks were completely removed.

3.6 MEDIA AND PUBLIC RELATIONS (TASK F OF TOR)

The Consultant shall assist the PIU in becoming aware of the environmental and social risks that could potentially be affected by project implementation activities. The Consultant shall guide the PIU in conducting media and public relations activities; public consultations with potentially affected populations, detailed measurements of lands identified for development, recommend appropriate actions that can be taken.

During the reporting period, there were no public relations activities and public consultations with potentially affected persons, such as a farmer or local residents living in the area of the new landfill in the Akhangaran district of the Tashkent region. As reported in paragraph 3.5.1 above, the latest peer review of the state of affairs has confirmed that the project will not require land acquisition and involuntary resettlement for the construction of a new landfill in the Akhangaran region. No potential environmental, social and property risks are expected at the start of construction work on the new landfill.

The Consultant assisted to update the website of SUE “Maxsustrans” by updating the project activities information (procurement, finance and in general), as well as to establish a grievance mechanism for the project for the public and potential affected persons through the website of the IA (SUE “Maxsustrans”). All project relevant documents are available on the website of SUE “Maxsustrans” and are regularly updated in Russian, Uzbek and English.

3.7 OTHER SERVICES AND TASKS PERFORMED BY THE CONSULTANT

In addition to activities above, the Consultant has performed the following additional tasks:

- Drafting letters, formal requests, small ad hoc reports and other documents on progress, issues and plans of the Project upon request of Maxsustrans and PIU;
- Assistance to PIU in organization and conduction of the tender process with regard to additional Goods packages (G7 and G8) by involving the Procurement Commission of the Tashkent City Municipality, including preparation of minutes of meetings and other information as requested by the TCM and TC;
- Supporting the PIU during the audit of the annual financial statements of the Project Special Accounts for the 2021 financial year;
- Supporting Maxsustrans during the audit of the company's annual financial statements for the FY 2022 and updating the status of compliance with the loan covenants of ADB;
- Assistance in communication with local authorities (MIIT, MOEF, TCM, etc.) on the project progress status and current implementation issues;
- Coordination and communication with the Supervision Consultants (CUCD and Quality Planning) on current issues of the works contracts CW1 and CW2;
- Assisting the ADB project team during site visits and loan review mission by provision of the latest updates on procurement, disbursement and safeguard issues.

4 ACTIVITIES PLANNED FOR THE NEXT REPORTING PERIOD

In the next reporting period (July – September 2023), the Consultant intends to conduct the following activities:

4.1 PROJECT MANAGEMENT (TASK A)

The Consultant will perform project management tasks (planning, monitoring, evaluating and reporting on implementation progress) and will assist the Client and the PIU in coordinating and interacting with other Consultants involved in the Project, as well as with local authorities regarding progress, planning, monitoring and reporting on project development activities. The Consultant will provide some support to the PIU on accounting and financial matters related to disbursements under the Project, withdrawal applications, financial and audit reports.

The following reports and key outputs are expected from the PIU Support Consultant during the next reporting period:

Action / result according to the contract	Submission deadline	Responsibility in the PIU Consultant team
ADB Project Final Report	One month before the Project end	Deputy Team Leader (DTL), Team Leader (TL) and Specialists
Annual Social Safeguard Monitoring Report for 2023	15 days before the Project end	Social Safeguard Specialist with support of DTL
Annual Environmental Safeguard Monitoring Report for 2023	15 days before the Project end	Environmental Specialist with support of DTL
Procurement related documents	As and when needed	Procurement specialists with support of DTL
Withdrawal applications	As and when needed	Financial Management Specialists / Accountant
Other documents	As and when needed	Consultant's whole team

The updated Project Implementation Schedule is presented in **Annex 1**.

4.2 PROCUREMENTS (TASK B)

The Consultant will assist PIU to perform the following activities:

Contract	Description of activity
CW1-R (civil works)	Support at negotiation and preparation of Amendment 1 documents with the Contractor, Maxsustrans and the Engineer. If required, to help with clarification and communication with local authority and ADB
Contract	Description of activity
Cons_2 (services)	Support at finalization and signing of Supplementary Agreement No. 4 with the Supervision Consultant and its coordination with the local authority.

