



# Report and Recommendation of the President to the Board of Directors

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Project Number: 48025-004  
November 2020

## Proposed Loan for Additional Financing Republic of Uzbekistan: Central Asia Regional Economic Cooperation Corridor 2 (Pap–Namangan– Andijan) Railway Electrification Project

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Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 21 September 2020)

|               |   |              |
|---------------|---|--------------|
| Currency unit | – | sum (SUM)    |
| SUM1.00       | = | \$0.0000969  |
| \$1.00        | = | SUM10,315.62 |

## **ABBREVIATIONS**

|          |   |  |
|----------|---|--|
| ADB      | – | Asian Development Bank   |
| CAREC    | – | Central Asia Regional Economic Cooperation                                   |
| COVID-19 | – | coronavirus disease  |
| CTC      | – | central train control  |
| GRM      | – | grievance redress mechanism  |
| IFI      | – | international financial institution  |
| IFRS     | – | International Financial Reporting Standards                                  |
| km       | – | kilometer  |
| PAM      | – | project administration manual  |
| PIU-ET   | – | project implementation unit for electrification and renewal of rolling stock |
| SCADA    | – | supervisory control and data acquisition system                              |
| TA       | – | technical assistance   |
| UTY      | – | O'zbekiston Temir Yo'llari (Uzbekistan Railways)                             |

## **NOTES**

- (i) The fiscal year (FY) of the Government of Uzbekistan ends on 31 December.
- (ii) In this report, "\$" refers to United States dollars.

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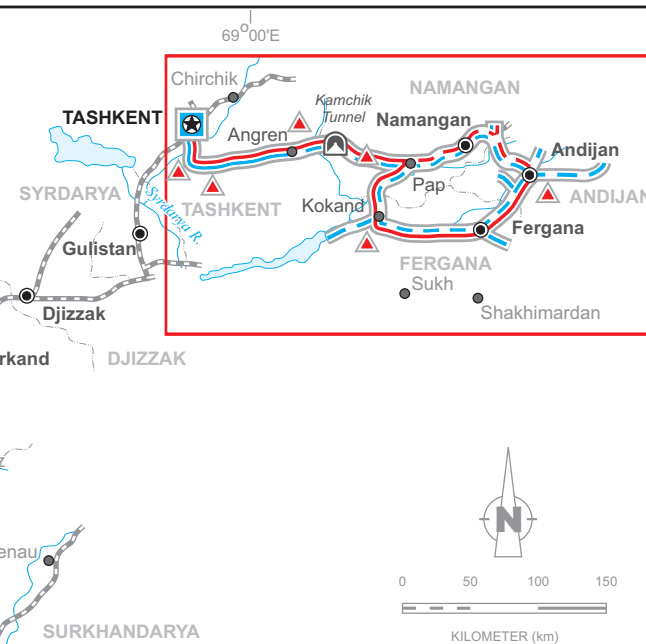
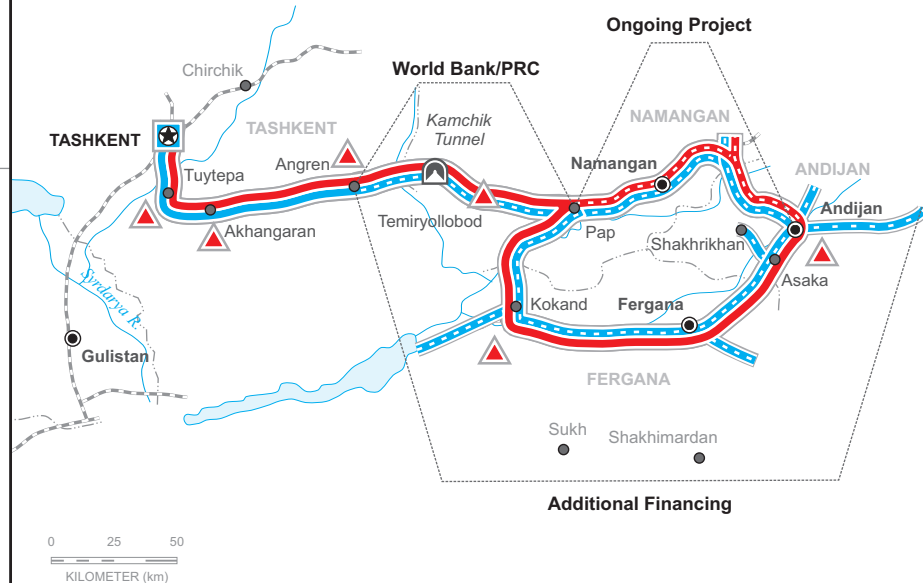
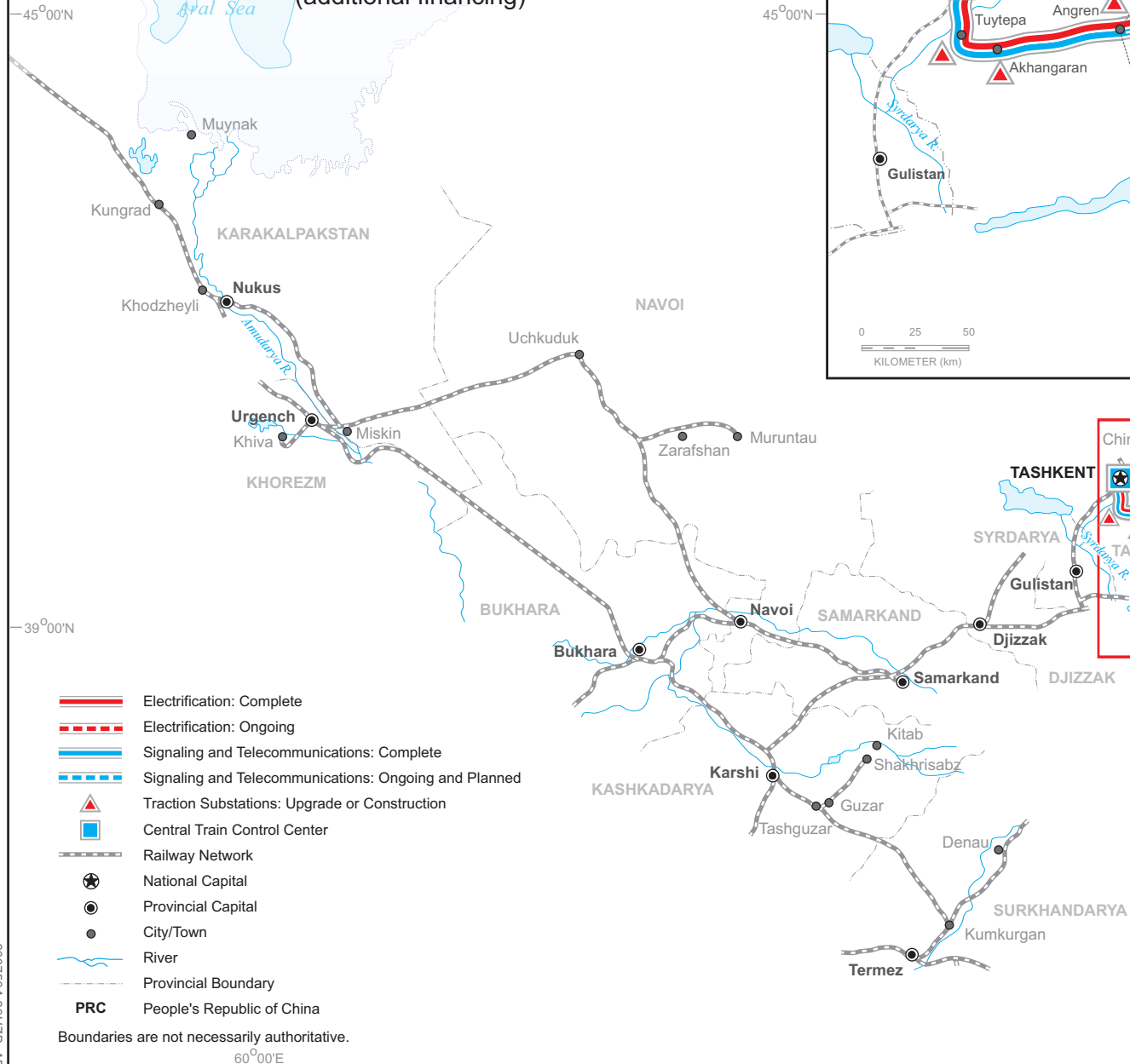
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## PROJECT AT A GLANCE

