

# Project Administration Manual

Project Number: 51034-002  
Loan Number: LXXXX  
March 2020

## Republic of Uzbekistan: Sustainable Solid Waste Management Project



## ABBREVIATIONS

ADB	–	Asian Development Bank
EA	–	executing agency
EMP	–	environmental management plan
EMR	–	environmental monitoring report
IA	–	implementing agency
ICT	–	information and communication technology
IEE	–	initial environment examination
m <sup>3</sup>	–	cubic meter
MIS	–	management information system
MOF	–	Ministry of Finance
MSW	–	municipal solid waste
O&M	–	operations and maintenance
PAM	–	project administration manual
PMU	–	project management unit
PPP	–	public-private partnership
SCEEP	–	State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection
SWM	–	solid waste management
TH	–	Toza Hudud



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### **Project Administration Manual Purpose and Process**

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection (SCEEP) (executing agency) and Republican Association of Specialized Enterprises for Sanitary Cleaning (implementing agency) are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by SCEEP and Republican Association of Specialized Enterprises for Sanitary Cleaning of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.



## I. PROJECT DESCRIPTION

1. Since 2001, the responsibility for solid waste management (SWM) provision was transferred to departments of municipal governments (*hokimiyats*) that were responsible for landscaping and territorial improvements, including rural areas.<sup>1</sup> These entities suffered from severe performance, accountability, cost recovery and capacity deficiencies however, subsequently resulting in widespread systemic collapse of the nation's SWM system. By 2014, only 20% of MSW was even collected across the country, largely being restricted to collection in and around Tashkent, the nation's capital. MSW is generally disposed of in open dumpsites, with absent environmental protection measures: recycling is constrained, and public awareness is low. Since 2014, the government has responded directly to the above challenges by implementing widespread sector reforms, including the fostering of sector dialogue, reforming policy, enacting legislation, reorganizing and strengthening sector institutions, investing in physical infrastructure, and promoting private sector intervention. Assisted by ADB, the government formulated a national strategy for SWM in April 2019. As one of the action plan for the strategy, the government requested ADB's assistance to specifically improve and expand MSW collection and transfer systems, while the government continues to improve the nation's MSW disposal sites.

2. The project will assist government to (i) update the SWM legal framework by developing specific regulatory directives; (ii) build institutional capacity in, and improve the sustainability of the Association and *Toza Hudud*; (iii) develop and mainstream environmental education, awareness and advocacy; (iv) strengthen *Toza Hudud* asset bases and improve collection services through the provision of vehicles, equipment and physical infrastructure; and (v) improve the SCEEP's environmental testing capabilities. The project is aligned with the following impact: environment, health and living conditions improved. The project will have the following outcome: reliable and sustainable SWM services improved and expanded in small urban centers, peri-urban and rural areas nationwide.<sup>2</sup>

3. **Output 1: Solid-waste management subsector regulatory framework enhanced** by assisting government to formulate specific regulatory directives, as identified in the strategy. These will (i) enhance SWM operations by establishing waste assessment protocols, and strengthening waste transportation and disposal site regulations and compliance; (ii) improve public accountability and tariff setting methodologies; (iii) promote a PPP enabling environment by defining the responsibility between the government and service providers; (iv) promote waste segregation practices, and (v) establish a performance management framework (including key performance indicators) for SWM operations.

4. **Output 2: Republican Association of Specialized Enterprise of Sanitary Cleaning and *Toza Hudud* capacity strengthened** by (i) formulating a *toza hudud* business restructure plan to transform these entities into asset managers and demarcating the service zones for provincial SWM operations; (ii) transforming the Association into a technical nexus for public and private SWM operators; (iii) instituting performance-based management, including key performance indicators, and performance benchmarking for SWM operations; (iv) upgrading management information systems for asset management, billing, customer relations and public reporting; (v) strengthening sustainable SWM service delivery through the professional

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<sup>1</sup> Tashkent City was the exception: its SWM system was developed through World Bank funding, later to be rehabilitated through ADB-funded *Loan 3067-UZB: Solid Waste Management Improvement Project*, which was approved in October 2013 in the amount of \$69.00 million.

<sup>2</sup> The design and monitoring framework is in Section IX PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION.

accreditation of key *Toza Hudud* personnel in SWM utility management, financial management and operation and maintenance (O&M) efficiency improvement; (vi) optimizing PPP practices by developing standard tender procedures and service contracts; and (vii) promoting public awareness and behavioral change campaigns in the '3R's' principles nationwide.

5. **Output 3: Environmental monitoring capabilities of the SCEEP improved** which includes (i) provision of laboratory equipment for SCEEP's provincial laboratories for the on-site testing of disposal sites and other SWM facilities,<sup>3</sup> (ii) provision of six vehicle-based mobile laboratories and related equipment for on-site air, soils, surface water, groundwater, landfill gas and leachate sampling and testing, and (iii) operational training for laboratory personnel.

6. **Output 4: Solid-waste management collection and interim disposal services in small urban centers and peri-urban and rural areas improved nationwide** by (i) building up the functional asset bases of the *Toza Hudud* by providing 300 collection vehicles (12m<sup>3</sup> capacity), 6,000 waste disposal bins (1.1m<sup>3</sup> capacity), 13 excavators, 13 semi-trailer trucks with flatbed trailers, and 13 mobile service vehicles; and (ii) constructing 13 provincial vehicle maintenance service centers (service centers) for sustainable O&M of vehicle and equipment.

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<sup>3</sup> Including (i) surface water, groundwater and leachate; (ii) soils and geologic materials; (iii) air quality; and (iv) odor.

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

**Table 1: Project Readiness Timeline**

Indicative Activities	2019-2020									Responsible Unit
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Advance contracting actions		X	X	X	X					ADB, SCEEP
Establish project implementation arrangements	X	X	X	X	X	X	X	X	X	ADB, SCEEP
ADB Board approval					X					ADB
Loan signing							X			ADB, SCEEP, MOF
Government budget inclusion						X				MOF
Government legal opinion provided								X		MOF, MOJ
Loan effectiveness									X	MOF, ADB

ADB = Asian Development Bank, SCEEP = State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection, MOF = Ministry of Finance, MOJ = Ministry of Justice.  
Source: Asian Development Bank.





Indicative Activities	2019				2020				2021				2022				2023				2024				2025			
	Q1	Q2	Q3	Q4																								
management, gender-responsive HR policy, and SWM system O&M																												
2.9. Gender- responsive grievance redress mechanism operationalized and sex-disaggregated MIS for customer relations and public reporting established																												
2.10. Gender-responsive customer relations system, with at least 50% of female staff in each Toza Hudud established																												
2.11 Twinning arrangement with an international SWM training and certification facility established																												
<b>Output 3 – Environmental monitoring capabilities of the SCEEP improved</b>																												
3.1. Consultant mobilized																												
3.2. Environmental testing capabilities of the SCEEP’s environmental laboratories upgraded to international standard																												
3.3. At least 20 staff (of which at least 8 are women) from the SCEEP’s laboratories trained by an accredited international training center in laboratory testing techniques																												
<b>Output 4 – SWM Collection and Interim Disposal Services in Small Urban Centers, Peri-Urban and Rural Areas Improved Nationwide</b>																												
4.1. Commence procurement of waste collection trucks and equipment																												
4.2. Award the waste collection trucks and equipment contracts																												
4.3. Award the project management consultant contract																												
4.4. Commission all waste collection trucks and equipment and maintenance service centers contracts																												
4.5. Operationalize trucks maintenance service centers																												
4.6. Conduct awareness raising campaigns on sustainable waste management																												
4.7. Design and dissemination of information Toolkit for schools																												
4.8. Production of four gender responsive knowledge products focused on youth																												
<b>B. Management Activities</b>																												
Environment management plan key activities																												
Specific gender measures key activities																												
Inception, annual and mid-term reviews																												
Project completion report																												

■ Activity Period    ▨ Defect Liability Period

ADB = Asian Development Bank, EA = Executing Agency, KPI = key performance indicator, MIS = management information system, MSW = municipal solid waste, O&M = operation and maintenance, PPP = public private partnership, Q = quarter, SCEEP = State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection, SWM = solid waste management.

Source: Asian Development Bank.

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations: Roles and Responsibilities

7. The State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection (SCEEP) is the executing agency (EA) for the project. SCEEP will set up an Interagency Council chaired by the Chairman of SCEEP, with the representatives from the Ministry of Finance, and Ministry of Investment and Foreign Trade. The Interagency Council will provide policy direction and strategic oversight on project-related matters, including responsibilities on (i) advise on key sector reform milestones, (ii) review annual and quarterly performance reports on the sector roadmap reform and implementation progress of the project, and (iii) advise on or make policy-level decisions required to facilitate timely project execution. The Republican Association of Specialized Enterprise of Sanitary Cleaning will be the implementing agency (IA). A Tender Committee will be established in accordance with the Resolution of the President of the Republic of Uzbekistan No. 3857 (2018), to review and approve selection of consultants and procurement of goods and civil works, it shall consist of representatives from EA, IA and relevant government ministries.

8. The SCEEP will establish a PMU and recruit a team of Project Management Consultant (PMC) to support the PMU. Reporting directly to the SCEEP, the PMU's responsibilities include procurement, contract and financial management, project administration, and safeguards compliance and reporting. The PMU will be headed by a PMU Director who will be recruited by the EA in accordance with the procedures (Chapter 6) described in the Resolution No. 3857 acceptable by ADB. The PMC will comprise of specialists in procurement, contract management, safeguards, gender, accounting, monitoring and evaluation. Where necessary, ADB will support the government to facilitate the recruitment of PMU staff. The PMU Director will ensure that the implementation of the project is consistent with the environmental and social safeguards frameworks and plans of ADB as stipulated in the loan agreement. PMU Director will also ensure that implementation of the project is consistent with ADB's Procurement Guidelines, Disbursement Handbook, and ADB's Anticorruption Policy.

9. The Republican Association of Specialized Enterprise of Sanitary Cleaning (Association), as IA, will be responsible for project and safeguard compliance coordination. Thirteen service centers will be established by the IA in each *Toza Hudud*. The IA will coordinate with the EA and relevant government agencies on the project's compliance with the safeguard requirements (environment, land acquisition and resettlement) of the government and ADB. The Director of the Association will oversee the day-to-day project implementation with the support of PMU. The IA, with support from PMU, serves as the focal for the Grievance Redress Systems in *Toza Hudud*, and resolve any potential complaints in the field.

**Table 3: Key Roles and Responsibilities**

Project Implementation Organizations	Management Roles and Responsibilities
Ministry of Finance	<ul style="list-style-type: none"> <li>➤ Representative of Borrower               <ul style="list-style-type: none"> <li>▪ Facilitate negotiation, signing and execution of the financing agreement.</li> <li>▪ Expedite project implementation and minimize cost by timely allocating and making available counterpart funds, approving payment to contractors, goods and service providers.</li> </ul> </li> </ul>

<b>Project Implementation Organizations</b>	<b>Management Roles and Responsibilities</b>
State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection (SCEEP)	<ul style="list-style-type: none"> <li>➤ Executing Agency <ul style="list-style-type: none"> <li>▪ Setup Interagency Council</li> <li>▪ Assume overall responsibility for project implementation; such as procurement, contract management, financial management, project administration, and safeguards compliance, reporting and engagement of PMU staff for the project</li> <li>▪ Approve medium term and annual rolling plans for project implementation</li> <li>▪ Ensure compliance with loan covenants</li> <li>▪ Ensure government counterpart fund allocation</li> <li>▪ Responsible for opening and managing the project's advance account</li> <li>▪ Manage separate project financial records and account, and prepare and submit required financial reports, accounts, and agency financial statements for submission to PMU and ADB</li> <li>▪ Prepare and submit withdrawal applications to ADB</li> <li>▪ Submit audited project accounts and audited financial statements to ADB</li> <li>▪ Approve procurement plans, bidding documents, bid evaluation and contract awards in accordance with ADB and Government of Uzbekistan requirements</li> <li>▪ Sign all contracts under the project</li> <li>▪ Named as Employer in all of the project contracts</li> <li>▪ Submit regular quarterly and annual project progress reports to ADB</li> <li>▪ Submit updated resettlement plans for ADB concurrence prior to implementation</li> <li>▪ Coordinate capacity building activities</li> <li>▪ Ensure capabilities are developed for operations and maintenance (O&amp;M) of completed infrastructure</li> <li>▪ Ensure compliance with ADB's social and environmental policies and guidelines during project implementation</li> <li>▪ Prepare and submit social and environmental monitoring reports to ADB</li> <li>▪ Approve proposed actions in the event of adverse financial audits or monitoring and evaluation reports</li> <li>▪ Select consultants for project implementation and auditor</li> <li>▪ Coordinate availability and timely release of government counterpart funds</li> <li>▪ Undertake monitoring with disaggregation of data by sex and income group as required by the Project's design and monitoring framework</li> </ul> </li> </ul>
Interagency Council	<ul style="list-style-type: none"> <li>➤ Project oversight body <ul style="list-style-type: none"> <li>▪ Provide advice, as necessary, on resolution of issues at national or policy level</li> <li>▪ Meets at least once every three months to review the project progress and decide matters on relevant policies on SWM, and institutional effectiveness in the Uzbekistan</li> </ul> </li> </ul>

Project Implementation Organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> <li>▪ Facilitate coordination with other government agencies, if necessary</li> </ul>
Tender Committee	<ul style="list-style-type: none"> <li>➤ Review and approving body for selection of consultants and procurement of goods and civil works</li> <li>▪ Consists of representatives from EA, IA and relevant government ministries.</li> </ul>
Republican Association of Specialized Enterprises of Sanitary Cleaning	<ul style="list-style-type: none"> <li>➤ Implementing Agency</li> <li>▪ Monitor and review implementation in consultation with the EA including: <ul style="list-style-type: none"> <li>• Coordinate with relevant agencies to ensure compliance to the summary poverty reduction and social strategy, GAP, EMP and RP;</li> <li>• Timeliness of budgetary allocations and counterpart funding</li> <li>• Compliance with loan covenants</li> <li>• Likelihood of attaining project development objectives</li> </ul> </li> </ul>
ADB	<ul style="list-style-type: none"> <li>➤ Provide financing</li> <li>▪ Guide the executing agency, implementing agency, PMU, and PMC during project implementation.</li> <li>▪ Review and approve all procurement and consultant recruitment actions.</li> <li>▪ Conduct regular loan review missions, including midterm and project completion missions.</li> <li>▪ Monitor compliance with all loan covenants, including safeguards.</li> <li>▪ Review annual audit reports and follow-up on audit recommendations.</li> </ul>

ADB = Asian Development Bank, EA = Executing Agency, IA = Implementing Agency, O&M = operations and maintenance, PMC = project management consultant; PMU = project management unit.

Source: Asian Development Bank.