4.3 CONSTRUCTION SUPERVISION AND MONITORING (TASK C)

Further monitoring of supervision over construction works of CW1R - Sanitary Landfill Establishment and also coordination of activities and monitoring the services provided by the Supervisions Consultants (CUCD and Quality Planning). The construction works in landfill site will be most probably extended for few months in order to complete the remaining works properly.

The defect liability period under the contract CW2 – Transfer Station Rehabilitation will end by 31 August 2023, the Consultant's supervision engineer will coordinate a properly closing the contract and submission of as-built drawings and other final documents of the project.

4.4 ADMINISTRATION OF CONTRACTS (TASK D)

The Consultant will assist the Client and PIU in further administration of the on-going contracts CW1, CW2, Cons_2, Cons_7 and the contracts for supply of goods (G7 and G8) to be awarded in the next quarter, in particular:

WORKS	Description of activity
CW1	Review of interim payment certificates, checking the Contractor's requests on technical and other matters. Participation in site meetings on works progress and in negotiations on the contract variation.
CW2	Review of as-built drawings and final documentation submitted by the Contractor and the Engineer – after end of the defects liability period.
SERVICES	Description of activity
C2	Support in the finalization and signing of Addendum No. 4 to the contract, assistance to Maxsustrans in submission of formal request to local authority for review and approval of Addendum No. 4.
C7	Closure the contract with the Consultant and acceptance of the final documents and review of the final invoice.
GOODS	Description of activity
G7	In case of contract award, support the Client and PIU in contract negotiations, including the tax issues and delivery schedule. Review of bank guaranties, insurance policies, advance payment claim etc., acc. to contract terms and conditions.
G8	In case of contract award, support the Client and PIU in contract negotiations, including the tax issues and delivery schedule. Review of bank guaranties, insurance policies, advance payment claim etc., acc. to contract terms and conditions.

4.5 IMPLEMENTATION, MONITORING AND EVALUATION OF SAFEGUARDS (TASK E)

The Consultant will continue to assist the Client and the PIU in monitoring safeguards issues under the Project. This activity will include monitoring compliance with ADB's environmental and social safeguard policy, in particular at the construction site of the new sanitary landfill. The Consultant will assist the Client and the PIU in understanding the environmental and social risks that could potentially be affected by project development activities.

It should be noted that social safeguards monitoring means monitoring the Project's Land Acquisition and Resettlement Plan, in particular all aspects and progress of the land acquisition process for the new landfill, as described in the paragraphs above. If the Project is re-classified from Involuntary Resettlement Category B to C and ADB approves this, LARP monitoring will be stopped. However, the next monitoring step is the development of social monitoring indicators during the construction phase (contract CW1). Social security tasks at the construction site are included in the scope of work of the Contractor CW1. The Contractor shall consider the implementation and monitoring of social and gender issues and the PIU Consultant will follow this. Gender aspects are monitored by PIU's focal person and reported to ADB accordingly.

Monitoring of social protection issues will be summarized and reported in the Semi-annual Social Safeguards Monitoring Report for the period July-December 2023 after the end of the second half of 2023.

The preparation of semi-annual environmental monitoring report(s) will continue, but paragraphs that have not been changed or expanded will not be repeated in the report. Environmental monitoring reports, after review and approval by ADB, will be posted on the website of SUE "Maxsustrans" and, as before, published on the ADB website. The next semi-annual environmental monitoring report for the reporting period from July to December 2023 will be submitted to the Client and PIU in December 2023.

4.6 MEDIA AND PUBLIC RELATIONS (TASK F)

The Consultant will guide the Client and PIU in conducting public and media relations activities during the reporting period, and as part of this work will assist the Client in posting relevant progress reports on the Maxsustrans website.

As part of the contract CW1 - Sanitary Landfill Establishment, special attention will be paid to public relations and information program addressed to local residents and mahallas located near the construction site in Akhangaran district, Tashkent region.