|   |  |  |                            |
|---|--|--|----------------------------|
| 1. Basic Data   |  | Project Number: 48025-004  |                            |
| Project Name  | Central Asia Regional Economic Cooperation Corridor 2 (Pap-Namangan-Andijan) Railway Electrification Project – Additional Financing  | Department/Division  | CWRD/CWTC                  |
| Country Borrower  | Uzbekistan   | Executing Agency   | O'zbekiston Temir Yo'llari |
| Country Economic Indicators Portfolio at a Glance   | <a href="https://www.adb.org/Documents/LinkedDocs/?id=48025-004-CEI">https://www.adb.org/Documents/LinkedDocs/?id=48025-004-CEI</a><br><a href="https://www.adb.org/Documents/LinkedDocs/?id=48025-004-PortAtaGlance">https://www.adb.org/Documents/LinkedDocs/?id=48025-004-PortAtaGlance</a> |  |                            |
| 2. Sector   | Subsector(s)   | ADB Financing (\$ million)                                       |                            |
| ✓ Transport   | Rail transport (non-urban)   |  | 121.00                     |
|   |  | Total  | 121.00                     |
| 3. Operational Priorities   |  | Climate Change Information                                       |                            |
| ✓ Accelerating progress in gender equality  |  | GHG reductions (tons per annum)                                  | 14,870                     |
| ✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability |  | Climate Change impact on the Project                             | Medium                     |
| ✓ Strengthening governance and institutional capacity   |  | ADB Financing  |                            |
| ✓ Fostering regional cooperation and integration  |  | Adaptation (\$ million)  | 1.10                       |
|   |  | Mitigation (\$ million)  | 119.90                     |
|   |  | Cofinancing  |                            |
|   |  | Adaptation (\$ million)  | 0.00                       |
|   |  | Mitigation (\$ million)  | 0.00                       |
| Sustainable Development Goals   |  | Gender Equity and Mainstreaming                                  |                            |
| SDG 1.a   |  | Some gender elements (SGE)                                       | ✓                          |
| SDG 5.5   |  | Poverty Targeting  |                            |
| SDG 7.3   |  | General Intervention on Poverty                                  | ✓                          |
| SDG 9.1, 9.4  |  |  |                            |
| SDG 12.2  |  |  |                            |
| SDG 13.a  |  |  |                            |
| 4. Risk Categorization:   |  | Low  |                            |
| 5. Safeguard Categorization   |  | Environment: B Involuntary Resettlement: B Indigenous Peoples: C |                            |
| 6. Financing  |  |  |                            |
| Modality and Sources  |  | Amount (\$ million)  |                            |
| ADB   |  | 121.00   |                            |
| Sovereign Project (Regular Loan): Ordinary capital resources  |  | 121.00   |                            |
| Cofinancing   |  | 0.00   |                            |
| None  |  | 0.00   |                            |
| Counterpart   |  | 43.00  |                            |
| Government  |  | 43.00  |                            |
| Total   |  | 164.00   |                            |
| Currency of ADB Financing: US Dollar  |  |  |                            |

# CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR 2 (PAP–NAMANGAN–ANDIJAN) RAILWAY ELECTRIFICATION PROJECT (additional financing)



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## I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed loan to the Republic of Uzbekistan for the additional financing of the Central Asia Regional Economic Cooperation (CAREC) Corridor 2 (Pap–Namangan–Andijan) Railway Electrification Project.

2. The Asian Development Bank (ADB) approved the ongoing project on 21 April 2017 for \$80 million from its ordinary capital resources, to help modernize 145.1 kilometers (km) of railway track between Pap, Namangan, and Andijan in the Fergana Valley.<sup>1</sup> The proposed additional financing will increase the scope of the project to complete the modernization of the railway network in eastern Uzbekistan. It will eliminate gaps in signaling and telecommunications systems that are crucial for the safe and efficient operation of trains; boost the amount of freight and passenger trains; reduce the risk of trains from landslides; and improve the capacity of railway staff, including women, in modern train management techniques. The project will improve regional connectivity along CAREC Corridor 2, and contribute to railway-driven trade.

## II. THE PROJECT

### A. Rationale

3. **Need to complete modernization of railways in eastern Uzbekistan.** The 4,735 km railway network is the backbone of Uzbekistan's economy, carrying 30%–40% of the country's freight and 3%–4% of its passenger traffic.<sup>2</sup> The railway network in eastern Uzbekistan consists of a loop linking major cities in the Fergana Valley (Pap, Namangan, Andijan, Margilan, and Kokand); and a line from Pap through the mountainous Kamchik Pass to Angren and Tashkent. Branch lines extend into the Kyrgyz Republic and Tajikistan. Most of these lines were built in the Soviet era and were designed to be used by a lower number of trains that ran on steam and later diesel power. ADB and other development partners have been making coordinated efforts to support the government in modernizing Uzbekistan's railway system.<sup>3</sup>

4. **Ongoing project.** The ongoing project is a key part of such efforts, helping to electrify the 145.1 km line between Pap, Namangan, and Andijan; and to install signaling and telecommunications systems. The ongoing project is performing well, as (i) the project is rated *on track* under the project performance rating system, (ii) each safeguard covenant item *is being complied with*, (iii) the delivery of the expected outputs is rated *successful*, and (iv) the management of risks is rated *successful*.<sup>4</sup> As of 23 September 2020, contract awards totaled \$79.98 million (99.9% of the loan amount) and disbursement reached \$61.40 million (76.8% of the loan amount).

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<sup>1</sup> ADB. 2017. [Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of Uzbekistan for the Central Asia Regional Economic Cooperation Corridor 2 \(Pap–Namangan–Andijan\) Railway Electrification Project](#). Manila (Loan 3527-UZB). The loan was signed on 8 November 2017 and became effective on 29 November 2017. The current closing date of the loan is 31 December 2021.