**B. Key Persons Involved in Implementation****Executing Agency**

State Committee on Ecology and  
Environmental Protection

Officer's Name: Mr. Bakhrom Kuchkarov

Position: Chairman

Telephone: +998 71 2070770

Email address: [bkuchkarovov@eco.gov.uz](mailto:bkuchkarovov@eco.gov.uz)

Office Address: 2a Tuytepa Street, Yashnabad District  
100047 Tashkent, Republic of Uzbekistan

**Implementing Agency**

Republican Association of  
Specialized Enterprises of  
Sanitary Cleaning

Officer's Name: Ravshan Batirkulov

Position: Director

Telephone: +998 71 2683448

Email address: [ravshan.batirkulov@eco.gov.uz](mailto:ravshan.batirkulov@eco.gov.uz)

Office Address: 15 Sayram Street, Mirzo Ulugbek District  
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**Asian Development Bank**

Urban and Water Division  
(CWUW)

Central and West Asia  
Department (CWRD)

Staff Name: Yong Ye

Position: Director, CWUW

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Mission Leader

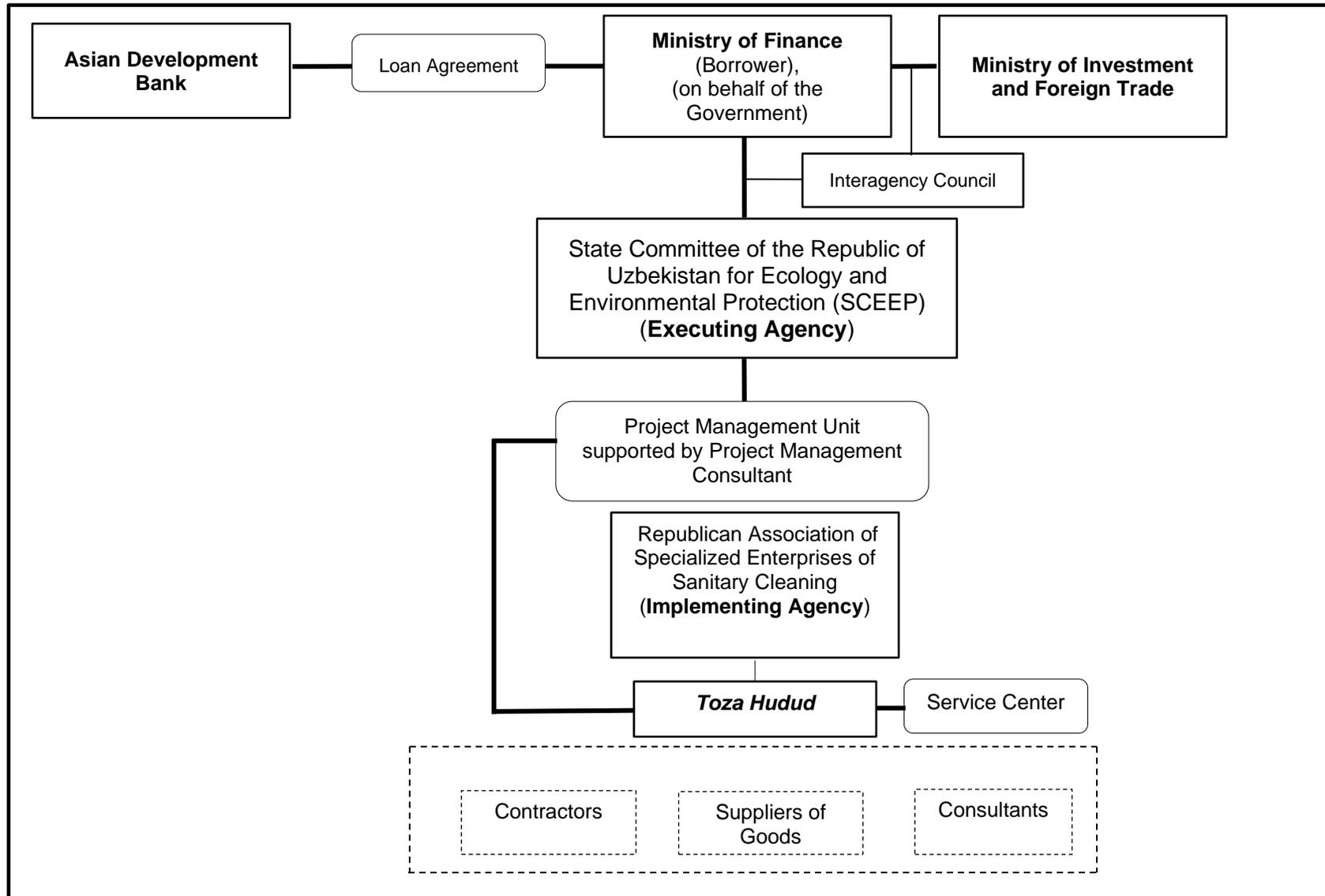
Staff Name: Ruoyu Hu

Position: Urban Development Specialist

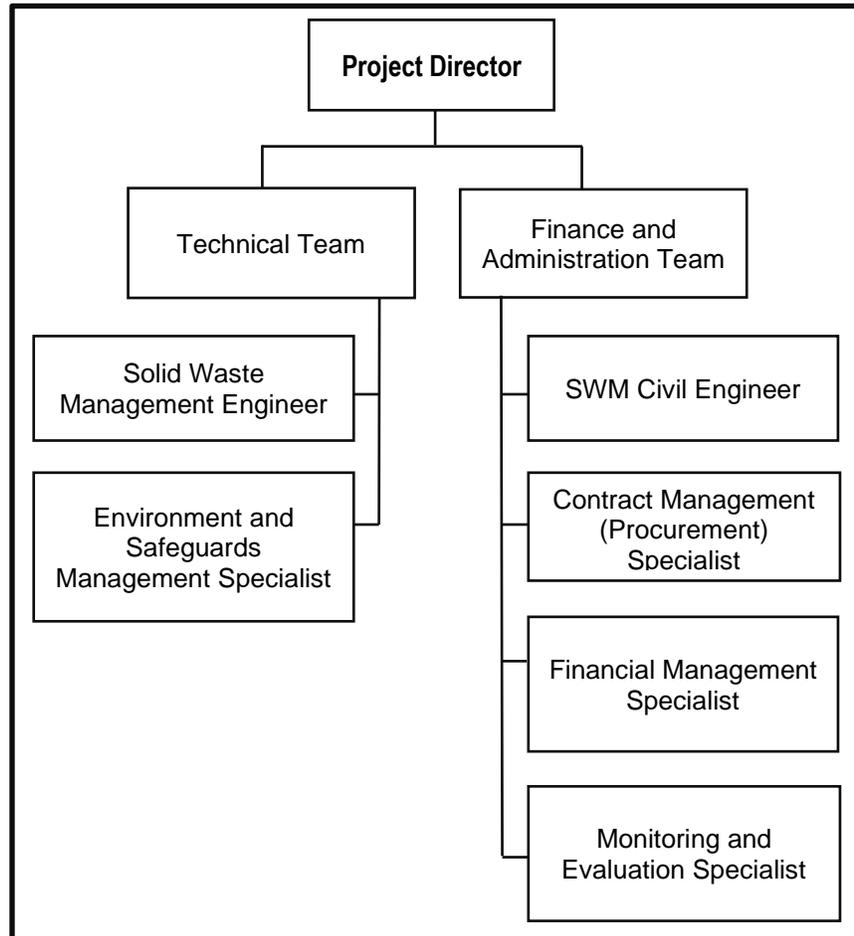
Telephone No.: +63 2 8632 4444

Email address: [rhu@adb.org](mailto:rhu@adb.org)

C. Project Organization Structure

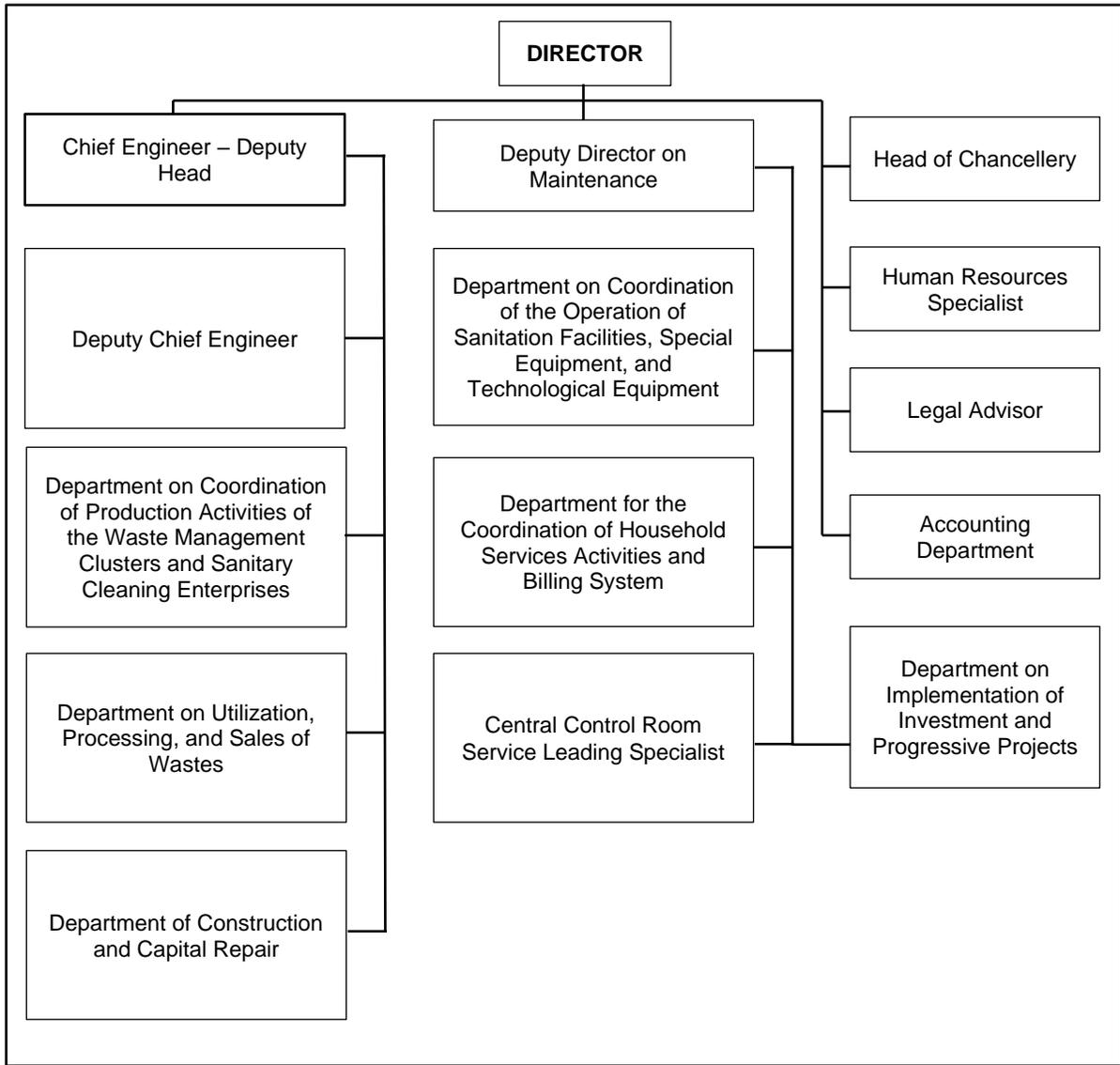


### Organogram of Project Management Unit

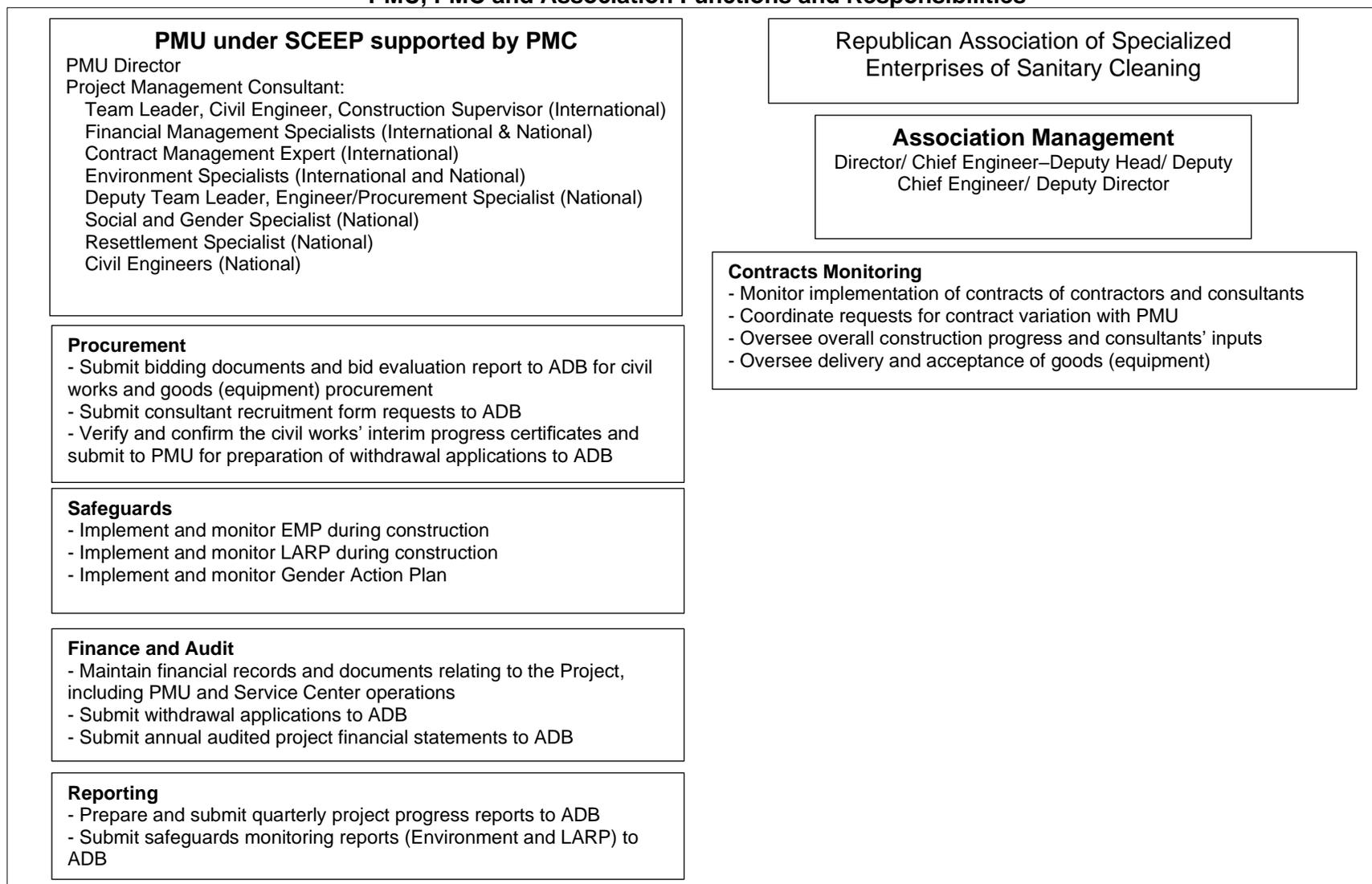


Office administrative support staff (Office Manager) will be engaged to support the PMU.  
Source: Asian Development Bank.

### Organogram of Republican Association of Specialized Enterprises of Sanitary Cleaning



### PMU, PMC and Association Functions and Responsibilities



ADB = Asian Development Bank, EMP = environmental management plan, LARP = land acquisition and resettlement plan, PMC = project management consultant, PMU = project management unit, SCEEP = State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection.

Source: Asian Development Bank.

#### IV. COSTS AND FINANCING

10. The total cost of the project is \$112.00 million, inclusive of price and physical contingencies, taxes and duties, and financial charges. The government has requested a loan of \$60.00 million 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 (the interest and other charges during construction to be capitalized in the loan); and such other terms and conditions set forth in the financing 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. The government will provide counterpart financing of about \$52.00 million including taxes and duties.

11. The summary financing plan is in Table 6. The loan will finance civil works, equipment and machinery, and interest during implementation. The government will finance 100% of taxes and duties and 78.3% of contingencies. The total taxes and duties of \$44.04 million will comprise of \$19.58 million duties, \$11.73 million excise duties, \$12.70 million value added tax, and \$0.03 million single social tax and the total contingencies of \$7.59 million will comprise of \$2.32 million physical contingencies and \$5.27 million price contingencies. It will also finance (i) design and supervision (\$120,000) for construction, and (ii) vehicle global positioning system (GPS) upgrades (\$250,000). Detailed cost estimates by expenditure category and financier are in Sections C and D.

##### A. Cost Estimates Preparation and Revisions

12. The cost estimates were prepared based on the preliminary design and technical analysis by the project preparatory technical assistance consultants and were refined by ADB project team and SCEEP during fact-finding. The cost estimates were based on current market prices. The final estimates were reviewed by ADB and endorsed by SCEEP.

##### B. Key Assumptions

13. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: 9,395.63 UZS = \$1.00 as of 17 September 2019
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

**Table 4: Escalation Rates for Price Contingency Calculation**

Item	2019	2020	2021	2022	2023	2024	Average
Foreign rate of price inflation	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%	1.6%
Domestic rate of price inflation	16.0%	14.0%	9.3%	8.1%	7.7%	7.7%	10.5%

Source(s): World Bank. International cost escalation factors 2018–2022.

### C. Summary of Cost Estimates Financing Plan

**Table 5: Summary Cost Estimates**  
(\$ million)

Item	Amount <sup>a</sup>
<b>A. Base Cost<sup>b</sup></b>	
1. Output 1: SWM subsector regulatory framework enhanced <sup>c</sup>	0.9
2. Output 2: Republican Association of Specialized Enterprise of Sanitary Cleaning and <i>toza hudud</i> capacity strengthened	1.5
3. Output 3: Environmental monitoring capabilities of the SCEEP improved	10.5
4. Output 4: SWM collection and interim disposal services in small urban centers and peri-urban and rural areas improved	85.7
<b>Subtotal (A)</b>	<b>98.6</b>
<b>B. Contingencies<sup>c</sup></b>	<b>9.7</b>
<b>C. Financial Charges During Implementation<sup>d</sup></b>	<b>3.7</b>
<b>Total (A+B)</b>	<b>112.0</b>

<sup>a</sup> Includes taxes and duties of \$44.04 million to be financed from government, out of which \$44.01 million is an exemption from taxes and duties. The balance of \$0.03 million, comprising of single social tax for the Project Management Unit, is to be financed by SCEEP.

<sup>b</sup> In September 2019 prices; Currency used is USD.