5 USED STAFF INPUT AND CONSULTANT BUDGET

During the reporting period, the Client has paid the Consultant's interim invoices No. 20 and 21 for services rendered in the period December 2022 – May 2023. As of May 31, 2023 \$2,231,417.19 (92.57%) was used and the balance was \$178,582.81 (see the following table for details):

Form FIN-2 SUMMARY OF COSTS (in USD)

Item	Contract Amendment No.6 dd 09.12.2021	Accumulated costs before the claimed period	Costs for the period 01.03.2023 - 31.05.2023	Accumulated costs after the claimed period	Remaining cost as per 31.05.2023
Remuneration, Key Experts (01.08.2017 - 30.06.2019)	724 796,00	724 796,00		724 796,00	0,00
Remuneration, Non-Key Experts (01.08.2017 - 30.06.2019)	48 916,00	48 916,00		48 916,00	0,00
Remuneration, Key Experts (01.07.2019 - 31.12.2023)	1 080 154,22	957 726,44	28 815,28	986 541,72	93 612,50
Remuneration, Non-Key Experts (01.07.2019 - 31.12.2023)	311 751,02	222 797,18	18 938,38	241 735,56	70 015,46
Sub-Total	2 165 617,23	1 954 235,62	47 753,66	2 001 989,28	163 627,95
Reimbursable Expenses	211 400,00	195 934,90	1 340,69	197 275,59	14 124,41
Provisional Sums	32 400,00	32 152,32	0,00	32 152,32	247,68
Contingency	582,77	0,00	0,00	0,00	582,77
Sub-Total	244 382,77	228 087,22	1 340,69	229 427,91	14 954,86
Total Amount excl. VAT in Uzbekistan	2 410 000,00	2 182 322,84	49 094,35	2 231 417,19	178 582,81
VAT in Uzbekistan - To be exempted*	361 500,00	327 348,43	7 364,15	334 712,58	26 787,42

The following table shows the used and rest input of key and non-key personnel of the Consultant as of May 31, 2023. The legal basis is the signed Supplementary Agreement No. 6 dated December 9, 2021. As of May 31, 2023 the unused input was 49.38 person/month of which 21.79 person/month for key personnel and 27.59 person/month for non-key personnel.

Form FIN-3 BREAKDOWN OF REMUNERATION (in USD)