<sup>2</sup> Government of Uzbekistan, State Committee of the Republic of Uzbekistan on Statistics. 2020. [Cargo Transportation and Cargo Turnover by Type of Transport](#); and [Transportation of Passengers and Passenger Turnover by Mode of Transport](#) (accessed 19 June 2020). The freight market share of railways averages 17% in the European Union and 25%–30% in North America. The passenger share of railways in the European Union with a higher population density is 7%.

<sup>3</sup> Sector Assessment (Summary): Transport (Rail Transport [Nonurban]) (accessible from the list of linked documents in [Appendix 2](#)).

<sup>4</sup> Summary of Project Performance (accessible from the list of linked documents in [Appendix 2](#)).

5. **Remaining challenges.** Permanent signaling and telecommunications systems are missing for the southern part of the Fergana loop (para. 3) between Angren, Pap, Kokand, and Andijan, as well as on certain branch lines. This greatly affects the efficiency and safety of train operations, and limits the number of trains. These works were partly envisaged to be completed under the loan financed by the World Bank for the Angren–Pap project.<sup>5</sup> However, procurement delays led to the cancellation of the amount associated with this component, and the loan was closed in March 2020. This decision took place amidst a challenging procurement landscape facing Uzbekistan in 2017 and 2018, where all international financial institutions (IFIs) faced delays across all sectors. ADB and O'zbekiston Temir Yo'llari (UTY), the vertically integrated public railway company, exercised patience and worked steadily with the government to formulate new procedures that are fully compatible with IFI rules and regulations. Since then, the implementation of ADB-financed projects has accelerated.

6. **Envisaged benefits.** The additional financing will expand the scope of the ongoing project to complete the modernization of the railway network in eastern Uzbekistan. Trains will be able to travel safely and more frequently, resulting in a capacity increase of 53% for freight and 39% for passengers, without the need for costly works such as double-tracking. The project will reduce the journey times and cost of travel for the population in the Fergana Valley. It will improve the access of women and children to safer transport, with gender-inclusive facilities in trains and at modernized stations (already in place). It will enhance people's access to health, education, and work opportunities, most of which are in the cities of Andijan and Kokand.

7. **Consistency with national development objectives.** The project remains fully in line with Uzbekistan's national development objectives. Transport infrastructure is recognized as a key growth driver in Uzbekistan's Development Strategy, 2017–2021—to promote economic development and liberalization, and support the development of the social sectors.<sup>6</sup> The strategy specifically mentions the importance of improving transport services, raising passenger safety, and reducing harmful emissions.

8. **Consistency with ADB's Strategy 2030.** The additional financing further boosts the project's contribution to ADB's operational priorities of (i) tackling climate change, building climate and disaster resilience, and ensuring environmental sustainability; (ii) strengthening governance and institutional capacity; (iii) accelerating progress in gender equality, and (iv) fostering regional cooperation and integration.<sup>7</sup> The expansion of a modernized railway network will cut greenhouse gases and reduce local air pollution. The improved efficiency of train services will reduce journey time, improve service quality and reliability on Uzbekistan's transport network, and strengthen the conditions for the private sector to grow. The project is aligned with ADB's country partnership strategy for Uzbekistan, 2019–2023, which calls for investments in the transport sector and the modernization of railway infrastructure.<sup>8</sup>

9. **Contribution to regional connectivity.** The project railway is part of CAREC Corridor 2 and designated rail corridors 202 and 203, which serve the vital east–west trade corridor linking the People's Republic of China, through Central Asia, to Europe. Regional benefits envisaged include reduced time and increased efficiency of cross-border transport, improved access for businesses in the Fergana Valley to markets in neighboring countries and vice versa, and

<sup>5</sup> World Bank. [Pap–Angren Railway](#).

<sup>6</sup> Government of Uzbekistan. 2017. [Uzbekistan's Development Strategy for 2017–2021](#). Tashkent.

<sup>7</sup> ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila. The project will support regional cooperation and integration by developing greater and higher quality connectivity between economies, and expanding global and regional trade and investment opportunities.

<sup>8</sup> ADB. 2019. [Country Partnership Strategy: Uzbekistan, 2019–2023—Supporting Economic Transformation](#). Manila.



increased tourism. The project will enhance the transit role of Uzbekistan, facilitating the trade in agricultural goods produced from the Fergana Valley. The project thereby contributes to the goal of the CAREC Railway Strategy 2030 to make railways a mode of choice for trade—quick, efficient, accessible to customers, and easy to use throughout the region.<sup>9</sup>

10. **Supporting ongoing reforms.** UTY remains a financially robust organization with the ability to carry all operation and maintenance costs, and most capital works. However, like other railway organizations throughout the world, it faces heavy competition from road transport, and, in the case of transit traffic, competition from other countries. UTY's financial sustainability depends on its ability to improve the attractiveness of its services to clients. This requires improved infrastructure and rolling stock, and refinements to its business planning process. ADB is working with UTY on an initiative to develop and implement a long-term development strategy—a three-pronged strategy covering people, technology, and financing (footnote 3). This additional financing contributes to the first two, by pushing the boundaries of technical innovation and enhancing the capacity of UTY staff.

11. **Impact of COVID-19.** The coronavirus disease (COVID-19) pandemic reinforces the need to strengthen the railway network. Railways have proven to be the most reliable and sought-after mode of transport for freight during the pandemic, while truck traffic has shrunk. Passenger traffic, on the other hand, has been severely affected. Since the project's viability depends largely on freight traffic, the impact of COVID-19 is minimal. Construction is expected to start in mid-2021 when COVID-19 is likely to have subsided and be made manageable through the government's COVID-19 response measures. In such a case, the project will be implemented within the planned implementation period from 2021 to 2024. If COVID-19 is not contained by mid-2021, UTY will enact measures for resources to be mobilized steadily, albeit at a reduced speed, and for works to continue without serious threat to people's health.<sup>10</sup> The project will help eastern Uzbekistan to bounce back—revitalizing horticultural exports, reviving the ravaged tourism industry, providing employment, and regaining momentum toward meeting its ambitious infrastructure plans.

12. **Eligibility for additional financing.** The proposal meets the eligibility criteria for additional financing, as the overall project (i) remains technically feasible, economically viable, and financially sound (paras. 25–31); (ii) is accorded high priority by the government (para. 7); (iii) is consistent with the project's development objectives (para. 13); and (iv) is consistent with the country partnership strategy (para. 8).<sup>11</sup>

## B. Project Description

13. The project is aligned with the following impacts: (i) stimulated economic growth in the Fergana Valley,<sup>12</sup> and (ii) improved connectivity and increased regional trade along CAREC Corridor 2.<sup>13</sup> The project will have the following outcome: level of rail passenger and freight service in, to, and from the Fergana Valley improved.<sup>14</sup>

<sup>9</sup> ADB. 2017. *Unlocking the Potential of Railways: A Railway Strategy for CAREC, 2017–2030*. Manila.