<sup>c</sup> Physical contingencies computed at 5.0% for civil works and equipment. Price contingencies are computed at 1.5-1.6% on foreign exchange costs and 10.5% on local currency costs and includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>d</sup> Includes interest rate - LIBOR based 5-year USD fixed swap rate for ordinary capital resources loans as of 23 August 2019, plus spread of 0.50%, maturity premium of 0.10% and commitment charges at 0.15% on the undisbursed amount of loan.

Source: Asian Development Bank estimate.

**Table 6: Summary Financing Plan**

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary Capital Resources Lending (OCR)	60.00	53.6%
Government of Uzbekistan <sup>a</sup>	52.00	46.4%
<b>Total</b>	<b>112.00</b>	<b>100.00</b>

<sup>a</sup> Government contributions include taxes and duties.

Source: Asian Development Bank estimate.

**D. Detailed Cost Estimates by Expenditure Category**

**Table 7: Detailed Cost Estimates by Expenditure Category**

Item	UZS million			\$ million			% of Total Base Cost
	Foreign Exchange	Local Currency	Total Cost	Foreign Exchange	Local Currency	Total Cost	
<b>A. Investment Costs</b>							
1. Civil works	146,517	21,977	168,494	15.60	2.34	17.94	18.19%
2. Equipment and machinery	285,520	350,796	636,326	30.40	37.35	67.75	68.71%
2. Capacity development and project management	79,957	34,534	114,490	7.49	4.70	12.19	12.36%
<b>Subtotal (A)</b>	<b>688,590</b>	<b>230,968</b>	<b>919,588</b>	<b>53.49</b>	<b>44.39</b>	<b>97.87</b>	<b>99.26%</b>
<b>B. Recurrent Costs</b>							
Recurrent Costs <sup>a/</sup>	0.00	7,187	7,187	0.00	0.73	0.73	0.74%
<b>Subtotal (B)</b>	<b>0.00</b>	<b>7,187</b>	<b>7,187</b>	<b>0.00</b>	<b>0.73</b>	<b>0.73</b>	<b>0.74%</b>
<b>Total Base Cost</b>	<b>688,590</b>	<b>238,155</b>	<b>926,745</b>	<b>53.49</b>	<b>45.12</b>	<b>98.60</b>	<b>100.00%</b>
<b>C. Contingencies</b>							
1. Physical Contingencies	30,987	10,394	41,380	3.30	1.11	4.40	4.47%
2. Price Contingencies	24,597	24,528	49,125	2.66	2.61	5.28	5.35%
<b>Subtotal (C)</b>	<b>55,584</b>	<b>34,922</b>	<b>90,505</b>	<b>5.96</b>	<b>3.72</b>	<b>9.68</b>	<b>9.82%</b>
<b>D. Financial Charges During Implementation</b>							
1. Interest During Implementation	24,739	8,298	33,037	2.63	0.88	3.52	3.57%
2. Commitment Charges	1,392	467	1,859	0.15	0.05	0.20	0.20%
<b>Subtotal (D)</b>	<b>26,132</b>	<b>8,765</b>	<b>34,897</b>	<b>2.78</b>	<b>0.93</b>	<b>3.72</b>	<b>3.77%</b>
<b>Total Project Cost (A+B+C+D)</b>	<b>770,306</b>	<b>281,842</b>	<b>1,052,147</b>	<b>62.23</b>	<b>49.77</b>	<b>112.00</b>	<b>113.59%</b>

Notes: Numbers may not sum precisely because of rounding.

<sup>a/</sup> Includes salary and cost of office operations, land travel, per diem, vehicle, office equipment and furniture.

Sources: Asian Development Bank and State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection estimates.

## E. Allocation and Withdrawal of Loan Proceeds

**Table 8: Allocation and Withdrawal of ADB Loan Proceeds**

<b>Number</b>	<b>Item</b>	<b>Total Amount Allocated for ADB Financing (\$)</b>	<b>Basis for Withdrawal from the Loan Account</b>
1	Civil works, equipment and machinery	46,000,000	100% of total expenditure claimed*
2	Capacity development and project management	7,490,000	100% of total expenditure claimed*
3	Recurrent cost	700,000	100% of total expenditure claimed*
4	Interest Charge	3,720,000	
5	Unallocated	2,090,000	
	<b>Total</b>	<b>60,000,000</b>	

\* Exclusive of (i) taxes and duties for all items imposed within the territory of the Borrower, and (ii) other expenses amounting to \$370,000 that government will shoulder.

## F. Detailed Cost Estimates by Financier

Table 9: Detailed Cost Estimates by Financier

Item	ADB		Government		Total Cost	
	Amount (million \$)	% of Cost Category	Amount (million \$)	% of Cost Category	Amount (million \$)	Taxes and Duties
<b>A. Investment Costs</b>						
1. Civil works	15.60	86.96%	2.34	13.04%	17.94	2.34
2. Equipment and machinery	30.40	44.87%	37.34	55.13%	67.75	37.34
3. Capacity development and project management	7.49	61.47%	4.70 <sup>a</sup>	38.53%	12.19	4.33
<b>Subtotal (A)</b>	<b>53.49</b>	<b>54.65%</b>	<b>44.38</b>	<b>45.35%</b>	<b>97.87</b>	<b>44.01</b>
<b>B. Recurrent Costs</b>						
Recurrent Costs <sup>b/</sup>	0.70	96.08%	0.03	3.92%	0.73	0.03
<b>Subtotal (B)</b>	<b>0.70</b>	<b>96.08%</b>	<b>0.03</b>	<b>0.00%</b>	<b>0.73</b>	<b>0.03</b>
<b>Total Base Cost</b>	<b>54.19</b>	<b>54.96%</b>	<b>44.41</b>	<b>45.04%</b>	<b>98.60</b>	<b>44.04</b>
<b>C. Contingencies</b>						
1. Physical Contingencies	2.09	47.36%	2.32	52.64%	4.41	0.00
2. Price Contingencies	0.00	0.00%	5.27	100.00%	5.27	0.00
<b>Subtotal (C)</b>	<b>2.09</b>	<b>21.59%</b>	<b>7.59</b>	<b>78.41%</b>	<b>9.68</b>	<b>0.00</b>
<b>D. Financial Charges During Implementation</b>						
1. Interest During Implementation	3.52	100.00%	0.00	0.00%	3.52	0.00
2. Commitment Charges	0.20	100.00%	0.00	0.00%	0.20	0.00
<b>Subtotal (D)</b>	<b>3.72</b>	<b>100.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.72</b>	<b>0.00</b>
<b>Total Project Cost (A+B+C+D)</b>	<b>60.00</b>	<b>53.57%</b>	<b>52.00</b>	<b>46.43%</b>	<b>112.00</b>	<b>44.04</b>

Note: Numbers may not sum precisely because of rounding.

<sup>a/</sup> Includes government contribution for design and GPS amounting to \$0.37 million.

<sup>b/</sup> Includes salary and cost of office operations, land travel, per diem, vehicle, office equipment and furniture.

Sources: Asian Development Bank and State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection estimates.

## G. Detailed Cost Estimates by Outputs and/or Components

**Table 10: Detailed Cost Estimates by Outputs**  
(\$ million)

Item	Total Cost	Output 1		Output 2		Output 3		Output 4	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
<b>A. Investment Costs</b>									
1. Civil works, equipment and machinery	85.69	0.00	0.00%	0.00	0.00%	0.00	0.00%	85.69	100.00%
2. Capacity development and project management <sup>a/</sup>	12.19	0.92	7.55%	1.46	11.96%	9.81	80.49%	0.00	0.00%
<b>Subtotal (A)</b>	<b>97.88</b>	<b>0.92</b>	<b>0.94%</b>	<b>1.46</b>	<b>1.49%</b>	<b>9.81</b>	<b>10.02%</b>	<b>85.69</b>	<b>87.55%</b>
<b>B. Recurrent Costs</b>									
Recurrent Costs <sup>b/</sup>	0.76	0.00	0.00%	0.00	0.00%	0.733	100.00%	0.00	0.00%
<b>Subtotal (B)</b>	<b>0.76</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.73</b>	<b>100.00%</b>	<b>0.00</b>	<b>0.00%</b>
<b>Total Base Cost</b>	<b>98.64</b>	<b>0.92</b>	<b>0.93%</b>	<b>1.46</b>	<b>1.48%</b>	<b>10.54</b>	<b>10.69%</b>	<b>85.69</b>	<b>86.87%</b>
<b>C. Contingencies</b>									
1. Physical Contingencies	4.40	0.05	0.94%	0.07	1.49%	0.44	10.02%	3.86	87.55%
2. Price Contingencies	5.28	0.05	0.94%	0.08	1.48%	0.53	10.00%	4.62	87.57%
<b>Subtotal (C)</b>	<b>9.68</b>	<b>0.10</b>	<b>1.03%</b>	<b>0.15</b>	<b>1.55%</b>	<b>0.97</b>	<b>10.02%</b>	<b>8.48</b>	<b>87.58%</b>
<b>D. Financial Charges During Implementation</b>									
1. Interest During Implementation	3.52	0.03	0.94%	0.05	1.49%	0.35	10.02%	3.08	87.55%
2. Commitment Charges	0.20	0.00	0.94%	0.00	1.49%	0.02	10.02%	0.17	87.55%
<b>Subtotal (D)</b>	<b>3.72</b>	<b>0.03</b>	<b>0.94%</b>	<b>0.06</b>	<b>1.49%</b>	<b>0.37</b>	<b>10.02%</b>	<b>3.26</b>	<b>87.77%</b>
<b>Total Project Cost (A+B+C+D)</b>	<b>112.00</b>	<b>1.05</b>	<b>0.94%</b>	<b>1.66</b>	<b>1.48%</b>	<b>11.88</b>	<b>10.61%</b>	<b>97.43</b>	<b>86.99%</b>

Note: Numbers may not sum precisely because of rounding.

<sup>a/</sup> Includes \$120,000 project audit fee.

<sup>b/</sup> Includes salary and cost of office operations, land travel, per diem, vehicle, office equipment and furniture.

Source: Asian Development Bank and State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection estimates.

## H. Detailed Cost Estimates by Year

**Table 11: Detailed Cost Estimates by Year**  
(\$ million)

Item	Total Cost	2020	2021	2022	2023	2024
<b>A. Investment Costs</b>						
1. Civil works, equipment and machinery	85.69	17.14	34.27	34.27	0.00	0.00
2. Capacity development and project management <sup>a/</sup>	12.19	1.52	3.05	3.05	3.05	1.52
<b>Subtotal (A)</b>	<b>97.87</b>	<b>18.66</b>	<b>37.32</b>	<b>37.32</b>	<b>3.05</b>	<b>1.52</b>
<b>B. Recurrent Costs</b>						
Recurrent Costs <sup>b/</sup>	0.73	0.09	0.18	0.18	0.18	0.09
<b>Subtotal (B)</b>	<b>0.73</b>	<b>0.09</b>	<b>0.89</b>	<b>0.18</b>	<b>0.18</b>	<b>0.09</b>
<b>Total Base Cost</b>	<b>98.60</b>	<b>18.75</b>	<b>37.50</b>	<b>37.50</b>	<b>3.23</b>	<b>1.61</b>
<b>C. Contingencies</b>						
1. Physical Contingencies	4.40	0.84	1.68	1.68	0.14	0.07
2. Price Contingencies	5.27	1.00	2.01	2.01	0.16	0.08
<b>Subtotal (C)</b>	<b>9.67</b>	<b>1.84</b>	<b>3.69</b>	<b>3.69</b>	<b>0.30</b>	<b>0.15</b>
<b>D. Financial Charges During Implementation</b>						
1. Interest During Implementation	3.52	0.67	1.34	1.34	0.11	0.06
2. Commitment Charges	0.24	0.04	0.08	0.08	0.01	0.00
<b>Subtotal (D)</b>	<b>3.72</b>	<b>0.71</b>	<b>1.42</b>	<b>1.42</b>	<b>0.12</b>	<b>0.06</b>
<b>Total Project Cost (A+B+C+D)</b>	<b>112.00</b>	<b>21.30</b>	<b>42.61</b>	<b>42.61</b>	<b>3.65</b>	<b>1.82</b>
<b>% of Total Project Cost</b>	<b>100.00%</b>	<b>19.02%</b>	<b>38.04%</b>	<b>38.04%</b>	<b>3.25%</b>	<b>1.63%</b>

Note: Numbers may not sum precisely because of rounding.

<sup>a/</sup> Includes \$120,000 project audit fee.

<sup>b/</sup> Includes salary and cost of office operations, land travel, per diem, vehicle, office equipment and furniture.

Source: Asian Development Bank and State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection estimates.

**I. Contract and Disbursement S-Curve**

14. Graph show quarterly contract awards and disbursement projections over the life of the project.

**Table 12: Contract Award and Disbursement Projections**  
**Contract Awards (\$ million)**

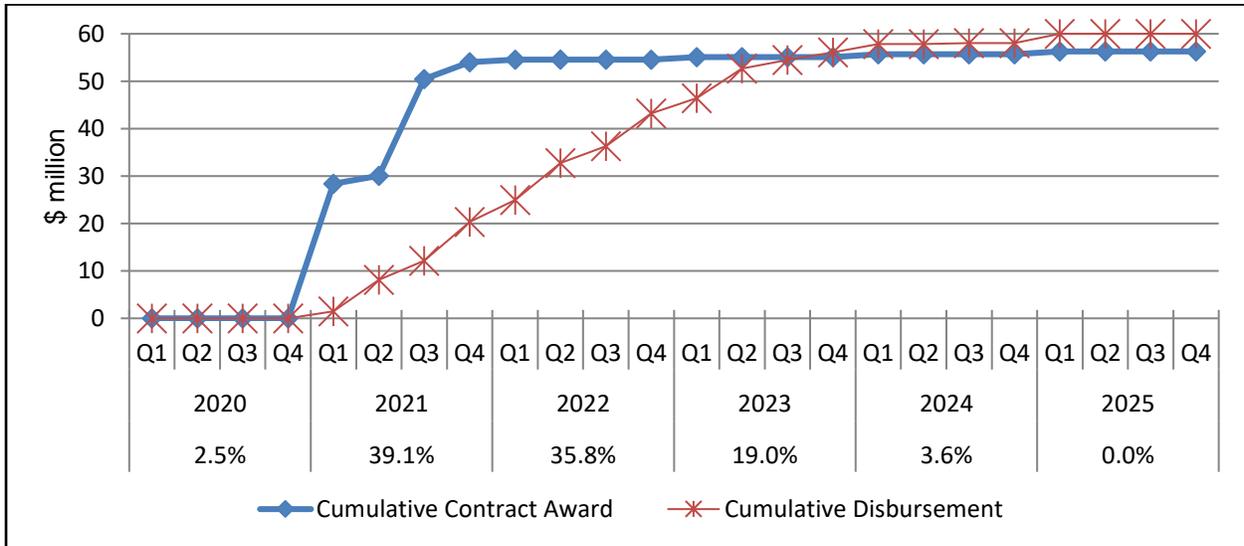
Year	QTR 1	QTR 2	QTR 3	QTR4	Total
2020	0.000	0.000	0.000	28.388	28.388
2021	1.710	20.380	3.510	0.558	26.158
2022	0.000	0.000	0.000	0.558	0.558
2023	0.000	0.000	0.000	0.618	0.618
2024	0.000	0.000	0.000	0.558	0.558
<b>Total</b>					<b>56.280</b>

Total Interest During Construction (IDC) Amount: \$3.720 million  
 Source: Asian Development Bank.