Form FIN-3 BREAKDOWN OF REMUNERATION (in USD)				Contract Amendment No.6 dd 09.12.2021		Total Claimed Costs until 28.02.2023		Costs for the period 01.03.2023 - 31.05.2023			Total Claimed Costs until 31.05.2023		Remaining Costs as per 31.05.2023	
No.	Name	Nationality	Currency	Time input in Person/Month (*) (Home)	Amount	Time input in Person/Month (*) (Home)	Amount	Person-month Remuneration Rate (Home)	Time input in Person/Month (*) (Home)	Amount	Time input in Person/Month (*) (Home)	Amount	Time input in Person/Month (*) (Home)	Amount
	Position	Firm		Time input in Person/Month (*) (Field)		Time input in Person/Month (*) (Field)		Person-month Remuneration Rate (Field)	Time input in Person/Month (*) (Field)		Time input in Person/Month (*) (Field)		Time input in Person/Month (*) (Field)	
	Key Experts (International)													
K-1	Ingo Schoebe	German	USD	11,06	204 910,94	9,87	182 840,93	18 545,80	0,86	15 949,39	10,73	198 790,32	0,33	6 120,62
	SWM Specialist (Team Leader)	Infratech Consulting SDN Ltd.		24,83	454 634,06	24,82	454 448,60	18 545,80	0,00	0,00	24,82	454 448,60	0,01	185,46
K-2	Romain Revol	German	USD	6,57	117 263,13	5,57	99 211,54	18 051,59	0,00	0,00	5,57	99 211,54	1,00	18 051,59
	Theo Schneider (effective 01.07.2018) Matthias Schoenfeldt (effective 01.04.2020)	H.P. Gauff Ingenieure GmbH & Co. KG		4,91	86 948,00	4,91	86 948,00	18 051,59	0,00	0,00	4,91	86 948,00	0,00	0,00
K-3	Aleksandr Maksimov	Tajik	USD	9,20	166 074,63	9,11	164 449,95	18 051,59	0,00	0,00	9,11	164 449,95	0,09	1 624,68
	Procurement Specialist	Infratech Consulting SDN Ltd.		1,60	28 636,88	1,60	28 636,88	18 051,59	0,00	0,00	1,60	28 636,88	0,00	0,00
BS	Dr. Joachim Glasenapp	German	USD	3,42	62 779,99	3,42	62 779,99	18 545,80	0,00	0,00	3,42	62 779,99	0,00	0,00
	Backstopper	H.P. Gauff Ingenieure GmbH & Co. KG		0,66	12 122,66	0,66	12 122,66	18 545,80	0,00	0,00	0,66	12 122,66	0,00	0,00
Sub-Total Costs				62,25	1 133 370,13	59,96	1 091 438,55		0,86	15 949,39	60,82	1 107 387,93	1,43	25 982,20
Key Experts (National)														
K-4	Dilshod Mavlyan-Kariev	Uzbek	USD											
	SWM Specialist (Deputy Team Leader)	Infratech Consulting SDN Ltd.		68,24	249 014,23	56,07	204 370,87	3 668,40	2,86	10 491,62	58,93	214 862,49	9,31	34 151,74
K-5	Tairjon Kabashev	Uzbek	USD											
	Akmal Khikmatullaev (effective 01.07.2019) Financial Management Specialist	Infratech Consulting SDN Ltd.		67,56	205 397,76	58,60	178 008,02	3 057,00	0,00	0,00	58,60	178 008,02	8,96	27 389,74
K-6	Tair Khaydarov	Uzbek	USD											
	Dilshod Khalmukhamedov (effective 01.07.2019) Procurement Specialist	Infratech Consulting SDN Ltd.		42,84	130 051,02	40,98	124 365,02	3 057,00	0,36	1 100,52	41,34	125 465,54	1,50	4 585,48
K-7	Maria Malinovskaya	Uzbek	USD											
	Social Safeguard and Devel. Specialist	Infratech Consulting SDN Ltd.		16,50	41 779,15	16,25	41 142,38	2 547,50	0,00	0,00	16,25	41 142,38	0,25	636,77
K-8	Julia Alekseeva	Uzbek	USD											
	Sergey Karandaev (effective 01.07.2018) Environmental Specialist	Infratech Consulting SDN Ltd.		17,88	45 337,93	17,04	43 197,60	2 547,50	0,50	1 273,75	17,54	44 471,35	0,34	866,58
Sub-Total Costs				213,02	671 580,09	188,94	591 083,89		3,72	12 865,89	192,66	603 949,78	20,36	67 630,30
Total Costs: Key Experts (International and National)				275,27	1 804 950,22	248,90	1 682 522,44		4,58	28 815,28	253,48	1 711 337,72	21,79	93 612,50
Non-Key Experts														
NK-1	Grigoriy Tsay	Uzbek	USD											
	Bunyod Pulatkhodjaev (effective 01.07.2019) Akrambek Danyarbekov (effective 01.12.2020) Shokhzod Mavlonkoriev (effective 01.04.2023) Supervision Specialist	Infratech Consulting SDN Ltd.		45,86	116 828,35	35,86	91 353,73	2 547,50	1,00	2 547,50	36,86	93 901,23	9,00	22 927,12
NK-2	Gulshan Khakimbekova (effective 10.12.2021) Financial Management Specialist / Accountant	Uzbek	USD											
	Infratech Consulting SDN Ltd.	13,50		34 391,25	8,96	22 824,75	2 547,50	2,00	5 095,00	10,96	27 919,75	2,54	6 471,50	
NK-3	Amirbek Gaybullaev	Uzbek	USD											
	Sardorbek Rikhsitilayev (effective 05.09.2022) Contract Administration Specialist	Infratech Consulting SDN Ltd.		26,00	66 235,00	10,95	27 895,50	2 547,50	2,86	7 285,85	13,81	35 181,35	12,19	31 053,65
SEC	Nargiza Mavlyan-Karieva	Uzbek	USD											
	Firuz Maksudova (effective 05.09.2022) Office Manager	Infratech Consulting SDN Ltd.		59,31	143 212,42	53,80	129 639,20	2 430,32	1,65	4 010,03	55,45	133 649,23	3,86	9 563,19
Total Costs: Non-Key Experts (National)				144,67	360 667,02	109,57	271 713,18		7,51	18 938,38	117,08	290 651,56	27,59	70 015,46
Total Costs: Key and Non-Key Experts				419,94	2 165 617,23	358,47	1 954 235,62		12,09	47 753,66	370,56	2 001 989,28	49,38	163 627,96

(*) - One person-month equals twenty two (22) working (billable) days. One working (billable) person-day shall be not less than eight (8) working (billable) hours.

ANNEXES