<sup>10</sup> UTY will develop and implement a risk mitigation plan to comply with the Ministry of Health and the World Health Organization's COVID-19 preparedness and response guidelines to prevent and monitor the spread of COVID-19. The program will comprise health-related measures to prevent and stem the spread of COVID-19 by construction workers, and improve the capacity of the project implementation team on site to protect construction workers and people from the community from COVID-19.

<sup>11</sup> ADB. 2013. *Additional Financing. Operations Manual*. OM H5, para. 4. Manila.

<sup>12</sup> Defined by project.

<sup>13</sup> ADB. 2014. *CAREC Transport and Trade Facilitation Strategy 2020*. Manila.

<sup>14</sup> The design and monitoring framework is in [Appendix 1](#).

14. The two outputs of the ongoing project remain unchanged. The additional financing will expand the scope of the project and add the following new outputs.

15. **Output 3: Railway infrastructure along the Angren–Pap–Kokand–Andijan line upgraded.** The design, supply, and installation of the signaling and telecommunications system on 441 km of track will be completed, including four branch lines.<sup>15</sup> A video surveillance system will be installed to monitor the safe operation of trains. The mountainous section from Pap to Angren will be fitted with a landslide detection and warning system. The electric power supply will be enhanced through the construction of two traction substations and two sectioning posts, and an upgrade to two existing traction substations.<sup>16</sup> All traction substations will be connected to a supervisory control and data acquisition system (SCADA) and external power supply. Machinery and equipment will be commissioned for the maintenance of electrified lines. The Kokand depot will be upgraded to allow the servicing of electric locomotives. Two hundred of UTY's technical staff, including 20 female staff, will be trained on the telecommunications and signaling systems.

16. **Output 4: Train control and management system upgraded.** To allow UTY to control and manage all train movements in the Fergana Valley from a single central train control (CTC) center in Tashkent, (i) the CTC center in Tashkent will be upgraded; (ii) an automated train scheduling system will be made functional; and (iii) 30 staff members, including at least 10 female technical staff, will be trained on the modernized train control and management system.

### C. Value Added by ADB

17. ADB's involvement in this project provides tangible value. First, by extending additional financing, ADB will support UTY and the government to complete the modernization of the eastern Uzbekistan railway line in a consistent and cohesive manner. ADB supported UTY in developing a coordinated work plan, which allows the components under the ongoing and additional financing projects to be optimized and to ensure maximum synergies. For instance, the upgrades to the CTC center will be done in a manner that allows the whole eastern Uzbekistan railway network to be operated through one unified system. Second, the technical specifications of the signaling, telecommunications, video surveillance, and train management systems were improved through transaction technical assistance (TA) to meet international standards and utilize state-of-the-art technology.<sup>17</sup> Third, ADB introduced measures into the project, especially the landslide detection and warning system, to ensure the resilience of the upgraded line to natural disasters and climate change.<sup>18</sup> Fourth, the project will introduce gender-inclusive training (para. 36).

### D. Summary Cost Estimates and Financing Plan

18. The overall project is estimated to cost \$341.5 million (Table 1). The additional financing is estimated at \$164.0 million. Detailed cost estimates by expenditure category and by financier are included in the project administration manual (PAM).<sup>19</sup>

<sup>15</sup> The main line between Angren–Pap–Kokand–Andijan is 300.8 km. Branch lines are Kokand to the border with Tajikistan, from Margilon to the border with the Kyrgyz Republic, from Margilon to Fergana 1, and from Block Post 331 to the border with the Kyrgyz Republic (total of 140.2 km). Telecommunications (but not signaling) will be installed on two more branch lines: Asaka–Shakhrikan and Andijan 2–Tetakcai (total of 33.3 km).

<sup>16</sup> At Temiryo'lobod and Angren. The government will also upgrade two more traction substations at Tuytepa and Akhangaran through its own resources.

<sup>17</sup> ADB. 2019. [Technical Assistance to the Republic of Uzbekistan for Preparing Railway Modernization Projects](#). Manila (TA 9795-UZB). The same TA is being used to prepare the proposed CAREC Corridor 2 (Bukhara–Miskin–Urgench–Khiva) Railway Electrification Project.

<sup>18</sup> Climate Change Assessment (accessible from the list of linked documents in [Appendix 2](#)).

<sup>19</sup> Project Administration Manual (accessible from the list of linked documents in [Appendix 2](#)).

19. The government has requested a regular loan of \$121,000,000 from ADB's ordinary capital resources to help finance the project. The loan will have a 25-year term, including a grace period of 5 years; an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; a commitment charge of 0.15% per year; and such other terms and conditions set forth in the draft loan and project agreements. Based on the straight-line method, the average maturity is 15.25 years, and the maturity premium payable to ADB is 0.10% per year.

**Table 1: Summary Cost Estimates**  
(\$ million)

| Item  | Current Amount <sup>a</sup> | Additional Financing <sup>b</sup> | Total        |
|---|-----------------------------|-----------------------------------|--------------|
| <b>A. Base Cost<sup>c</sup></b>   |                             |                                   |              |
| 1. Railway infrastructure along the Pap–Namangan–Andijan line upgraded      | 163.6                       | 0.0                               | 163.6        |
| 2. Safety of railway operations improved                                    | 5.3                         | 0.0                               | 5.3          |
| 3. Railway infrastructure along the Angren–Pap–Kokand–Andijan line upgraded | 0.0                         | 143.1                             | 143.1        |
| 4. Train control and management system upgraded                             | 0.0                         | 2.6                               | 2.6          |
| <b>Subtotal (A)</b>   | <b>168.9</b>                | <b>145.7</b>                      | <b>314.6</b> |
| <b>B. Contingencies<sup>d</sup></b>   | <b>6.0</b>                  | <b>12.2</b>                       | <b>18.2</b>  |
| <b>C. Financing Charges During Implementation<sup>e</sup></b>               | <b>2.6</b>                  | <b>6.1</b>                        | <b>8.7</b>   |
| <b>Total (A+B+C)</b>  | <b>177.5</b>                | <b>164.0</b>                      | <b>341.5</b> |

<sup>a</sup> Refers to the original amount.

<sup>b</sup> Includes taxes and duties of \$22.7 million to be financed from government resources, with taxes on a cash-contribution basis and duties on an exemption basis. Such amount does not represent an excessive share of the project cost. Also includes design and civil works and contingencies for such work, amounting to \$20.3 million.

<sup>c</sup> In mid-2020 prices as of 15 June 2020.

<sup>d</sup> Physical contingencies computed at 7.6% for goods, plant, and consultancy services. Price contingencies computed at 1.3% on foreign exchange costs and 12.1% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>e</sup> Includes interest and commitment charges on all sources of financing. Interest during construction for a regular ordinary capital resources loan has been computed at the 5-year forward London interbank offered rate plus a spread of 0.5%. Financing charges include an assumed 1.0% fee charged by the government to O'zbekiston Temir Yo'llari. Commitment charges for a regular ordinary capital resources loan are 0.15% per year, to be charged on the undisbursed loan amount.

Sources: Asian Development Bank and O'zbekiston Temir Yo'llari estimates.