**Disbursements (\$ million)**

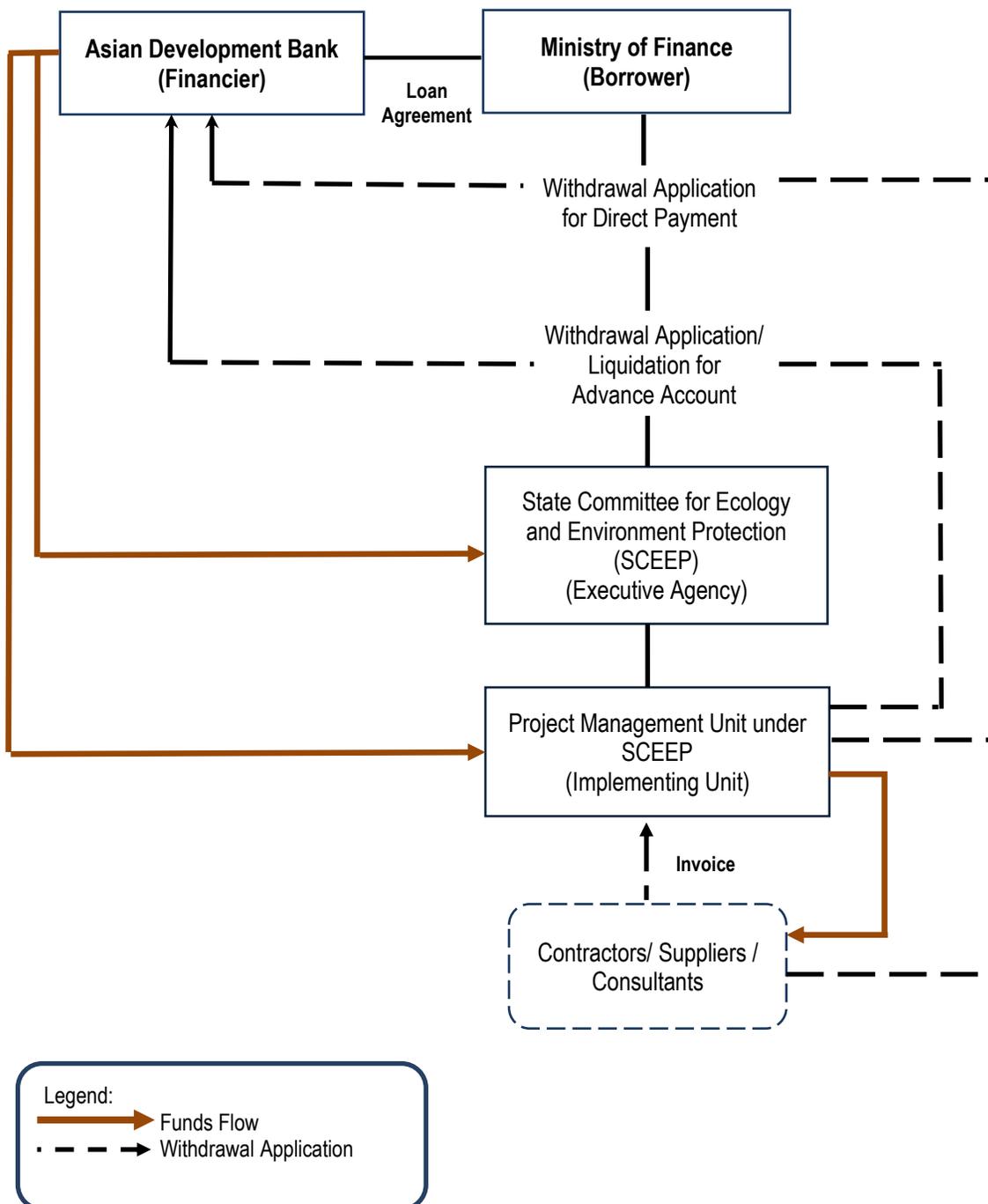
Year	QTR 1	QTR 2	QTR 3	QTR4	Total
2020	0.000	0.000	0.000	1.488	1.488
2021	6.610	4.080	8.164	4.626	23.480
2022	7.782	3.545	6.942	3.205	21.474
2023	6.240	1.840	1.560	1.751	11.391
2024	0.000	0.232	0.000	1.937	2.169
<b>Total</b>					<b>60.000</b>

Total IDC Amount: \$3.720 million  
 Source: Asian Development Bank.



## J. Fund Flow Diagram

15. The proposed Fund Flow diagram for the Project is shown below. PMU will receive and verify claims for payments from contractors, suppliers and service providers. The PMU will send the approved requests for payment to ADB.



## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

16. The financial management assessment (FMA) was conducted in September 2019 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The FMA considered the capacity of SCEEP and its PMU, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. Based on the assessment, the overall risk [comprise of public financial management risk at country level and financial management risk at project level] is substantial. The key financial management risks identified at country level is substantial due to weak internal audit function, which was newly established in 2017, not follow international standards, and not focus on monitoring system. However, the key financial management risks identified at project level is moderate because SCEEP and PMU have experience with ADB-financed project. SCEEP and PMU are familiar with ADB's financial management requirements, disbursement procedure, and have capacity to manage advance fund procedure and Statement of Expenditures (SOE) procedures. Some key financial management risks need further strengthening. SCEEP and PMU have agreed to implement an action plan to strengthen financial management. The financial management action plan is provided in Table 14.

**Table 13: Financial Management Action Plan**

Risk	Action	Responsibility	Timeline
Accounting section of PMU not fully staffed may affect the timely and effective implementation of SSWMP.	Recruit qualified accountant for vacant position and additional position when needed.	PMU	By loan effectiveness
Newly recruited staff in PMU may not familiarize with ADB's FM requirements. This may cause delays in day-to-day financial management of SSWMP.	Provide FM and disbursement training and with the help of the PMC to enhance the financial management capacity of PMU.	ADB, PMU	Within 3 months after effectiveness
Unavailable project financial manual may affect knowledge retention when staff leave	PMU to prepare the Project Finance Manual with help from the FMS in PMC	PMU	Within 4 months after effectiveness
No internal audit at SCEEP may lead to weak internal controls and non-adherence to prescribed procedures	SCEEP to request Control and Revision unit under MOF to include the project in MOF's internal audit program	SCEEP	By loan effectiveness
No back-up accounting data may hamper the timely preparation of project financial statements.	PMU to implement steps for data back-up procedures both onsite and offsite of accounting data.	PMU	Within 3 months after effectiveness
Insufficient tariff increase to cover operation and maintenance	Closely monitor operating ratio, perform financial management assessment and financial analysis of 13 Toza Hududs	ADB, PMU	Mid-term review

## B. Disbursement

### 1. Disbursement Arrangements for ADB Funds

17. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time)<sup>4</sup>, and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.<sup>5</sup> Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

18. **Direct payment procedure.** This procedure will generally be used for payment to contractors, suppliers of goods, and consultants. There are two anticipated civil works contracts under the project. The contractors will submit an invoice along with an interim progress certificate (IPC) showing the completed civil works for the period. The project management consultant will review the interim progress certificate against the contract and endorse the invoice to PMU. Upon satisfactory review, PMU will endorse the IPC to SCEEP and then prepare a withdrawal application for direct payment to the contractor and have this signed by the loan authorized signatories. ADB will make a direct payment to the contractor based on the submitted withdrawal application.

19. Direct payment procedure will generally be used for payment to consultants. Seven consulting firms are anticipated to be recruited. The consulting firms will submit their invoices to PMU for verification. Once the invoices and inputs are verified, PMU will prepare a withdrawal application for direct payment and have this signed by the loan authorized signatories. ADB will make direct payment to the account of the consultant based on the withdrawal application.

20. The suppliers of equipment and vehicles will prepare their invoices according to the conditions in the contract and submit these to PMU for approval. Upon approval, PMU will prepare a withdrawal application for direct payment to the supplier, for signature of the loan authorized signatories. ADB will make direct payment to the account of the supplier based on the withdrawal application.

21. **Advance fund procedure.** This procedure will be used for small payments of eligible project expenditures. An advance account will be established at a commercial bank in the name of the project. The SCEEP, through PMU, will administer the advance account including preparation of applications for replenishment and liquidation. The currency of the advance account is US dollar. The advance account is to be used exclusively for ADB's share of eligible expenditures. SCEEP is accountable and responsible for proper use of advances to the advance account.

22. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through the advance account for the forthcoming 6 months. SCEEP may request for initial and additional advances to the advance account based on an Estimate of Expenditure Sheet<sup>6</sup> setting out the estimated expenditures to be financed through the account for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by SCEEP in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance account.

<sup>4</sup> ADB. 2017. [Loan Disbursement Handbook](#). Manila.

<sup>5</sup> ADB. 2017. [Disbursement eLearning](#). Manila

<sup>6</sup> Estimate of Expenditure sheet is available in Appendix 8A of ADB's [Loan Disbursement Handbook](#) (2017, as amended from time to time),

23. **Statement of expenditure procedure.**<sup>7</sup> The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account. The ceiling of the SOE procedure is the equivalent of \$100,000 per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB. For individual payments below the SOE ceiling, SCEEP shall keep the relevant documents and make them available for review when requested by ADB.

24. Before the submission of the first withdrawal application (WA), the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per WA is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below such amount should be paid (i) by SCEEP and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD)<sup>8</sup> system is encouraged for submission of withdrawal applications to ADB.

## **2. Disbursement Arrangements for Counterpart Fund**

25. SCEEP, through the PMU, will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds, (iii) collecting and retaining supporting documents, and (iv) preparing and sending withdrawal applications to ADB.

### **C. Accounting**

26. SCEEP will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following International Public Sector Accounting Standard for cash-based accounting. SCEEP, through PMU, will prepare project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

### **D. Auditing and Public Disclosure**

27. SCEEP, through PMU, will cause the detailed project financial statements to be audited in accordance with International Standards on Auditing by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by SCEEP.

28. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the

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<sup>7</sup> SOE forms are available in Appendix 7B and 7D of ADB's [Loan Disbursement Handbook](#) (2017, as amended from time to time).

<sup>8</sup> The CPD facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

29. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

30. The government and SCEEP have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.<sup>9</sup> ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

31. ADB's Access to Information Policy will guide the public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements. After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.<sup>10</sup>

## VI. PROCUREMENT AND CONSULTING SERVICES

32. To achieve Value for Money, procurement strategy was prepared during Strategic Procurement Planning process, including strategic contract packaging, fit-for purpose procurement method to be used, differentiating evaluation criteria based on the nature of different package, using more comprehensive economic evaluation criteria based on market analysis and previous experience..

### A. Advance Contracting and Retroactive Financing

33. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The borrower,

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<sup>9</sup> ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

<sup>10</sup> Such information generally fall under public communications policy exceptions to disclosure. (ADB. 2019. *Access to Information Policy*. Manila.)

SCEEP, and Association have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

34. **Advance contracting.** Advance contracting will be applicable for: (i) recruitment of Project Management Consultant (PMC); (ii) procurement of solid waste collection trucks; and (iii) procurement of solid waste disposal bins. This will include (i) preparation of request for proposal documents and advertisement through ADB's consulting services recruitment notices, and (ii) preparation of bidding documents and advertisement of invitation for bids for ADB's prior review and approval.

35. **Retroactive financing.** Retroactive financing for procurement of goods and consulting services will be applied for payment of the maximum amount of eligible expenditures up to the equivalent of 20% of the total ADB loan, incurred for a period not exceeding 12 months before loan signing.

## **B. Procurement of Goods, Works, and Consulting Services**

36. All procurement of goods, works, and consulting services will be undertaken in accordance with the ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulation for ADB Borrowers (2017, as amended from time to time).

37. Open competitive bidding advertised internationally or nationally will be used for the procurement of goods, works, and consulting services based on the Project Procurement Risk Assessment and indicated in the Procurement Plan. For consulting services, QCBS with a quality cost ratio of 90:10 will be used except for the package of Audit, for which Consultant's Qualifications Selection (CQS) will be used. All contract should be advertised in the ADB website.

38. The Strategic Procurement Planning has identified risks for each of the different project phases of procurement, design and transition, contract Implementation, and operation. The major potential risks are: Low bid competition, prices exceeding budget, delays due to long procurement times, approval times and time for equipment to clear customs, risks of poor quality, use of sub-optimal evaluation methods, and risks around long term sustainability of purchases. During the project implementation, these risks, especially those "High" risks as identified in "Risk Register" in the Procurement Strategy in the Strategic Procurement Planning will be closely monitored. The mitigating measures proposed will be carefully considered and properly taken.

39. ADB's latest version of standard bidding documents for goods and works and consulting services applied for Procurement Regulations for ADB Borrowers (2017, as amended from time to time) will be used for procurement of goods, works and consulting services depending on the nature of different packages. Domestic preference applies.

40. An 18-month procurement plan indicating review procedures, goods, works and consulting services contract packages are in Section C. The terms of reference for the four large consulting services packages are detailed in Section D.

### C. Procurement Plan

Basic Data		
Project Name: <b>Sustainable Solid Waste Management Project</b>		
Project Number: <b>51034-002</b>	Approval Number:	
Country: <b>Uzbekistan</b>	Executing Agency: <b>State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection</b>	
Project Procurement Classification: <b>B</b>	Implementing Agency: <b>Republican Association of Specialized Enterprises of Sanitary Cleaning</b>	
Procurement Risk: <b>Moderate</b>		
Project Financing Amount: <b>\$112,000,000</b> ADB Financing: <b>\$60,000,000</b> Cofinancing (ADB Administered): <b>N/A</b> Non-ADB Financing: <b>\$52,000,000 (Government of Uzbekistan)</b>	Project Closing Date: <b>30 June 2025</b>	
Date of First Procurement Plan: <b>13/09/2019</b>	Date of this Procurement Plan: <b>19/02/2020</b>	
Procurement Plan Duration: <b>18 months</b>	Advance contracting: <b>Yes</b>	eGP: <b>No</b>

#### A. Methods, Review and Procurement Plan

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works, nonconsulting services, and consulting services.

Procurement of Goods, Works and Nonconsulting Services	
Method	Comments
Open Competitive Bidding with international advertisement for procurement of goods	Not all types SWM vehicles and equipment are available in local market, international warranted complete bidding
Open Competitive Bidding with national advertisement for procurement of works	There are sufficient developed markets of construction companies

Consulting Services	
Method	Comments
Open competitive bidding with international advertising, using quality- and cost-based selection for consulting services	Local consultants are inexperienced so the best-in-class SWM development consultants are required and international advertising is warranted competitive

**B. List of Active Procurement Packages (Contracts)**

The following table lists goods, works, nonconsulting, and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan's duration.

Good, Works and Nonconsulting Services							
Package Number	General Description	Estimated Value (\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
G1	Supply of 8-tons 12m <sup>3</sup> SW collection trucks	23,400,000	OCB	Prior	1S1E	Q1, 2020	Advertising: International Prequalification of bidders: No Advance Contracting: Yes Bidding Document: Goods E-Procurement: No
G2	Supply of 1100 liter SW disposal bins	2,580,000	OCB	Prior	1S1E	Q1, 2020	Advertising: International Prequalification of bidders: No Advance Contracting: Yes Bidding Document: Goods E-Procurement: No
G3	Supply of Operational Equipment Lot 1: Excavators (dump sites) Lot 2: semi-trailer trucks with flatbed trailers	3,510,000	OCB	Prior	1S1E	Q2, 2020	Advertising: International Prequalification of bidders: No Advance Contracting: Yes Bidding Document: Goods E-Procurement: No Number of Contracts: 2
C1	Construction of vehicle maintenance service centers (regions of Fergana Valley)	3,600,000	OCB	Prior	1S1E	Q4, 2020	Advertising: National Prequalification of Bidders: No Domestic Preference

							Applicable: No Bidding Documents: Small Works E-Procurement: No Number of Contracts: 3
C2	Construction of vehicles maintenance service centers (East part regions)	6,000,000	OCB	prior	1S1E	Q4, 2020	Advertising: National Prequalification of bidders: No Advance Contracting: No Bidding Document: Small Works E-Procurement: No Number of Contracts: 5
C3	Construction of vehicles maintenance service centers (West part regions)	6,000,000	OCB	prior	1S1E	Q4, 2020	Advertising: National Prequalification of bidders: No Advance Contracting: No Bidding Document: Small Works E-Procurement: No Number of Contracts: 5
G4	Service Vehicle (Multivan) (13 Toza Hudud)	910,000	OCB	Prior	1S1E	Q3, 2020	Advertising: International Prequalification of Bidders: No Domestic Preference Applicable: No Bidding Documents: Goods

G5	Environmental monitoring support package Equipment	4,200,000	OCB	Prior	1S1E	Q1, 2021	Advertising: International Prequalification of Bidders: No Domestic Preference Applicable: No Bidding Documents: Goods
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Consulting Services							
Package Number	General Description	Estimated Value (\$)	Selection Method	Review	Type of Proposal	Advertisement Date	Comments
CS1	Project management consultant	800,000	QCBS	Prior	STP	Q2, 2020	Type: Firm Assignment: International Quality-Cost ratio: 90:10 Advance Contracting: No E-Procurement: No
CS2	SWM Sector regulatory framework enhancement consultant	800,000	QCBS	Prior	STP	Q3, 2020	Type: Firm Assignment: International Quality-Cost ratio: 90:10 Advance Contracting: No E-Procurement: No
CS3	Toza Hudud Capacity Strengthening	1,050,00	QCBS	Prior	STP	Q2, 2020	Type: Firm Assignment: International Quality-Cost ratio: 90:10 Advance Contracting: No E-Procurement: No

CS4	Financial Audit	120,000	CQS	Prior	BTP	Q1, 2021	Type: Firm Assignment: National Advance Contracting: No E-Procurement: No
CS5	Procurement Specialist	120,000	ICS	Prior	Bio data	Q1, 2020	Type: Individual Assignment: International Advance Contracting: Yes E-Procurement: No Advertising Type: ADB CSRN
CS6	Environmental monitoring support package capacity building	400,000	QCBS	Prior	STP	Q4, 2020	Type: Firm Assignment: International Quality-Cost ratio: 90:10 Advance Contracting: No E-Procurement: No

### C. List of Indicative Packages (Contracts) Required under the Project

The following table lists goods, works, nonconsulting, and consulting services contracts for which the procurement activity is expected to commence beyond the procurement plan duration and over the life of the project (i.e. those expected beyond the current procurement plan's duration).

Goods, Works and Nonconsulting Services						
Package Number	General Description	Estimated Value (\$)	Procurement Method	Review	Bidding Procedure	Comments
None						

Consulting Services						
Package Number	General Description	Estimated Value (\$)	Selection Method	Review	Type of Proposal	Comments
None						

### D. List of Awarded and Completed Contracts

The following table lists the awarded contracts and completed contracts for goods, works, nonconsulting, and consulting services.

Goods, Works and Nonconsulting Services					
Package	General Description	Contract	Date of ADB Approval of	Date of	Comments

Number		Value	Contract Award	Completion	
None					

Consulting Services					
Package Number	General Description	Contract Value	Date of ADB Approval of Contract Award	Date of Completion	Comments
None					

### E. Non-ADB Financing

The following table lists goods, works, nonconsulting, and consulting services contracts over the life of the project, financed by non-ADB sources.

Goods, Works and Nonconsulting Services				
General Description	Estimated Value (cumulative, \$)	Estimated Number of Contracts	Procurement Method	Comments
None				

Consulting Services				
General Description	Estimated Value (cumulative, \$)	Estimated Number of Contracts	Recruitment Method	Comments
Design and Supervision construction works of 13 regional Service Centers	120,000	1	Local public procurement procedures	Source of Financing: <i>Toza Hudud</i> Local advertisement Q2, 2020 Prequalification: No Local SBD for providing complete contest (tanlov) Advance contracting: No E-procurement: Yes by national bidding system: <a href="http://www.xarid.uz">www.xarid.uz</a>
Upgrading SW collection vehicles GPS tracking system	250,000	1	Local public procurement procedures	

### D. Consultant's Terms of Reference

41. The outline terms of reference for all consultant contracts are in Attachment 1. The TORs for the (i) Procurement Specialist (CS5) (ii) Environmental Monitoring Support Package Capacity Building (CS6); and (iii) Design and Supervision construction works of 13 regional service centers will be drafted at a later stage prior to loan effectiveness.

## VII. SAFEGUARDS

42. Government will ensure that all safeguards requirements prescribed for project are implemented. The project, in accordance with ADB SPS, was categorized as "B" for environment, as "C" for involuntary resettlement, and as "C" for indigenous peoples. Therefore, the following safeguards documents were prepared during project preparation:

- (i) The initial environmental examination (IEE) with its environmental management plan (EMP). This report identified potential impacts of the project and proposed mitigation measures, along with a management plan that included an asbestos management plan and a monitoring plan.

- (ii) The social due diligence report (SDDR) for construction of the vehicle maintenance service centers.

43. The Government will ensure implementation of all recommendations of these two safeguards documents, which have been prepared with consultation of people living in surrounding project areas. The following paragraphs describe briefly the activities to be implemented during project implementation and subsequent operation.

#### **A. Environment**

44. The Government will ensure that the design, construction, and operation and maintenance of the facilities under the project are carried out in accordance with ADB SPS, 2009, applicable laws and regulations of Uzbekistan, and recommendations of the IEE and its EMP. The Government will ensure that potential adverse environmental impacts arising from the project are minimized by implementing all mitigation and monitoring measures as presented in the EMP of the IEE. The Government will ensure that:

- (i) The PMU has sufficient resources to implement and record the implementation of the EMP prepared for the project. Therefore, Environmental Specialist must be recruited as part of the PMU.
- (ii) Sanitary protection zone (50 meters) to the nearest house is complied with at all sites proposed under the project. Any change of design or site layout must ensure that the sanitary protection zone is respected.
- (iii) If there are changes in design or scope, the IEE and EMP shall be updated and all necessary government permits and licenses to construct the facilities shall be obtained prior to commencement of civil works.
- (iv) Detailed engineering designs, civil works and any contracts for the project incorporate applicable environmental measures identified in the IEE and EMP.
- (v) Bidding documents for supervision consultant/engineer will include necessary requirement to enable them to assist in implementing IEE and its EMP.
- (vi) All bidding document for civil works to include safeguards documents (IEE/ EMP).
- (vii) The winner bidder will have adequate resources to implement safeguards requirement.
- (viii) Site Specific Management Plans (SSEMP) shall be prepared by the Contractor(s) and approved by the PMU before commencement of any civil works on the site(s).
- (ix) Once project is effective, the PMU will submit semi-annual environmental reports prepared by the PMU environment safeguards specialist to ADB. The report will include, among other things, a review of progress made on environmental measures detailed in the IEE, EMP and SSEMPs, how the IEE and its EMP have been incorporated into the bidding document and any problems encountered or unexpected impacts found during implementation phase.
- (x) Civil works contractors are supervised and monitored to ensure compliance with the requirements of the IEE and EMP.
- (xi) If unexpected or unforeseen environmental impacts occurred, the environment specialist from PMU together with the supervision consultant and contractor will take promptly corrective measures and inform immediately ADB. The environmental specialist of PMU will assist PMU to report in routine basis to ADB as part of the quarterly project report any complaint received and action to resolve the complaint.

## B. Land Acquisition and Resettlement

45. The project is categorized as C for IR impacts. The social due diligence conducted for the project based on the preliminary design and walk over surveys confirmed that there will be no land acquisition and involuntary resettlement impacts, as the construction works will be confined within the boundaries of existing facilities owned by the *Toza Hudud*. For the new construction, the necessary land plots will be allocated from state reserve land and within the right-of-way assigned to O&M centers. The certification on land ownership was provided by the *Toza Hudud* and Hokimiyat of 13 regions.

46. However, in compliance with ADB's requirements, if any changes, land acquisition and involuntary resettlement impacts or related unanticipated impacts are identified during project implementation stage, then a LARP will be prepared in accordance with ADB's SPS 2009 and submitted to ADB for review and approval before any contracts are awarded. LARP needs to be fully implemented before civil works commence at the impact sites.

47. PMU will have a dedicated social and gender specialist, who will ensure that a LARP will be prepared and implemented prior to start of civil works if any LAR is identified after completion of detailed design. The PMU will be supported by Project Management Consultant.

48. **Grievance Redress Mechanism.** *Toza Hudud* and PMU shall ensure; (i) efficient grievance redress mechanisms are in place and functional to assist the project affected persons resolve queries and complaints, if any, in a timely manner; (ii) all complaints are registered, investigated and resolved in a manner consistent with the provisions of Grievance Redress Mechanism; (iii) the complainants/aggrieved persons are kept informed about status of their grievances and remedies available to them; and (iv) adequate staff and resources are available for supervision and monitoring.

49. **Meaningful consultations.** *Toza Hudud* and PMU shall ensure that: (i) additional consultations during update and implementation of the safeguards documents are conducted; (ii) the project affected people, if any, are informed on their entitlements and (iii) consultation meetings are held regularly with surrounding communities and project affected people including women and vulnerable groups to share project related information during project implementation.

50. **Monitoring and Reporting.** Based on the during detailed design, the social due diligence report will be updated. If there are any changes, additional land requirements or involuntary resettlement impacts are identified, LARP will be prepared by Project Supervision Engineer in close coordination with PMU and *Toza Hudud*. The LARP will be reviewed by ADB prior to award of civil works and implemented before civil works commencement. LARP implementation shall be monitored internally by *Toza Hudud* with support of PMU. During LARP implementation, the monitoring results shall be consolidated into semiannual monitoring reports and shared with ADB for review, clearance and disclosure. PMU will be staffed with social and gender specialist.

## C. Indigenous People

51. The project has been classified as category C for indigenous people's safeguard. There are no indigenous people's communities in the project area or in the country in general, as defined in the SPS for operational purposes. Accordingly, no indigenous peoples planning documents will be required.

52. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).

### VIII. GENDER AND SOCIAL DIMENSIONS

53. A poverty and social analysis (PSA) was undertaken during the project preparation phase in accordance with ADB guidelines on gender and social dimensions. The Project is classified as effective gender mainstreaming (EGM) and a GAP in Table 6 is formulated and agreed by SCEEP. The GAP will guide the mechanism and methods to address key gender equality issues in SWM system in development and implementation of subprojects. The project will have significant benefit for women and women headed households who will have improved access to reliable SWM services. The following section provides further guidance for the IA on the GAP actions and targets

54. The GAP includes specific targets for women employment and participation. The following measures and targets are included in the GAP. These actions will be implemented, progress will be monitored, and achievement of results will be measured and reported semiannually:

- (i) Ensure women's equitable participation in and benefit from improved SWM, including 30% female participation in all project interventions;
- (ii) Customer outreach and information-awareness campaign reaches women and girls;
- (iii) Human resource management of Association gender mainstreamed and women's employment opportunities and career advancement in SWM sector increased, including 30% target for women employment in new field-based positions;
- (iv) Project implementation and institutional capacity development support, including full-time engagement of national social/gender development specialist, and 30% for female staff in Association and project management unit (PMU).
- (v) Baseline and final surveys in the project area in relation to household access to SWM with gender and poverty as parameters.
- (vi) Baseline and final survey in the Gender Action Plan to enable measuring improved access of the households to the SWM system and impact on women time poverty.

**Table 14: Gender Action Plan**

Gender Activities/Action	Performance Indicators/ Targets	Responsibility	Timeline
<b>Outcome: Reliable and sustainable SWM services improved and expanded in small urban centers and peri-urban and rural areas nationwide</b>			
0.1. Ensure that women benefit from expanded and improved SWM collection, transfer and disposal services	At least 6 million unserved or under-served inhabitants, including 50% of women of small urban centers, peri-urban and rural areas of Uzbekistan receive regular SWM collection, transfer and disposal services verified through survey (2019 Baseline: 0)	SCEEP, <i>Toza Hudud</i> , PMU	2021–2025
0.2. Conduct sex-disaggregated end-line customer satisfaction survey	Increase up to 80% of male and female customer satisfaction on improved SWM (2019 Baseline: 63)	<i>Toza Hudud</i> , PMU	2025
<b>Output 1. Solid-waste management subsector regulatory framework enhanced</b>			
1.1. Integrate gender equity provisions in regulatory framework	1.1.1. New regulations to enhance gender-responsive SWM operations adopted <sup>11</sup> (2019 Baseline: 0) 1.1.2. Regulations to improve public accountability and transparent tariff setting methodologies with gender elements adopted <sup>12</sup> (2019 Baseline: 0) 1.1.3. At least 50 of public consultations on Draft Law on Waste conducted with 50% of female participation (2019 Baseline: 0)	SCEEP, <i>Toza Hudud</i> , PMU	2021
<b>Output 2. Republican Association of Specialized Enterprises for Sanitary Cleaning and <i>toza hudud</i> capacity strengthened</b>			
2.1. Introduce the gender responsive measures in institutional strengthening program	2.1.1. <i>Toza Hudud</i> institutional diagnostic assessment including gender assessment completed (2019 Baseline: 0) 2.1.2. International center for certification and training with at least 30% women personnel operational <sup>13</sup> (2019 Baseline: 0) 2.1.3. Sex-disaggregated MIS for customer relations and public reporting established by Q1 2022 (2019 Baseline: 0)	<i>Toza Hudud</i> , PMU	2021
2.2. Develop gender-sensitive customer relations and complaints systems	2.2.1. Gender-responsive grievance redress mechanism operationalized and sex-disaggregated MIS for customer relations and public reporting established by Q1 2022 (2019 Baseline: 0)	<i>Toza Hudud</i> , PMU	2022

<sup>11</sup> Gender inclusive sanitary facilities, equal opportunities policy for men and women in the work place will be envisaged in improved guidelines for designing and managing landfills. Regulations on adopting container-deposit practices, improved regulations for collection and transportation of municipal solid waste will be included. Gender-specific needs will be considered in the design waste collection points and adopting gender-friendly, participatory consultations while selecting and designing the waste container installation points.

<sup>12</sup> Integration gender specific needs in design and operation public accountability and grievances redress systems such as communications channels and inclusive public awareness and participation in SWM. Improved tariff setting regulations will include the requirements to conduct affordability analysis by disaggregated by gender and other relevant socio-economic and demographic characteristics and establish effective communication on tariff changes to ensure gender inclusive participation.

<sup>13</sup> According to gender analysis, women participation is very low in SWM and even in the training centers established under sector ministries like Ministry of communal and housing centers (12% of female representation in SWM system).

Gender Activities/Action	Performance Indicators/ Targets	Responsibility	Timeline
	2.2.2. Gender-responsive customer relations system, with at least 50% of female staff in each <i>toza hudud</i> established by Q1 2022 (2019 Baseline: 0)		
2.3. Promote professional development of women staff of <i>toza hudud</i>	2.3.1. At least four officers (of which at least two officers are women) from each <i>toza hudud</i> trained and accredited by the Republican Association of Specialized Enterprises for Sanitary Cleaning in basic SWM utility management, financial management, gender-responsive HR policy, and SWM system O&M (2019 Baseline: 0)	<i>Toza Hudud</i> PMU	2022
<b>Output 3. Environmental monitoring capabilities of the State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection improved.</b>			
3.1. Employ staff with priority to women for newly established environmental laboratory	3.1.1. At least 20 staff (of which at least 8 are women) from the SCEEP's laboratories trained by an accredited international training center in laboratory testing techniques (2019 Baseline: 0)	SCEEP, PMU	2022
<b>Output 4. Solid-waste management collection and interim disposal services in small urban centers and peri-urban and rural areas improved nationwide.</b>			
4.1. Ensure adequate involvement and representation of women in the O&M in SWM	4.1.1. Vehicle maintenance service centers with at least 10% of female staff established and operational in each of the 13 provinces (2019 Baseline: 0)	<i>Toza Hudud</i> , PMU	2022
4.2. Establish and support a behavior change campaign to improved environmental sanitation from solid waste collection	4.2.1. Recruit local non-government organizations to conduct at least 26 education campaigns "Clean City" targeting 3,000 people with 50% of women participation (2019 Baseline: 0)	<i>Toza Hudud</i> , PMU	2022
	4.2.2. Gender sensitive information toolkit "Zero Waste" for schools developed in local language and distributed to the schools (Baseline 2019: 9719)		2022-2024
	4.2.3. Special youth targeted mass media campaign conducted (with 4 gender responsive knowledge products) targeting 10,000 with 50% of girls participation (2019 Baseline: 0)		2022-2024
<b>Project Implementation</b>			
5.1. Ensure active participation of women in Project implementation, monitoring and reporting	5.1.1. National social/gender development specialist hired on a full-time basis in PMU and gender focal points for each of 13 regions appointed	<i>Toza Hudud</i> , PMU	2020–2024
	5.1.2. Project monitoring and information system includes gender indicators and regularly populated with sex-disaggregated data		
	5.1.3. Project monitoring reports include semi-annual progress in implementing the GAP		
	5.1.4. At least 30% of female staff in PMU		

GAP = gender action plan, MIS = management information system, O&M = operation and maintenance, PMU = project management unit, Q = quarter, SCEEP = State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection, SWM = solid-waste management.

**Table 15: Gender Action Plan Budget**

Item	Total cost (\$)	Note
Training of Trainers	5,000	100% GAP
Gender sensitivity and GAP reporting training	10,000	100% GAP
Printing information toolkit for schools	5,000	100% GAP
Production of Clean City campaigns	20,000	100% GAP
Production of gender responsive knowledge products focused on youth	20,000	100% GAP
<b>Total</b>	<b>60,000</b>	

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

### A. PROJECT DESIGN AND MONITORING FRAMEWORK

Impact the project is aligned with: Environment, health, and living conditions improved (National Strategy of Solid-Waste Management in the Republic of Uzbekistan for 2019–2028) <sup>a</sup>			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<b>Outcome</b> Reliable and sustainable SWM services improved and expanded in small urban centers, and peri-urban and rural areas nationwide	By Q2 2024: a. At least 6 million unserved or underserved consumers, including at least 50% women, in small urban centers and peri-urban and rural areas nationwide receive regular SWM collection, transfer, and disposal services (2019 Baseline: 0) RFI-A  b. <i>Toza hudud</i> service delivery capacity, including the collection of municipal solid waste in 13 regions, increased to 7,500 tons per day (2019 Baseline: 5,000 tons per day)  c. Sex-disaggregated consumer satisfaction with the quality of SWM services increased to 80% (2019 Baseline: 63%)	a–c. Executing agency project completion report and survey report	<i>Toza hududs</i> are unable to financially support operating costs and debt repayments.
<b>Outputs</b> 1. SWM subsector regulatory framework enhanced	<b>Indicative Policy Actions</b> By Q2 2024 1a. New gender-responsive regulations to enhance SWM operations adopted (2019 Baseline: 0)  1b. Regulations to improve public accountability and transparent tariff setting methodologies, incorporating gender elements, adopted (2019 Baseline: 0)  1c. Law on waste adopted (2019 Baseline: 0)  1d. At least 50 public consultations with at least 50% female participation conducted (2019 Baseline: 0)	1a–1d. Quarterly project progress reports, executing agency project completion report	Government approval procedures take longer than anticipated.