20. The summary financing plan is in Table 2. Through the additional financing, ADB will finance the expenditures in relation to the design, supply, and installation (plant) of traction substations, transformers, signaling, telecommunications, SCADA, video surveillance, and train management system; and goods for machinery and equipment for railway maintenance. The government's contribution of \$43.0 million comprises (i) taxes and duties of \$22.6 million; and (ii) design and civil works and contingencies for such work, amounting to \$20.4 million.

**Table 2: Summary Financing Plan**

| Source                 | Current <sup>a</sup> |                    | Additional Financing |                    | Total               |                    |
|------------------------|----------------------|--------------------|----------------------|--------------------|---------------------|--------------------|
|                        | Amount (\$ million)  | Share of Total (%) | Amount (\$ million)  | Share of Total (%) | Amount (\$ million) | Share of Total (%) |
| Asian Development Bank |                      |                    |                      |                    |                     |                    |
| OCR (regular loan)     | 80.0                 | 45.1               | 121.0                | 73.8               | 201.0               | 58.9               |
| Government             | 97.5                 | 54.9               | 43.0                 | 26.2               | 140.5               | 41.1               |
| <b>Total</b>           | <b>177.5</b>         | <b>100.0</b>       | <b>164.0</b>         | <b>100.0</b>       | <b>341.5</b>        | <b>100.0</b>       |

OCR = ordinary capital resources.

<sup>a</sup> Refers to the original amount.

Sources: Asian Development Bank and O'zbekiston Temir Yo'llari estimates.

21. For the proposed additional financing, climate mitigation is estimated to cost \$162.9 million and climate adaptation is estimated to cost \$1.1 million. ADB will finance 73.6% of mitigation costs and 100.0% of adaptation costs. Mitigation comprises the modernization of the railway and the accompanying modal shift to lower-carbon transport. Annual greenhouse gas emission reductions are expected to exceed 14,870 tons per annum. Adaptation comprises the installation of a landslide detection and early warning system. Details are in the PAM (footnote 19).

## E. Implementation Arrangements

22. The implementation arrangements remain largely unchanged from the ongoing project. UTY will remain the sole executing agency. The project implementation unit for the electrification and renewal of rolling stock (PIU-ET), which has staff experienced in IFI procedures and policies, will be responsible for implementing the project. The technical and administrative departments of UTY will also assist the PIU-ET. The implementation arrangements are summarized in Table 3 and described in detail in the PAM (footnote 19).

**Table 3: Implementation Arrangements**

| Aspects                                       | Arrangements  |  |   |
|---|---|--|---|
| Implementation period                         | December 2020–December 2024   |  |   |
| Estimated completion date                     | 31 December 2024  |  |   |
| Estimated loan closing date                   | 30 June 2025  |  |   |
| Management                                    |   |  |   |
| (i) Oversight bodies                          | Ministry of Investments and Foreign Trade<br>Ministry of Finance<br>Ministry of Transport   |  |   |
| (ii) Executing agency                         | O'zbekiston Temir Yo'llari  |  |   |
| (iii) Key implementing agencies               | Project implementation unit for electrification and renewal of rolling stock of UTY   |  |   |
| (iv) Implementation unit                      | Tashkent, Uzbekistan, 23 staff  |  |   |
| Procurement                                   | Open competitive bidding (3 lots)   | Traction substations and transformers; signaling and telecommunications and installation of SCADA; video surveillance system (plant) | [This information was deemed confidential according to paragraph 17 (viii) of ADB's Access to Information Policy (2018).] |
|   | Open competitive bidding (4 lots)   | Machinery and equipment for railway maintenance (goods)  |   |
|   | Direct contracting  | Train management system at central train control (plant)   |   |
| Consulting services                           | Quality- and cost-based selection (90:10)   | Engineering and works supervision (238 person-months)  |   |
| Retroactive financing and advance contracting | Advance contracting action will be taken on all procurement packages. Retroactive financing will be allowed up to 20% of the loan amount.   |  |   |
| Disbursement                                  | The loan proceeds will be disbursed following ADB's <i>Loan Disbursement Handbook</i> (2017, as amended from time to time) and detailed arrangements agreed between the government and ADB. |  |   |

ADB = Asian Development Bank, SCADA = supervisory control and data acquisition system, UTY = O'zbekiston Temir Yo'llari.

Source: Asian Development Bank.

23. All procurement financed under the ADB loan will be undertaken in adherence with the ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). Open competitive bidding will apply to (i) the plant package for traction substations and transformers, signaling and telecommunications and the installation of SCADA, and the video surveillance system; and (ii) the goods package for the machinery and equipment for railway maintenance—both under the one-stage, one-envelope method, without prequalification. For the plant procurement of the train management system, direct contracting will be pursued with the supplier of the equivalent system under the ongoing

project, to ensure full system integration.<sup>20</sup> An engineering and works supervision consultant will support the PIU-ET in implementing the project and developing the train control and management systems. The bidding documents for the two packages for open competitive bidding are substantially complete, and invitations for bids are expected to be issued in quarter 4 of 2020.

### III. DUE DILIGENCE

24. ADB provided transaction TA of \$600,000, financed by ADB's Technical Assistance Special Fund, to help prepare the additional financing project (footnote 17). Due diligence was conducted for the added scope arising from the additional financing, covering technical, economic, financial, governance, social and poverty, and safeguard aspects.

#### A. Technical

25. **Technical viability.** The technical scope of the additional financing is fully in line with the need to expand the capacity of the eastern Uzbekistan railway network safely and efficiently. Targeted improvements to signaling, telecommunications, and the electricity supply will help to increase the operational capacity in a cost-effective manner without involving major works such as double-tracking, which would have major adverse environmental and social impacts, as well as multifold increases in cost. The technical features follow well-established engineering practices that are within the capacity and experience of UTY to execute. For output 3, the signaling, telecommunications, and power systems are designed to be fully compatible with the systems being installed for the ongoing project. For output 4, work on the CTC center will be completed in a way that fully integrates all sections of railway lines in the Fergana Valley under one system.

26. **Operational considerations.** Given that works will be made to a line with ongoing train operations, the project will apply adequate safety measures for on-site work. UTY will coordinate closely with Joint Stock Company National Electric Networks of Uzbekistan to link the traction substations to the external power supply. A team of international consultants will assist UTY in the phasing and interfacing of works. The consultant teams under the ongoing and additional financing projects will work closely together under the overall supervision of the PIU-ET.

27. **Climate and disaster resilience.** A climate risk assessment pointed to the need to account for impacts arising from extremely high temperatures during heat waves and the increasing frequency of mudflows and avalanches. In response, construction materials resistant to hot weather have been selected. A landfall detection and warning system will be installed under the project to improve the resilience of railway services to climate-related hazards.

#### B. Economic and Financial Viability

28. **Economic viability.** The economic analysis of the project was conducted following ADB's guidelines by comparing the incremental costs and benefits of the additional financing components under with- and without-project scenarios.<sup>21</sup> Passenger and freight forecasts were based on an analysis of historical traffic trends, railway and road travel costs, forecast increases in railway demand, and historical and projected socioeconomic growth trends; and accounted for the economic impact of COVID-19. The project will increase the capacity and improve the

<sup>20</sup> Justified in line with the Procurement Regulations for ADB Borrowers, para. 2.17 (e), where works are a natural extension of an earlier or ongoing job that was awarded following a competitive process, and where the engagement of the same contractor is more economical and will ensure compatibility of results in terms of quality of work.

<sup>21</sup> ADB. 2017. [Guidelines for the Economic Analysis of Projects](#). Manila.

efficiency of railway operations, which will divert traffic from road-based modes and cater to suppressed demand that would not be met without the project. Project benefits include (i) time savings for freight and passenger traffic, (ii) vehicle operating cost savings for diverted traffic, (iii) carbon dioxide emission savings, and (iv) traction and locomotive maintenance savings. The project is economically viable, with an economic internal rate of return of 14.5% and a net present value of \$74.8 million at a 9.0% discount rate. It remains viable even with (i) a 10% increase in project costs, (ii) a 10% reduction in project benefits, (iii) a 10% increase in capital costs and 10% decrease in project benefits, (iv) projections of dampened gross domestic product growth in 2021–2022 because of COVID-19, and (v) a 2-year delay in the realization of project benefits.<sup>22</sup>

29. **Financial viability.** The project is revenue-generating and its financial viability was assessed following ADB's guidelines by comparing the incremental costs and revenues of the additional financing components in the with- and without-project scenarios.<sup>23</sup> The project will increase revenues, mainly from the freight traffic that provides about 88.0% of UTY's total revenues. It will also reduce the operation and maintenance costs of traction and locomotives. The financial internal rate of return is estimated at 8.2% and exceeds the calculated weighted average cost of capital of 1.62%. The project remains financially viable even with (i) a 10% increase in costs, (ii) a 10% decrease in revenues, (iii) a 10% increase in costs and 10% decrease in revenues, and (iv) a 2-year delay in implementation.<sup>24</sup>

### C. Sustainability

30. **Financial and institutional sustainability.** UTY operates a profitable business, mainly because of its freight revenues, and has maintained an enviable status as one of the few financially self-sustaining railway entities in the world. However, the operating income ratio, which includes depreciation, decreased from 0.33 in 2017 to 0.14 in 2019, mainly because of the poor financial performance of its noncore businesses, especially coal production. The government has decreed for coal production to be taken out of UTY's management, and is removing other noncore businesses by 30 June 2021. With these measures, the operating income ratio is expected to increase to 0.18 by 2030. The long-term debt–equity ratio is forecast to decrease gradually from 3.7 in 2020 to 1.2 by 2030, while the debt service coverage ratio is forecast to increase from 2.0 in 2020 to 3.2 by 2030. Overall, UTY maintains the financial capacity to implement the project, fund its contribution to the project costs, repay the loan, and make the required payments on its existing debt. To ensure the future financial health of UTY, the project includes loan covenants (i) on the operating income ratio of UTY, which shall be maintained above 0.1 from fiscal year 2021 onward; and (ii) for the government to pass an official decree to remove other noncore businesses from UTY and to avoid adding such businesses to UTY in the future. ADB will continue policy dialogue and support UTY in developing and implementing its long-term development strategy to ensure operational efficiency and financial sustainability.

31. **Debt sustainability.** In 2019, Uzbekistan's external debt was \$23.4 billion or 43.5% of gross domestic product, with \$4.5 billion outstanding to ADB. The government has pursued a prudent debt policy with low public and external debt, and internal mechanisms to control annual borrowing thresholds, while the significant official reserves of \$29.2 billion in 2019 provide a buffer against potential distress concerns.<sup>25</sup> The public debt–gross domestic product ratio is projected

<sup>22</sup> Economic Analysis (accessible from the list of linked documents in [Appendix 2](#)).

<sup>23</sup> ADB. 2005. *Financial Management and Analysis of Projects*. Manila.

<sup>24</sup> Financial Analysis (accessible from the list of linked documents in [Appendix 2](#)).

<sup>25</sup> ADB. 2020. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of Uzbekistan for the COVID-19 Active Response and Expenditure Support Program*. Debt Sustainability Analysis (accessible from the list of linked documents in [Appendix 2](#)). Manila.



to increase from 24.7% in 2019 to 30.9% by 2021, before decreasing to 25.5% in 2030.<sup>26</sup> This is far below the low debt stress threshold of 70%, and the project will not impair debt sustainability.

#### D. Governance

32. **Financial management.** An updated financial management assessment of UTY conducted in January 2020 confirmed that UTY's current financial management arrangements are sufficient to implement the project in compliance with ADB requirements. UTY has built on prior and ongoing ADB project experience, retaining adequate staff, undertaking disbursements based on ADB rules, and adhering to acceptable accounting standards for project reporting. The assessed pre-mitigation financial management risk is *substantial* because of remaining risks in the management of foreign exchange risks, the acquisition of noncore businesses from the government, compliance with the International Financial Reporting Standards (IFRS), the timeliness and accuracy of monitoring and reporting, and accounting system and reporting integration within UTY. In this respect, UTY shall, among others (i) carefully monitor its foreign currency reserves and develop measures to hedge against currency fluctuations, (ii) remove noncore businesses, (iii) attend training organized by ADB on financial management, (iv) move to multiyear contracts for auditors and conduct midyear interim audit missions to reduce delays in the preparation of financial statements, (v) engage external consultants and a valuation company to address the qualified audit opinion, and (vi) accelerate the integration of the accounting system. Details of the risks and key mitigating measures are in the PAM (footnote 19).

33. **Procurement.** Procurement arrangements were prepared based on strategic procurement planning and comprises three packages (Table 3). For the procurement of plant for traction substations, signaling and telecommunications, and video surveillance, it was assessed that by grouping these components into one package with three lots, a high level of competition would be obtained while also reducing the PIU's transactional costs in conducting multiple tenders. For the train management system (Angren–Pap–Kokand–Andijan section), a different approach was adopted since this system will need to be seamlessly interfaced with a similar system under development (Pap–Namangan–Andijan section). For this reason, this component will be awarded on a direct contracting basis to the firm installing the equivalent system on the Pap–Namangan–Andijan section (footnote 20).

34. A project procurement risk assessment confirmed that UTY has sufficient experience and staff skills in procurement. The procurement risk is assessed as *moderate*. However, the risk assessment identified some capacity issues of the PIU-ET in managing international procurement. Although PIU-ET staff are experienced in ADB-financed projects, their unfamiliarity with the new ADB Procurement Policy and the Procurement Regulations for ADB Borrowers could result in delays in the preparation and approval of bidding documents, and the conduct of bidding. ADB has provided training to PIU-ET procurement staff in this regard. The transaction TA is providing on-the-job training and assisting the PIU-ET in managing procurement during project preparation. After the project becomes effective, the engineering and works supervision consultants will support procurement.

35. **Integrity and anticorruption.** ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government and UTY. The specific policy requirements and supplementary measures are described in the PAM (footnote 19).