<p>2. Republican Association of Specialized Enterprises for Sanitary Cleaning and <i>toza hudud</i> capacity strengthened</p>	<p>2a. <i>Toza hudud</i> institutional diagnostic assessment completed by Q1 2021 (2019 Baseline: 0)</p> <p>2b. <i>Toza hudud</i> business restructure plan and road map implemented by Q1 2022 (2019 Baseline: 0)</p> <p>2c. Performance management framework including KPIs and benchmarking system operational by Q1 2022 (2019 Baseline: 0)</p> <p>2d. All 13 <i>toza hududs</i> improve their KPIs, as verified by the Republican Association of Specialized Enterprises for Sanitary Cleaning by Q1 2023 (2019 Baseline: 0)</p> <p>2e. One <i>toza hudud</i> is reorganized to include an asset management division and a performance-based operations division on a pilot basis by Q1 2023 (2019 Baseline: 0)</p> <p>2f. International center for certification and training with at least 30% women personnel operational by Q1 2022 (2019 Baseline: 0)</p> <p>2g. At least four officers (of which at least two are women) from each <i>toza hudud</i> trained and accredited by the Republican Association of Specialized Enterprises for Sanitary Cleaning in basic SWM utility management, financial management, gender-responsive human resources policy, and SWM system O&amp;M by Q3 2022 (2019 Baseline: 0)</p> <p>2h. Gender-responsive grievance redress mechanism made operational and sex-disaggregated MIS for customer relations and public reporting established by Q1 2022 (2019 Baseline: 0)</p> <p>2i. Gender-responsive customer relations system, with at least 50% of female staff in each <i>toza hudud</i>, established by Q1 2022 (2019 Baseline: 0)</p> <p>2j. Twinning arrangement with an international SWM training and certification facility established by Q3 2022 (2019 Baseline: 0)</p>	<p>2a–2f, 2h–2i. Quarterly project progress reports, executing agency project completion report, and annual audit reports</p> <p>2g. Association's training curriculum</p> <p>2j. Signed twinning agreement</p>	<p>Limited association and <i>toza hudud</i> capacity slow implementation</p> <p>Elevated financial management risks because of weak internal audit function within SCEEP</p>
<p>3. Environmental monitoring capabilities of SCEEP improved</p>	<p>3a. Environmental testing capabilities of SCEEP's environmental laboratories upgraded to international standard by Q3 2022 (2019 Baseline: 0)</p> <p>3b. At least 20 staff (of which at least eight are women) from SCEEP's laboratories trained by an accredited international training center in laboratory testing techniques by Q3 2022 (2019 Baseline: 0)</p>	<p>3a–3b. Quarterly project progress reports, executing agency project completion report, and SCEEP report</p>	
<p>4. SWM collection and interim disposal</p>	<p>4a. 300 SWM collection vehicles (12.0 m<sup>3</sup> capacity), 6,000 waste disposal bins (1.1 m<sup>3</sup></p>	<p>4a–4e. Quarterly project progress</p>	

<p>services in small urban centers and peri-urban and rural areas improved nationwide</p>	<p>capacity), 13 excavators, 13 flatbed trucks, and 13 mobile service vehicles commissioned by Q4 2020 (2019 Baseline: 0)</p> <p>4b. Vehicle maintenance service centers with at least 10% female staff established and operational in each of the 13 provinces by Q1 2022 (2019 Baseline: 0)</p> <p>4c. At least 26 “clean city” education campaigns covering all 13 provinces and with 50% female participation conducted by Q1 2022 (2019 Baseline: 0)</p> <p>4d. Gender-sensitive information toolkit “zero waste” for schools developed in the local language and distributed to schools in all 13 provinces by Q1 2022 (Baseline 2019: 0)</p> <p>4e. Special youth-targeted mass media campaign conducted with four gender-responsive knowledge products by Q1 2022 (2019 Baseline:0)</p>	<p>reports, executing agency project completion report, and personnel list of <i>toza hududs</i></p>	
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<p><b>Key Activities with Milestones</b></p> <p><b>1. SWM subsector regulatory framework enhanced</b></p> <p>1.1. Mobilize consultants by Q3 2020</p> <p>1.2. New regulations to enhance gender-responsive SWM operations by Q2 2024</p> <p>1.3. Adopt regulations to improve public accountability and transparent tariff-setting methodologies, incorporating gender elements, by Q2 2024</p> <p>1.4. Adopt international best practices in gender-inclusive PPP in SWM by Q2 2024</p> <p>1.5. Adopt a law on waste by Q2 2024</p> <p>1.6. Conduct public hearings with at least 50% female participation by Q2 2024</p> <p><b>2. Republican Association of Specialized Enterprises for Sanitary Cleaning and <i>toza hudud</i> capacity strengthened</b></p> <p>2.1. Mobilize consultants by Q3 2020</p> <p>2.2. Complete <i>toza hudud</i> institutional diagnostic assessment by Q1 2021</p> <p>2.3. Make performance management framework operational by Q1 2022</p> <p>2.4. Verify that all 13 <i>toza hududs</i> improve their KPIs by Q1 2023</p> <p>2.5. Reorganize one <i>toza hudud</i> to include an asset management division and a performance-based operations division on a pilot basis by Q1 2023</p> <p>2.6. Make international center for certification and training operational with at least 30% women by Q1 2022</p> <p>2.7. Make a gender-sensitive grievance redress mechanism operational and establish a sex-disaggregated MIS for customer relations and public reporting by Q1 2022</p> <p>2.8. Establish a gender-responsive customer relations system, with at least 50% female staff, in each <i>toza hudud</i> by Q1 2022</p> <p>2.9. Make at least four training modules in SWM operations operational, including one on gender sensitivity by Q3 2022</p> <p>2.10. Establish a twinning arrangement with an international SWM training and certification facility by Q3 2022</p> <p><b>3. Environmental monitoring capabilities of SCEEP improved</b></p> <p>3.1. Mobilize consultants by Q3 2020</p> <p>3.2. Equip and make operational the environmental laboratories by Q3 2022</p> <p>3.3. Complete the training and certification programs for laboratory staff by Q3 2022</p> <p><b>4. SWM collection and interim disposal services in small urban centers and peri-urban and rural areas improved nationwide</b></p> <p>4.1. Commence procurement of waste collection trucks and equipment by Q1 2020</p> <p>4.2. Award the waste collection trucks and equipment contracts by Q2 2020</p> <p>4.3. Award the project management consultant contract by Q3 2020</p> <p>4.4. Complete commissioning of all waste collection trucks and equipment by Q4 2020 and truck maintenance service center contracts by Q3 2020</p>
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<p>4.5. Make truck maintenance service centers operational by Q1 2022</p> <p>4.6. Conduct awareness-raising campaigns on sustainable waste management by Q1 2022</p> <p>4.7. Design and disseminate information tool kit for schools by Q2 2022</p> <p>4.8. Produce four gender-responsive knowledge products focused on youth by Q2 2022</p> <p><b>Project Management Activities</b></p> <p>Prepare and submit project progress reports.</p>
<p><b>Inputs</b></p> <p>ADB: \$60.0 million</p> <p>Government: \$52.0 million</p>
<p><b>Assumptions for Partner Financing</b></p> <p>Not applicable</p>

ADB = Asian Development Bank, KPI = key performance indicator, m<sup>3</sup> = cubic meter, MIS = management information system, MSW = municipal solid waste, O&M = operation and maintenance, PPP = public-private partnership, Q = quarter, RFI-A = 6 million unserved or underserved consumers in small urban centers and peri-urban and rural areas receive regular SWM collection, transfer, and disposal services throughout the nation's 13 provinces, SCEEP = State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection, SWM = solid-waste management, *toza hudud* = state unitary enterprise.

<sup>a</sup> Government of Uzbekistan. 2017. Resolution No. PP-4291 *About approval of Strategy according to the treatment of municipal solid waste in the Republic of Uzbekistan for 2019-2028* (April 2019). Tashkent.

Source: Asian Development Bank.

## B. Monitoring

55. **Project performance monitoring.** SCEEP will establish the project performance monitoring and evaluation system within 6 months of loan effectiveness using the targets, indicators, assumptions, and risks in the design and monitoring framework. The midterm review will include an evaluation on whether project implementation accords with the project objectives and scope. The data for output and outcome indicators will be updated and reported through the quarterly progress report and after each ADB review mission.

56. **Compliance monitoring.** SCEEP will monitor and ensure compliance with applicable covenants of the Loan and Project Agreements. This will be reported through the quarterly progress reports and ADB review missions.

57. **Safeguards monitoring.** The Contractor(s) is responsible for the preparation of weekly environmental checklists and environmental section in monthly progress reports that shall be submitted to the PMU for review. Based on site inspection and Contractors' reports, the Association shall be responsible for preparing an environmental section of detailed Quarterly Progress Reports to submit to PMU. PMU will use this environmental section and the findings of review missions conducted by the PMU's Environment Specialist and Social and Gender Specialist to submit to ADB quarterly assessment of EMP implementation. The Association is responsible for assisting PMU in preparing semi-annual Environmental Monitoring Reports (EMRs) and final EMR including post-construction environmental audits. If there are any changes in the design or alignment or if there are any unanticipated impacts, the IEE/EMP will be updated to account for any additional or new environmental impacts and relevant corrective actions. In January and July every year, PMU will submit semi-annual environmental monitoring reports to ADB and relevant government authorities, and these reports will be disclosed to the public on the SCEEP (in Uzbek or Russian) and ADB (in English) websites.

58. **Gender and social dimensions monitoring.** The project envisages direct benefits for women in the 13 provinces, such as health benefits from proper solid waste management. It also envisages long-term institutional capacity to promote inclusive development in project areas. The Associations with support of PMU's Social and Gender Specialist will be responsible for implementing, monitoring and reporting on progress of GAP.

59. The progress of GAP implementation will be closely reviewed and monitored at each ADB review mission and incorporated in the quarterly progress reports as well as evaluation reports and sent to ADB. Sex disaggregated database will be developed, and data updated bi-annually during implementation. The evaluation of GAP implementation will be carried out as part of benefit monitoring, including at project completion. Core labor standards, including equal wage for women and men for work of equal value, will be closely monitored. GAP monitoring reports will be submitted by PMU semi-annually to ADB. The outline of GAP implementation semi-annual; progress update report is in Table 14. The budget for GAP implementation is in Table 15.

## C. Evaluation

60. An ADB inception mission will be fielded after the signing of the Loan Agreement to agree with the EA on implementation requirements of the project as well as to discuss in detail the procedures relating to the procurement of works and goods, recruitment of consultants, and disbursements. ADB and the government will undertake semiannual reviews of the project to consider the (i) scope of the project, (ii) implementation arrangements, (iii) compliance with Loan

Agreement covenants, (iv) physical achievements against targets and milestones, and (v) project implementation issues requiring resolution or action.

61. A midterm review will be made after two years of the loan effectiveness date. The review will evaluate in detail the implementation progress and project design (institutional, administrative, organizational, technical, environmental, social, poverty reduction, resettlement, economic, and financial aspects), and identify courses of action that would improve project performance, viability, and the achievement of targets and project objectives. All the assumptions and risks noted in the design and monitoring framework will be reviewed.

62. Within 6 months of physical completion of the project, the EA will submit a project completion report to ADB<sup>14</sup>. ADB will undertake a project completion review of the project after 12- 24 months from the physical completion date.

#### **D. Reporting**

63. SCEEP, through PMU, will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

#### **E. Stakeholder Communication Strategy**

64. The stakeholder communication strategy for the project aims to increase public awareness on project benefits and improve solid waste management and to promote public feedback during the detailed design, construction, and operation phases of the facilities. The project's preliminary communication and participant plan is summarized in Table 16. The communication and participant plan will be refined based performance baseline studies and updated during the detailed design phase. Table 17 provides the associated ADB Public Communications Strategy. Project information will be strategically disseminated through media and regular public consultations at main milestones including loan signing, contract awards and project completion and a grievance redress mechanism will be established by the Associations to respond to concerns of affected persons and the public.

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<sup>14</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

**Table 16: Preliminary Communication and Participation Plan for the Project**

<b>Communications Context:</b> <i>Public support and sustainability of the improved solid waste management system requires increased public awareness of the benefits of these investments to their health and well-being, particularly that of women, and better understanding of proper system use. Transparency during project implementation will lead to improved project quality and provide an effective mechanism for receiving and addressing public feedback.</i>									
<b>Project Objective:</b> Improved solid waste management (SWM) services in small urban centers, peri-urban and rural areas nationwide. It will enhance the SWM regulatory framework, build institutional capacity, upgrade and expand existing SWM collection systems, and improve environmental monitoring and enforcement capabilities.									
<b>Strategic Elements</b>						<b>Work Plan Elements</b>			<b>Evaluation</b>
<b>Communication Objective</b>	<b>Key Risks</b>	<b>Audience</b>	<b>Current/Desired Behavior</b>	<b>Messages/Info Needs</b>	<b>Channel Activity</b>	<b>Time</b>	<b>Responsibility</b>	<b>Resource Needs</b>	<b>Expected Outcomes</b>
1. Raised public awareness of the benefits of recycling, waste segregation and of an improved SWM system	Inability to reach the entire population	Households in <i>Toza Hudud</i>	Increase in public willingness to recycle and segregate waste	Ways to increase recycling, improve waste segregation and usage of collection points	Sanitation awareness and hygiene promotion campaign including community-level and outreach program through media-Local TV, radio and newspaper ads and articles  Dissemination of project information and public consultations	Dissemination of project information, and consultations over remainder of implementation period	EA, PMU (Through Environment Specialist)	Community SWM promotion and sanitation awareness trainings are replicated in <i>Toza Hudud</i> .  Trainings include distribution of basic hygiene reference sources that target girls and their mothers and aware men and boys about importance of sharing their responsibility for SWM and sanitation; Age/gender-specific informational kits are delivered to all project schools;	Improved SWM practices in households and schools.  Reduced incidence of sanitation-associated disease.  Widespread acceptance of SWM improvements

2. People affected by LAR are informed of their rights and the plans to compensate and assist them	Complaints from APs may cause delay	APs	Maintain support for the project	AP entitlements and schedule of LARP implementation	Visits by PMU, and/or consultant team Distribution of brochures and posting of approved LARP on the ADB and SCEEP websites	Upon approval of final LARP	PMU	Included in project LARP budget	No complaint received from APs on their entitlements and compensation received
3. Stakeholders informed of likely environmental impacts during construction and mitigation measures planned and eventually conducted	Complaints from local communities may cause delay	Residents of <i>Toza Hudud</i>	Maintain support for the project	Info on project environmental impacts and mitigation measures	Visits by PMU, and/or consultant team Posting of updated IEE/EMP and EMRs in the ADB and SCEEP websites  Explanations by contractors		PMU, and/or consultant team and contractors	Included in project EMP budget	No complaint received from local community on management of environmental impacts from the project.
4. Stakeholders/ general public informed of mechanism for providing feedback, improving project quality	Unidentified feedback or unresolved concerns may affect quality of construction and operations of the facilities	Residents of <i>Toza Hudud</i>	Improved public feedback and support for the construction activities and improved quality of SWM service	Info on how stakeholders/ beneficiaries may engage with the project; consumer advocacy, grievance redress	Dissemination of project information, regular public consultations, brochures on RP Visits by PMU and/or consultant team  Media		PMU	Sanitation awareness and hygiene promotion and consultation costs as in Item 1, above.	Public feedback/ complaints are received and addressed leading to improved quality of construction and improved SWM system operations and management

5. Bidders and the public are informed of contract awards	Complaints from bidders or interested parties may delay works	Bidders/ general public	Improved trust in the selection of civil works contractors	Information on results of bid evaluation	SCEEP website Publication in local newspaper	Upon signing of bid evaluation report	PMU (Through Procurement Specialist)		Improved transparency in contracting and procurement, and improved public trust
6. General public is informed of project expenditures	Low public trust on the expenditure	General public	Improved public trust	Audited financial reporting	SCEEP website ADB web disclosure	Within 30 days upon receipt	ADB Project Team		Improved transparency and public trust in expenditures related to the project

ADB = Asian Development Bank, AP = affected persons, IEE = initial environmental examination, EMP = environmental management plan, EMR = environmental management report, LAR = land acquisition and resettlement, LARP = land acquisition and resettlement plan, PMU = project management unit, SCEEP = State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection.

**Table 17: ADB Public Communications Strategy**

<b>Project Documents</b>	<b>Means of Communication</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Audience(s)</b>
Project Data Sheet (PDS)	ADB's website	ADB	initial PDS no later than 30 calendar days of approval of the concept paper; updated twice a year	General Public
Initial Environmental Examination	ADB's website	ADB	at least 7 days prior to Staff Review Meeting	General Public
Resettlement Planning Documents	ADB's website	ADB	post fact-finding mission	General Public, project-affected people in particular
Report and Recommendation of the President	ADB's website	ADB	within 2 weeks of Board approval of the loan	General Public
Legal Agreements	ADB's website	ADB	no later than 14 days of Board approval of the project	General Public
Summary Poverty Reduction and Social Strategy	ADB's website	ADB	within 2 weeks of Board approval of the loan	General Public
Land Acquisition Resettlement Plan	ADB's website	ADB	Draft LARP post fact-finding mission and updated LARP when prepared.	General public, Project affected persons in particular
Project Administration Manual	ADB's website	ADB	within 2 weeks of Board approval of the loan	General Public
Social and Environmental Monitoring Reports	ADB's website	ADB	routinely disclosed, no specific requirements	General Public, project-affected people in particular
Resettlement Monitoring Reports	ADB's website	ADB	Routinely disclosed, semi annually	
Major Change in Scope	ADB's website	ADB	within 2 weeks of approval of the change	General Public
Completion Report	ADB's website	ADB	within 2 weeks of circulation to the Board for information	General Public
Evaluation Reports	ADB's website	ADB	routinely disclosed, no specific requirements	General Public

<b>Project Documents</b>	<b>Means of Communication</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Audience(s)</b>
Performance of the project with clearly defined information requirements and indicators, policy construction and reconstruction, business opportunities, bidding process and guidelines, results of bidding process, and summary progress reports of ongoing projects.	SCEEP's website	SCEEP	per project's quarterly progress report	General Public

## **X. ANTICORRUPTION POLICY**

65. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.<sup>15</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.<sup>16</sup>

66. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the project.

## **XI. ACCOUNTABILITY MECHANISM**

67. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>17</sup>

## **XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL**

68. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

<sup>15</sup> Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>16</sup> ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

<sup>17</sup> Accountability Mechanism: <http://www.adb.org/Accountability-Mechanism/default.asp>.

## Terms of Reference

### Project Management Consultant

#### I. Objectives and Approach

1. Responding directly to priority needs, Sustainable Solid Waste Management Project will assist government to progress its SWM sector reform agenda by actively supporting strategy implementation in targeted areas. As explicitly identified in the strategy's action plan, the project will assist the government to (i) update the SWM legal framework by developing specific regulatory directives, (ii) build institutional capacity in, and improve the sustainability of the Association and *Toza Hudud*, (iii) develop and mainstream environmental education, awareness and advocacy (iv) strengthen *Toza Hudud* asset bases through the provision of vehicles, equipment and physical infrastructure, and (iv) improve environmental and enforcement capabilities of the State Committee on Ecology and Environmental Protection (SCEEP).

2. Major project outputs include the following:

**Output 1: SWM sector regulatory framework enhanced** by assisting government to formulate specific regulatory directives, as identified in the strategy. These will (i) enhance SWM operations by establishing waste assessment protocols, and strengthening waste transportation and disposal site regulations and compliance, (ii) improve public accountability and tariff setting methodologies, (iii) further promote a PPP enabling environment, and (iv) establish a performance management framework (including key performance parameters) for SWM operations. A revised 'Law on Waste' will also be formulated.

**Output 2: Republican Association of Specialized Enterprises of Sanitary Cleaning and Toza Hudud capacity strengthened** by establishing a SWM operator training center within the Association, and formulating and delivering training modules in (i) performance-based management, including KPIs and performance benchmarking for SWM operations, (ii) management information systems (MIS) for billing, customer relations and public reporting, (iii) SWM corporate management<sup>1</sup> aiming to transform the *Toza Hudud* to asset management company, and (iv) SWM system operations. Key *Toza Hudud* personnel will also be trained and professionally certified by accredited international training centers in basic SWM utility management, financial management and SWM system O&M, and a long-term twinning arrangement established with an international SWM training and certification facility.

**Output 3: Environmental monitoring and enforcement capabilities of the SCEEP improved** by (i) rehabilitating and upgrading the environmental testing capabilities of SCEEP's national level environmental laboratory, and (ii) providing training and professional certification for laboratory personnel in laboratory testing techniques.

**Output 4: SWM collection and interim disposal services in small urban centers, peri-urban and rural areas improved** nationwide by (i) building up the functional asset bases of the *Toza Hudud* by providing 300 collection vehicles (12m<sup>3</sup> capacity), 6,000 waste disposal bins (1.1 m<sup>3</sup> capacity), 13 excavators, 13 semi-trailer trucks with flatbed trailers,

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<sup>1</sup> Including performance management, asset management, financial management, customer relations management, and external and internal accountability mechanisms.

and 13 mobile service vehicles, and (ii) constructing 13 provincial vehicle maintenance service centers to provide for sustainable vehicle and equipment O&M.

3. An international consulting firm with national experts experienced in solid waste management projects is required to provide assistance on tendering, evaluation and contract award to the successful Bidder, project management and supervision including review and audit the detailed engineering design, procurement, construction, erection, testing and commissioning, environmental safeguards monitoring, issue of necessary progress reports, and improve the agency's project management capacity. The Consultants will also be responsible for the financial management of Project-related activities including establishing a management information system, assistance in accounting, and issuance of payments certificates, etc. The Consultants will ensure that the Project delivers on schedule in a satisfactory manner to the required standards within budget.

## II. Consultant Team and Tasks

4. A team of 10 consultants assigned for a total of 84 person-months will complete the assignment intermittently over a 5 years period. The consultant team includes: (i) a Team Leader, Procurement and Contract Management Expert (international, 5 person-months, intermittent), (ii) Financial Management Specialist (international, 3 person-months, intermittent), (iii) Civil Engineer (international, 2 person-months, intermittent), (iv) Mechanical Engineer (international, 2 person-months, intermittent), (v) Environmental Specialist (international, 2 person-months, intermittent), (vi) Deputy Team Leader, Engineer/Procurement Specialist (national, 20 person-months, intermittent), (vii) Financial Management Specialist (national, 18 person-months, intermittent), (viii) Environmental Specialists<sup>2</sup> (national, 18 person-months, intermittent), (ix) Social and Gender Specialist (national, 12 person-months, intermittent), (x) Resettlement Specialist (national, 2 person-months, intermittent).

5. **Specialist 1: Team Leader, Procurement and Contract Management Specialist** (international, 5 person-months, intermittent). This specialist will complete the following tasks:

- (i) Provide support to the PMU and ensure liaison with the SCEEP, Ministry of Investments and Foreign Trade (MIFT), Ministry of Finance (MOF), *Toza Hudud*, Khokimiyats, ADB, and other relevant stakeholders;
- (ii) Provide overall guidance and direction for all aspects of PMU activity regarding project preparation, implementation, operations and maintenance training, monitoring, and evaluation, land management, social issues, as well as related capacity development;
- (iii) Review procurement plans updated by the procurement experts and ensure the timely preparation of design and tender documents relative to all procurement contracts;
- (iv) Provide guidance and technical direction to national engineers undertaking the preparation of detailed designs and tender documents for the procurement of works and goods;
- (v) Make sure that all design documents are consistent with national and international norms as applicable;
- (vi) With the advice of procurement experts make sure that all tender documents, procurements procedures and modes of procurement are in accordance with the relevant ADB guidelines on procurement under ADB financed Projects;

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<sup>2</sup> Three environmental specialists may be recruited to work concurrently to enable effective coverage of works undertaken across the nation

- (vii) Convene and/or attend all meetings required to manage and carry out the services necessary for project activities, including periodic meetings with contractors to review progress, and prepare and distribute copies of the agenda and the meeting records;
- (viii) Assist the PMU and the tender evaluation commission in the process of evaluating tender documents and awarding contracts to contractors and suppliers, as needed;
- (ix) Review all contractual documents, drawings and warn the Executing and Implementing Agencies for inconsistencies/deficiencies and take necessary corrective action with Client's approval;
- (x) Ensure the timely fielding of contractors and implementation of all contract packages in accordance with agreements entered into in the course of the project;
- (xi) Receive comments and copies of field reports by construction supervisors;
- (xii) Review work reports and claims for payments prepared by contractors and suppliers and formulate relevant recommendations to the PMU before submission for payment;
- (xiii) Assisted by the procurement specialists, provide advice to the PMU on Contractor claims for time extension, change orders, and other critical decisions in the course of the Project;
- (xiv) Provide advice and support for the finalization of TORs for the selection of consultants for the implementation of the Capacity-building program and Regulatory framework improvement advisory;
- (xv) Provide support for the preparation of workshops and other on-the-job type of training related to the Capacity building program;
- (xvi) Supervise the preparation and the delivery of on-the-job training and workshops by contractors and suppliers;
- (xvii) Supervise the preparation and the implementation of commissioning tests;
- (xviii) Review the Operation and Maintenance (O&M) manuals and the commissioning tests reports;
- (xix) Provide advice to the PMU on delivery of certificate of completions;
- (xx) Supervise the implementation of the EMP and appropriate reporting;
- (xxi) Prepare quarterly reports and program implementation review and revised implementation plan;
- (xxii) Prepare annual project progress report including reviews of the investment plan and on this basis, provide advice and assistance to PMU, SCEEP and ADB for the review of the overall Project implementation;
- (xxiii) Assist the PMU in the preparation of the overall Project Completion Report and provide relevant inputs concerning needs for O&M;
- (xxiv) Assist the PMU and ADB project officer and staff members during fact-finding and other missions;
- (xxv) For the civil work contracts act as an Engineer/Project Manager appointed by the Client to oversee the execution of the Work contracts on his behalf. The FIDIC form of contract specifies many duties and responsibilities which are assigned to the Engineer/Project Manager relating to the execution of the contract. For these purposes, he shall organize his presence in the project site.

6. The Team Leader, Procurement and Contract Management Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 15 years of experience in Solid Waste Management (SWM) projects, (iii) at least 10 years of experience as project team leader with similar SWM development projects in countries with similar geographic conditions, (iv) at least 5 years of experience in recruitment of consulting services and procurement of goods and civil works, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

7. **Specialist 2: Financial Management Specialist** (international, 3 person-months, intermittent). This specialist will complete the following tasks:

- (i) Elaborate and propose procedures for setting-up and maintaining consolidated project accounts throughout the implementation of the project;
- (ii) Provide assistance for the preparation of the first annual work plan and budget and of work plan and budget for the subsequent Project's years, as well as in updating of detailed cash flow projections;
- (iii) Provide assistance for the periodical review of the work plan and budget of the project;
- (iv) Provide assistance to prepare draft Loan withdrawal applications for the payment of eligible Project costs and other disbursement related document;
- (v) Provide assistance to PMU in preparing terms of reference for auditing all project accounts, recruit project auditor, and following up on the comments and recommendations of the auditor;
- (vi) Assist the PMU in preparing the Project financial progress reports as required by ADB;
- (vii) Provide required inputs and information necessary for the preparation of periodical progress reports and completion report;
- (viii) Provide advice on capacity building needs of PMU and the executing agency staff, review financial management capacity building programs proposed by consultants, and provide assistance during the delivery of training sessions;
- (ix) Liaise with the financial specialists selected for the delivery of training in financial management under the Capacity Building Program and provide relevant inputs and material for training preparation as required;
- (x) Provide inputs as needed for the preparation of the TOR for the recruitment of consulting services for the implementation Capacity Building Program;
- (xi) Monitor project expenditures, and supervise the quarterly and annual financial reports during the first Program' year;
- (xii) Assist PMU and the executing agency to maintain regular bookkeeping and accounting;
- (xiii) Review and consolidating monthly financial statements and requests for payment by contractors and service providers and assist the PMU in the process of approval for payment release;

8. The Financial Management Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree in Finance or related discipline, (ii) holds an ACCA/CPA/CA or equivalent from an IFAC member institution; (iii) at least 15 years of experience in financial management advisory, (iv) at least 5 years of related international project experience in public utilities sector, (v) a proven track record as an expert on ADB or other international financial institutions' assignments, (vi) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vii) fluency in written and spoken English, (viii) the ability to deliver high quality written outputs.

9. **Specialist 3: Civil Engineer** (international, 2 person-months, intermittent). This specialist will complete the following tasks:

- (i) Provide inputs for the design of the Vehicle Maintenance Service Centers (VMSC);
- (ii) Provide inputs to draft layouts of the new VMSC buildings;
- (iii) Review tender documents for works contract;
- (iv) Provide inputs for the preparation of BOQs for VMSC constructions;

- (v) Provide assistance as required during on-the-job trainings and workshops delivered by the design-and-build contractors and suppliers regarding construction, testing and maintenance;
- (vi) Provide guidance to the construction supervisors on best procedures in carrying out conducting supervision and reporting;
- (vii) Provide inputs to quarterly, semi-annual and annual reports as needed.

10. The Civil Engineer is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 10 years of international working experience in the design and supervision of construction works, (iii) at least 5 years of related international project experience in the public utilities sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

11. **Specialist 4: Mechanical Engineer** (international, 2 person-months, intermittent). This specialist will complete the following tasks:

- (i) Provide inputs for the design and the technical specifications of the equipment and machinery being procured.
- (ii) Provide inputs to draft layouts of the new VMSC buildings;
- (iii) Provide inputs for the preparation of technical specifications and performance schedules;
- (iv) Review tender documents for the design-and-build contract and ensure that equipment specified in tender documents is compatible with national norms and requirements;
- (v) Provide inputs for the preparation of BOQs for equipment and machinery to be included in the tender documents;
- (vi) Provide assistance as required during on-the-job trainings and workshops delivered by the design-and-build contractors and suppliers regarding construction, testing and maintenance;
- (vii) Review operation and maintenance manuals delivered by the contractors and suppliers and provide comments or inputs as required to maintenance plans, and their application;
- (viii) Assist during commissioning tests and further during the damage liability period and formulate pertinent comments to the attention of the PMU;
- (ix) Provide inputs to quarterly, semi-annual and annual reports as needed.

12. The Mechanical Engineer is preferred to have the following qualifications and experience: (i) at least a Master's degree in Mechanical Engineering or related field, (ii) at least 10 years of international working experience in equipment procurement advisory, (iii) at least 5 years of related international project experience in public utilities sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

13. **Specialist 5: Environmental Specialist** (international, 2 person-months, intermittent). This specialist will complete the following tasks:

- (i) Conduct surveys required to update the EIA;

- (i) Based on VSMC designs update the EIA and EMP;
- (ii) Ensure EMP is included as part of the bid documents;
- (iii) Ensure that all documentation complies with ADB's SPS, 2009, Environmental Assessment Guidelines 2009 and environmental laws of the Republic of Uzbekistan;
- (iv) Conduct spot checks on construction works for compliance with EMP and recommend any remedial actions if necessary;
- (v) Conduct environmental surveys during construction to establish if quality of environment has been affected;
- (vi) Prepare Environmental Management and Monitoring Plan (EMMP) and identify indicators that need to be monitored by the government agency;
- (vii) Train the PMU and the executing agency employees on monitoring and impact mitigation;
- (viii) Assist the PMU and the executing agency in conducting baseline environmental surveys;
- (ix) Assist the PMU and the executing agency in conducting biannual environmental surveys once project is in operation, and conduct a final survey at project completion;
- (x) Conduct spot checks of contractor compliance with environmental obligations of the contract;
- (xi) Participate in annual stakeholder consultations;
- (xii) Prepare environmental reports.