<sup>26</sup> International Monetary Fund. 2020. [Republic of Uzbekistan: Requests for Disbursement under the Rapid Credit Facility and Rapid Financing Instrument—Debt Sustainability Analysis](#). Washington, DC.

## E. Poverty, Social, and Gender

36. An updated social and poverty assessment ascertained that the overall project will contribute to reducing transport costs and travel time; ensure safety; and increase access to jobs, markets, health care, and education facilities for the local population.<sup>27</sup> The primary beneficiaries will be freight transporters (including agro-industrial producers) and passengers (especially the university community, which is the primary user of the railway). New jobs will be created during implementation and operation. Women and children will have access to safe transport, with gender-inclusive facilities on trains and at modernized stations. Currently, women and children face unsafe and crowded travel conditions in informal taxis and vans, which pose a higher risk of infections from COVID-19 because of the difficulty of applying social distancing measures. Modernization of the railway will increase the opportunities for tourism development in the Fergana Valley and contribute to the creation of new jobs in the tourism segment, which traditionally employs women. The additional financing is classified *some gender elements*. It will support the empowerment of women employees of UTY, by extending training on modernized signaling and telecommunications for at least 20 women staff. At least 10 women staff of UTY will be trained in train management systems.

## F. Safeguards

37. **Overall assessment.** The impact of the additional financing on environment and social safeguards is minimal, since works will take place on the existing right-of-way.

38. **Associated and existing facilities.** External power supply lines have been built using government funds, linking the two new traction substations to be built at Asaka and Kokand with the power grid. These are treated as associated facilities. UTY acquired the sites for the two new traction substations in 2016 and initiated construction of buildings on one of them—none of which was in anticipation of the ADB financing. These are treated as existing facilities.

39. In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are as follows.<sup>28</sup>

40. **Environment (category B).** By enhancing the safety and efficiency of a clean mode of transport, the project will contribute to a reduction in local pollutants as well as greenhouse gases. Concerns regarding potential environmental impacts are largely temporary and confined to certain locations, i.e., the location of new traction substations, occurring during construction. The project activities will have site-specific impacts such as dust emissions, noise, and waste generation, so occupational and community health and safety and mitigation measures will be required.

41. UTY, with the support of the transaction TA, has prepared an initial environmental examination (including an environmental management plan) to cover all the relevant project components. The initial environmental examination also includes a due diligence assessment and corrective action plans for associated and existing facilities (para. 38). The environmental management plan provides mitigation and monitoring measures, as well as a capacity-building plan. Contractors will be responsible for implementing the mitigation measures. UTY's PIU-ET has full-time safeguard staff with access to monitoring equipment for air quality, noise, and vibration. They will be assisted in their tasks by the engineering and works supervision consultants. With regard to existing and associated facilities, UTY will implement the corrective

<sup>27</sup> Summary Poverty Reduction and Social Strategy (accessible from the list of linked documents in [Appendix 2](#)).

<sup>28</sup> ADB. [Safeguard Categories](#).



action plans, with assistance from engineering and works supervision consultants, if required. UTY conducted meaningful and full public consultations regarding all project components, as well as the existing and associated facilities.

42. **Involuntary resettlement (category B).** No additional land acquisition and resettlement will arise from the additional financing. All project activities will be done within the existing right-of-way of UTY. For the associated and existing facilities, ADB's Safeguard Policy Statement requires the assessment of impacts and risks to the project. A social due diligence and audit has been conducted, and corrective actions have been developed and summarized in the resulting social due diligence report.<sup>29</sup> UTY completed one key corrective action—the completion of compensation to three affected households—in August 2020. Pending actions include expanding the grievance redress mechanism (GRM) to cover the scope of the additional financing, strengthening information disclosure and stakeholder engagement, and conducting monitoring throughout the project implementation.

43. UTY has a dedicated safeguard specialist who will supervise the implementation of the corrective action plan, assisted by the supervision consultants. It will conduct regular monitoring of project activities for any emerging land acquisition and resettlement issues and grievances that may be raised by stakeholders and communities during implementation. UTY will provide semiannual monitoring reports to ADB on the implementation of the corrective action plan. UTY will ensure that no physical or economic displacement will occur until compensation is paid and assistance is provided to the affected persons.

44. **Grievance redress mechanism.** UTY has established a two-level GRM under the ongoing project, involving (i) the nearest railway station, and (ii) UTY's secretariat in Tashkent. As a third channel, aggrieved persons can approach any competent court at any stage of the complaint. The GRM will be expanded to cover the components under the additional financing. The PIU-ET will ensure that grievances and complaints on any aspect of the land acquisition, compensation, and resettlement are addressed in a timely and satisfactory manner through the GRM. UTY, through the PIU-ET and engineering and works supervision consultants, will ensure that meaningful consultations are carried out with the affected persons throughout the project cycle with particular attention to the needs of the vulnerable and the disadvantaged groups.

45. **Indigenous peoples (category C).** The country in general, and the project area in particular, does not have indigenous peoples' communities as defined in ADB's Safeguard Policy Statement for operational purposes. No further action is required.

## **G. Summary of Risk Assessment and Risk Management Plan**

46. Significant risks and mitigating measures are summarized in Table 4 and described in detail in the risk assessment and risk management plan.<sup>30</sup>

<sup>29</sup> ADB. 2013. Safeguard Review Procedures. [Operations Manual](#). OM F1/OP. Manila (para. 53 and footnote 16) discusses this issue as a risk and requires collaboration to achieve the outcomes consistent with ADB requirements on a case-by-case basis. The implementation of the corrective action plan has been agreed between ADB and UTY, and is included in the legal covenants.

<sup>30</sup> Risk Assessment and Risk Management Plan (accessible from the list of linked documents in [Appendix 2](#)).

**Table 4: Summary of Risks and Mitigating Measures**

| <b>Risks</b>  | <b>Mitigation Measures</b>   |
|---|--|
| Changes in the government's tax payment procedures may challenge timely payments.                 | The government will expedite the passing of a decree to provide full clarity.  |
| Competition from road transport reduces the uptake of railway services.                           | UTY will accelerate the preparation and implementation of its transformation strategy to guide its long-term development, with the support of ADB.   |
| Noncompliance with the IFRS in reporting of UTY's financial statements.                           | UTY will hire external consultants to develop a unified accounting policy, and an external valuation company to determine the fair value of its fixed assets and acquired businesses in compliance with the requirements of IFRS.  |
| UTY's financial performance dipped in 2018 because of its noncore business, especially coal.      | The government is removing noncore businesses from UTY. The coal business was removed in March 2020. The government will pass another decree to (i) remove other noncore businesses from UTY, and (ii) prevent UTY from acquiring noncore businesses in the future. Compliance with this decree will be monitored by ADB on an annual basis. |
| Escalation of COVID-19 globally and across Uzbekistan reduces the pace of project implementation. | Advance contracting action will be undertaken using electronic procurement. UTY and its contractors will develop and implement mitigation plans that include health-related measures to prevent and stem the spread of COVID-19, as well as post-COVID-19 pandemic activities to make up for any time lost because of the pandemic.          |

ADB = Asian Development Bank, COVID-19 = coronavirus disease, IFRS = International Financial Reporting Standards, UTY = O'zbekiston Temir Yo'llari.

Source: Asian Development Bank.

#### **IV. ASSURANCES**

47. The government and UTY have assured ADB that project implementation shall conform to all applicable ADB requirements, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, financial management, and disbursement, as described in detail in the PAM and loan documents.

48. The government and UTY have agreed with ADB on certain covenants for the project, which are set forth in the draft loan agreement and project agreement.

#### **V. RECOMMENDATION**

49. I am satisfied that the proposed loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the loan of \$121,000,000 to the Republic of Uzbekistan for the additional financing of the Central Asia Regional Economic Cooperation Corridor 2 (Pap–Namangan–Andijan) Railway Electrification Project, from ADB's ordinary capital resources, in regular terms, with interest to be determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; for a term of 25 years, including a grace period of 5 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan and project agreements presented to the Board.

Masatsugu Asakawa  
President

19 October 2020



| Results Chain  | Performance Indicators   | Data Sources and Reporting Mechanisms                               | Risks and Critical Assumptions |
|--|--|---|--------------------------------|
| 2. Safety of railway operations improved   | By 2021:<br>2a. Action plan to enhance the safety of railway operations in the Fergana Valley, which considers the special needs of children and women, approved by UTY management (2016 baseline: 0) (OP 6.2)<br>2b. At least 20 UTY staff members, including all relevant female technical staff, trained on safe railway operations (2016: 0) (OP 2.1.1, 6.2)   | 2a.–b. UTY's project progress reports and project completion report |                                |
| 3. <u>Railway infrastructure along the Angren–Pap–Kokand–Andijan line upgraded</u> | By 2024:<br>3a. <u>Two traction substations constructed, four traction substations upgraded, and two sectioning posts constructed (2020 baseline: 0) (OP 1.3.1, 3.1.1, 3.1.3, 3.3.1, 7.1.1)</u><br>3b. <u>Signaling facilities installed on 441 km of track (2020 baseline: 0 km) (OP 1.3.1, 3.1.1, 3.1.3, 3.3.1, 7.1.1)</u><br>3c. <u>Telecommunications facilities installed on 474.3 km of track (2020 baseline: 0 km) (OP 1.3.1, 3.1.1, 3.1.3, 3.3.1, 7.1.1)<sup>c</sup></u><br>3d. <u>At least 200 staff, including 20 female technical staff, trained on telecommunications and signaling system (2020 baseline: 0) (OP 2.1.1, 6.2)</u><br>3e. <u>Equipment and machinery for maintenance operational (2020 baseline: 0) (OP 1.3.1, 3.1.1, 3.1.3, 3.3.1)</u> | 3a.–e. UTY's project progress reports and project completion report |                                |
| 4. <u>Train control and management system upgraded</u>                             | By 2023:<br>4a. <u>Central train control center in Tashkent modernized (2020</u>   | 4a.–c. UTY's project progress reports and project completion report |                                |

| Results Chain | Performance Indicators   | Data Sources and Reporting Mechanisms | Risks and Critical Assumptions |
|---------------|--|---------------------------------------|--------------------------------|
|               | <u>baseline: 0) (OP 1.3.1, 3.1.1, 3.1.3, 3.3.1, 7.1.1)</u><br><u>4b. Automated system for train scheduling operational (2020 baseline: 0) (OP 6.2)</u><br><u>4c. At least 30 staff, including 10 female technical staff, trained on train management system (2020 baseline: 0) (OP 2.1.1, 6.2)</u> |                                       |                                |

### Key Activities with Milestones

#### 1. Railway infrastructure along the Pap–Namangan–Andijan line upgraded

- 1.1 Overhead power lines, traction substations, and external power supply facilities designed, installed, and commissioned by Q2–Q4 2020 (delayed).
- 1.2 Signaling and communications facilities supplied, installed, and commissioned by Q4 2020 (on track).

#### 2. Safety of railway operations improved

- 2.1 Detailed assessment of the operational safety of the Pap–Namangan–Andijan railway conducted by Q3–2019 Q4 2020 (delayed).
- 2.2 Action plan to enhance railway operations for the public in the Fergana Valley developed by Q4–2019 Q4 2020 (delayed).
- 2.3 Training of UTY staff on safe railway operations conducted by Q4–2019 Q4 2020 (delayed).

#### 3. Railway infrastructure along the Angren–Pap–Kokand–Andijan line upgraded

- 3.1 Traction substations, section posts, signaling, and telecoms designed, installed, and commissioned by Q2 2024.
- 3.2 Maintenance machinery and equipment supplied, installed, and commissioned by Q3 2024.

#### 4. Train control and management system upgraded

- 4.1 Needs assessment for train control and automated train scheduling completed by Q1 2021.
- 4.2 Automated train scheduling and management designed, installed, and commissioned by Q2 2024.
- 4.3 Training on train scheduling and management completed by Q3 2024.

### Project Management Activities

#### [For ongoing project]

Requests for proposals for project management and construction supervision consultants launched by Q1 2017 and contracts awarded by Q3 Q4 2017 (completed).

Major procurement packages bid out in Q2 2017 and contracts awarded by Q1 ~~2018~~ 2019 (completed).

Additional procurement for maintenance machinery and equipment, as well as equipment and materials for contact systems, bid out in Q2 2019 and awarded by Q4 2019 (completed).

#### [For additional financing]

Major procurement packages bid out by Q4 2020 and contracts awarded by Q2 2021.

### Inputs

ADB: ~~\$80.00 million~~ \$201.00 million (\$121.00 million additional) (ordinary capital resources, regular loan)

Government and UTY: ~~\$97.45 million~~ \$140.45 million (\$43.00 million additional)

ADB = Asian Development Bank, CAREC = Central Asia Regional Economic Cooperation, CO<sub>2</sub> = carbon dioxide, COVID-19 = coronavirus disease, km = kilometer, km/h = kilometers per hour, OP = operational priority, Q = quarter, R = risk, UTY = O'zbekiston Temir Yo'llari.

<sup>a</sup> Defined by project.

<sup>b</sup> ADB. 2014. [CAREC Transport and Trade Facilitation Strategy 2020](#). Manila.

<sup>c</sup> Includes 441 km of track as per indicator 3b and an additional 33.3 km of track with only telecommunications.

Source: Asian Development Bank.

### Contribution to Strategy 2030 Operational Priorities

Note: The expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in [Appendix 2](#) of the report and recommendation of the President).

Source: Asian Development Bank.

### **LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/RRPs/?id=48025-004-3>

1. Loan Agreement
2. Project Agreement
3. Sector Assessment (Summary): Transport (Rail Transport [Nonurban])
4. Project Administration Manual
5. Summary of Project Performance
6. Financial Analysis
7. Economic Analysis
8. Summary Poverty Reduction and Social Strategy
9. Risk Assessment and Risk Management Plan
10. Climate Change Assessment
11. Initial Environmental Examination
12. Contribution to Strategy 2030 Operational Priorities

### **Supplementary Documents**

13. Social Due Diligence Report
14. Financial Management Assessment