14. The Environmental Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree in Environmental Sciences or related discipline, (ii) at least 15 years of related international project experience in environmental monitoring and compliance, (iii) at least 5 years of related international project experience in SWM sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs

15. **Specialist 6: Deputy Team Leader, Engineer / Procurement Specialist** (national, 20 person-months, intermittent). This specialist will complete the following tasks:

- (i) Provide support to the PMU and ensure liaison with the SCEEP, Ministry of Investments and Foreign Trade (MIFT), Ministry of Finance (MOF), *Toza Hudud*, *Khokimiyats*, ADB, and other relevant stakeholders;
- (ii) Provide overall guidance and direction for all aspects of PMU activity regarding project preparation, implementation, operations and maintenance training, monitoring, and evaluation, land management, social issues, as well as related capacity development;
- (iii) Review procurement plans updated by the procurement experts and ensure the timely preparation of design and tender documents relative to all procurement contracts;
- (iv) Make sure that all design documents are consistent with national and international norms as applicable;
- (v) Make sure that all tender documents, procurements procedures and modes of procurement are in accordance with the relevant ADB guidelines on procurement under ADB financed Projects;
- (vi) Convene and/or attend all meetings required to manage and carry out the services necessary for project activities, including periodic meetings with contractors to review progress, and prepare and distribute copies of the agenda and the meeting records;

- (vii) Assist the PMU and the tender evaluation commission in the process of evaluating tender documents and awarding contracts to contractors and suppliers, as needed;
- (viii) Review all contractual documents, drawings and warn the Executing and Implementing Agencies for inconsistencies/deficiencies and take necessary corrective action with Client's approvals;
- (ix) Ensure the timely fielding of contractors and implementation of all contract packages in accordance with agreements entered into in the course of the project;
- (x) Receive comments and copies of field reports by construction supervisors;
- (xi) Review work reports and claims for payments prepared by contractors and suppliers and formulate relevant recommendations to the PMU before submission for payment;
- (xii) Assisted by the procurement specialists, provide advice to the PMU on Contractor claims for time extension, change orders, and other critical decisions in the course of the Project;
- (xiii) Provide advice and support for the finalization of TORs for the selection of consultants for the implementation of the Capacity-building program and Regulatory framework improvement advisory;
- (xiv) Provide support for the preparation of workshops and other on-the-job type of training related to the Capacity building program;
- (xv) Supervise the preparation and the delivery of on-the-job training and workshops by contractors and suppliers;
- (xvi) Supervise the preparation and the implementation of commissioning tests;
- (xvii) Provide advice to the PMU on delivery of certificate of completions;
- (xviii) Prepare quarterly reports and program implementation review and revised implementation plan;
- (xix) Prepare annual project progress report including reviews of the investment plan and on this basis, provide advice and assistance to PMU, SCEEP and ADB for the review of the overall Project implementation;
- (xx) Assist the PMU in the preparation of the overall Project Completion Report and provide relevant inputs concerning needs for O&M;
- (xxi) Assist the PMU and ADB project officer and staff members during fact-finding and other missions;
- (xxii) Develop contract management system and provide contract management assistance including procurement plan updates, contract awards, procurement planning and other contract management tasks;
- (xxiii) Assist the PMU and the executing agency in matters related to the preparation of compliance reports to the loan covenants, preparation of monthly/quarterly project progress reports and project completion reports, etc.;
- (xxiv) Support financial specialists in financial consolidation and record keeping;
- (xxv) Prepare monitoring and evaluation framework, project performance monitoring system (PPMS) according to the agreed design and monitoring frameworks (DMFs), and in accordance with ADB's guidelines;
- (xxvi) Implement the PPMS and continuously monitor the progress of the project implementation against the PPMS, prepare regular progress reports, and take appropriate corrective actions on the basis of the progress reports;

16. The Deputy Team Leader, Engineer / Procurement Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree in Engineering or related field, (ii) at least 15 years of related international project experience within development projects of ADB and/or other international financial institutions in the public utilities sector, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts,

and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

17. **Specialist 7: Financial Management Specialist** (national, 18 person-months, intermittent). This specialist will complete the following tasks:

- (i) Elaborate and propose procedures for setting-up and maintaining consolidated project accounts throughout the implementation of the project;
- (ii) Provide assistance for the preparation of the first annual work plan and budget and of work plan and budget for the subsequent Project's years, as well as in updating of detailed cash flow projections;
- (iii) Provide assistance for the periodical review of the work plan and budget of the Project;
- (iv) Provide assistance to prepare draft Loan withdrawal applications for the payment of eligible Project costs and other disbursement related documents;
- (v) Provide assistance to PMU in preparing terms of reference for auditing all project accounts, recruit project auditor, and following up on the comments and recommendations of the auditor;
- (vi) Assist the PMU in preparing the Project financial progress reports as required by ADB;
- (vii) Provide required inputs and information necessary for the preparation of periodical progress reports and completion report;
- (viii) Provide advice on capacity building needs of PMU and the executing agency staff, review financial management capacity building programs proposed by consultants, and provide assistance during the delivery of training sessions;
- (ix) Liaise with the financial specialists selected for the delivery of training in financial management under the Capacity Building Program and provide relevant inputs and material for training preparation as required;
- (x) Provide inputs as needed for the preparation of the TOR for the recruitment of consulting services for the implementation Capacity Development Program;
- (xi) Monitor project expenditures, and supervise the quarterly and annual financial reports during the first Program' year;
- (xii) Assist PMU and the executing agency to maintain regular bookkeeping and accounting;
- (xiii) Review and consolidating monthly financial statements and requests for payment by contractors and service providers and assist the PMU in the process of approval for payment release;

18. The Financial Management Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree in Finance or related discipline, (ii) holds an ACCA/CPA/CA or equivalent from an IFAC member institution; (iii) at least 15 years of experience in financial management advisory within the IFI projects (iv) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (v) fluency in written and spoken English, Russian and Uzbek languages, (vi) the ability to deliver high quality written outputs.

19. **Specialist 8: Environmental Specialist** (national, 18 person-months, intermittent). This specialist will complete the following tasks:

- (i) Conduct surveys required to update the EIA;
- (ii) Based on VSMC designs update the EIA and EMP;
- (iii) Ensure EMP is included as part of the bid documents;

- (iv) Ensure that all documentation complies with ADB's SPS, 2009, Environmental Assessment Guidelines 2009 and environmental laws of the Republic of Uzbekistan;
- (v) Conduct spot checks on construction works for compliance with EMP and recommend any remedial actions if necessary;
- (vi) Conduct environmental surveys during construction to establish if quality of environment has been affected;
- (vii) Prepare Environmental Management and Monitoring Plan (EMMP) and identify indicators that need to be monitored by the government agency;
- (viii) Train the PMU and the executing agency employees on monitoring and impact mitigation;
- (ix) Assist the PMU and the executing agency in conducting baseline environmental surveys;
- (x) Assist the PMU and the executing agency in conducting biannual environmental surveys once project is in operation, and conduct a final survey at project completion;
- (xi) Conduct spot checks of contractor compliance with environmental obligations of the contract;
- (xii) Participate in annual stakeholder consultations;
- (xiii) Prepare environmental reports.

20. The Environmental Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree in Environmental Sciences or related field, (ii) at least 10 years of related international project experience in environmental monitoring and/or compliance, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

21. **Specialist 9: Social and Gender Specialist** (national, 12 person-months, intermittent). This specialist will complete the following tasks:

- (i) Assist the review of the technical information on detailed design for project sites and alignment as collected by the national social specialists and survey team;
- (ii) Assist to finalize the data analysis on the updated census and DMS data;
- (iii) Update the Monitoring format based on the final impact;
- (iv) Provide support to the PMU and the executing agency to implement the Gender Action Plan (GAP) and to further conduct monitoring on possible social repercussions of the GAP;
- (v) Advise on corrective measures where necessary to the PMU;
- (vi) Assist PMU in preparing the first semi-annual monitoring report;
- (vii) Provide inputs to periodical and annual reports as required;
- (viii) Conduct Socio Economic Survey to fully assess the socio-economic status and livelihood conditions of the affected households to prepare adequate mitigation measures;
- (ix) Update the Monitoring format and ensure inclusion of gender indicators and guidelines on the collection of sex-disaggregated data;
- (x) Ensure the quality implementation of the Gender Action Plan (GAP) in each target community;
- (xi) Ensure that gender indicators are included in the project's monitoring system, and sex-disaggregated data are collected regularly;
- (xii) Ensure that gender is considered in the conduct of Socioeconomic Survey of affected households;

- (xiii) Work with the communications specialist in the conduct of customer satisfaction survey;
- (xiv) Ensure that all public awareness campaigns are gender sensitive and include women participants.

22. The Social and Gender Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree in Social Sciences or related discipline, (ii) at least 10 years of related experience in gender mainstreaming, especially in the design, implementation and monitoring gender actions, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

23. **Specialist 10: Resettlement Specialist** (national, 2 person-months, intermittent). This specialist will complete the following tasks:

- (i) Finalize and update the draft Land Acquisition and Resettlement Framework (LARF) and Land Acquisition and Resettlement Framework (LARP) prepared during PPTA;
- (ii) Assist to submission of final LARP to the PMU and its social and resettlement specialist;
- (iii) Disclose the final LARP;
- (iv) Assist in setting up relevant institutions responsible for LARP implementation;
- (v) Assist to verify the data base of all the affected households and their eligibility and entitlement based on the final LARP;
- (vi) Review, monitor and evaluate the effectiveness with which the LARP is implemented, and recommend necessary corrective actions to be taken;
- (vii) Assist in disbursement of compensation and assistance and ensure that affected persons are compensated as per the LARP before commencement of civil works in relevant section.

24. The Gender Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in Social Sciences or related discipline, (ii) at least 10 years of related experience in design, implementation and monitoring resettlement frameworks and plans, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

### III. Deliverables

25. The Consultant will be engaged over a period of 5 years with intermittent input. The Consultant will prepare and submit the following reports in a format and content agreed with the ADB:

- (i) Inception Report;
- (ii) Quarterly Progress Reports;
- (iii) Draft Final Report
- (iv) Final Report.

## Terms of Reference

### Solid Waste Management Sector Regulatory Framework Enhancement

#### I. Objectives and Approach

1. ADB assisted the government through the Solid Waste Management Improvement Project developed the national Solid Waste Management (SWM) strategy, in order to guide the national SWM sector improvements over the medium term. On 17 April 2019 the Presidential Decree No. PP-4291 “About Adopting the Strategy for Solid Waste Management in the Republic of Uzbekistan for the Period 2019-2028” has adopted the sector-wide regulatory directive (the Strategy) with vision, means, methods, resources and timeframes for the SWM sector improvement. This project aims to ensure continuity in the ongoing ADB assistance in the sector reforms and infrastructure improvements, especially in implementation of the action plan adopted by the government.

2. The Action Plan for the sector development during 2019-2028 adopted by the Presidential Decree No. PP-4291 prescribes eight groups of actions: (i) improving the regulatory framework; (ii) improving the SWM infrastructure and machinery; (iii) optimization of landfills; (iv) implementation of investment projects; (v) improving SWM services; (vi) public awareness campaigns; (vii) reforming tariff setting; and (viii) strengthening environmental monitoring and control. The proposed project addresses directly all groups of action, except for one - “optimization of landfills”, which is a potential area for cooperation within future projects.

3. This output will assist the government of Uzbekistan in implementing the Action Plan in the part relating to the regulatory framework reform, including assistance with drafting: (i) the new Law “On Solid Wastes”; (ii) a regulation on the environmental tax on certain commodities<sup>3</sup>; (iii) regulations on adopting container-deposit practices; (iv) improved regulations for collection and transportation of municipal solid wastes (MSW); (v) improved guidelines for designing and managing landfills; (vi) improved guidelines for assessing norms of wastes accumulation; (vii) definitions of and regulations for Key Performance Indicators (KPI) and the corresponding performance management framework; (viii) improved PPP regulations; (ix) regulations on public accountability and grievances redress systems; (x) improved tariff setting regulations; and (xi) improved environmental monitoring regulations. In addition to assistance with implementing the Action Plan, this output will include: (i) analytical comparison of the regulatory framework of Uzbekistan in SWM with key regulatory approaches and methods of advanced economies (USA, EU, etc.); and (ii) assistance with strengthening regulations on environmental monitoring and testing at landfills.

4. The entailing regulatory improvements would institute (i) landfills design, management and monitoring guidelines revision; (ii) MSW collection and transportation guidelines revision; (iii) performance standards, (iv) performance accountability arrangements, including efficacious public accountability to local authorities and communities, (v) performance-based management arrangements, (vi) institutionalized and rationalized performance monitoring and enforcement, (vii) optimized sector financing mechanism, (viii) enabling environment of Public-Private Partnership (PPP) arrangements and (iv) optimized tariff setting of the sector.

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<sup>3</sup> The environmental tax on certain commodities would be considered after a thorough cost/benefit analysis.

## II. Consultant Team and Tasks

5. A team of 11 consultants assigned for a total of 52 person-months will complete the assignment intermittently over a 24-months period. The consultant team includes: (i) a Team Leader, Solid Waste Management Sector Expert (international, 6 person-months, intermittent), (ii) Institutional Development and Performance Management Expert (international, 3 person-months, intermittent), (iii) Legal Expert (international, 4 person-months, intermittent), (iv) Landfill Management Expert (international, 4 person-months, intermittent), (v) Environmental Monitoring Expert (international, 3 person-months, intermittent), (vi) Financial Expert (international, 2 person-months, intermittent), (vii) Deputy Team Leader, Public Utilities Sector Specialist (national, 10 person-months, intermittent), (viii) National Legal Expert (national, 8 person-months, intermittent), (ix) Public Relations and Stakeholders Mobilization Expert (national, 6 person-months, intermittent), (x) Environmental Monitoring Expert (national, 3 person-months, intermittent), (xi) Economist (national, 3 person-months, intermittent).

6. **Specialist 1: Team Leader, Solid Waste Management Sector Expert** (international, 6 person-months, intermittent). This specialist will complete the following tasks:

- (i) Lead and manage the project team towards fulfillment of all requirements of the Terms of Reference and deliverance of all of the intended Outputs;
- (ii) Based on materials available for deskwork analysis assess the current situation in the SWM sector in Uzbekistan, including PESTLE analysis, SWOT analysis, GAP analysis and identification of the most critical issues to be addressed;
- (iii) Review the institutional framework of the SWM sector and recommend improvements;
- (iv) Review the regulatory framework of the SWM sector and recommend improvements;
- (v) Together with the international legal expert analyze the regulatory framework of Uzbekistan in comparison with key regulatory approaches and methods of advanced economies (USA, EU, etc.);
- (vi) Advise the government in formulation and/or improvement of the strategic vision for the institutional and regulatory frameworks of SWM;
- (vii) Together with the Institutional Development and Performance Management Specialist formulate the Performance Management Framework based on Key Performance Indicators (KPIs) and efficacious lines of reporting and accountability;
- (viii) Propose the improved guidelines and standards for environmental monitoring and testing at landfills;
- (ix) Assist the government with deliberations on and adoption of container deposit regulations;
- (x) Assist the government with improvement of rules for transporting MSW;
- (xi) Assist the government with improving guidelines for designing and operating landfills;
- (xii) Assist the government with methodological guidelines for calculating norms of waste accumulation;
- (xiii) Assist the government with adopting regulations towards improved public accountability arrangements;
- (xiv) Assist the government with improving PPP regulations and practices;
- (xv) Assist the government with improving tariff setting regulations and guidelines for assessment of norms of waste;
- (xvi) Assist the government with preparation of draft(s) of legislative initiatives prescribed by the Action Plan, including: (i) the new Law "On Solid Wastes"; (ii) a regulation on the environmental tax on certain commodities; (iii) regulations on adopting container-deposit practices; (iv) improved regulations for collection and transportation of MSW;

- (v) improved guidelines for designing and managing landfills; (vi) improved guidelines for assessing norms of wastes accumulation; (vii) definitions of and regulations for KPIs and the performance management framework; (viii) improved PPP regulations; (ix) regulations on public accountability and grievances redress systems; (x) improved tariff setting regulations; and (xi) improved environmental monitoring regulations;
- (xvii) Promote awareness of officials of the SCEEP and other key national stakeholders on international best practices in regulating the SWM sector;
- (xviii) Lead the team in mobilizing and engaging key national stakeholders towards inclusive and enabling public discourse on the SWM sector reforms and regulatory initiatives;
- (xix) Lead the team in undertaking public consultations with mobilization of relevant stakeholders and mass media, as needed;
- (xx) Lead Workshop(s) involving key stakeholders of the SWM sector on the proposed legislative initiatives;
- (xxi) Advise the SCEEP in public dissemination and public consultations of the proposed legislative initiative(s);
- (xxii) Support the SCEEP in public hearing event(s) related to proposed legislative initiative(s);
- (xxiii) Prepare a summary report on the proposed regulatory framework improvements and the rationale thereof.

7. The Team Leader, Solid Waste Management Sector Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 20 years of experience in managing or regulating SWM operations, (iii) at least 5 years of related international project experience in SWM sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

8. **Specialist 2: Institutional Development and Performance Management Expert** (international, 3 person-months, intermittent). This specialist will complete the following tasks:

- (i) Support the Team Leader in review of the institutional framework of the SWM sector and recommend improvements;
- (ii) Based on materials available for deskwork analysis support the Team Leader in assessment of the current situation in the SWM sector in Uzbekistan, including PESTLE analysis, SWOT analysis, GAP analysis and identification of the most critical issues to be addressed;
- (iii) Conduct diagnostic assessment of institutional settings of *Toza Hudud* enterprises with identification of shortcomings and development of recommendations for improvements;
- (iv) Develop and/or optimize the business model for *Toza Hudud* enterprises, including technical, operational, institutional, organizational and human resource management aspects;
- (v) Assist the government with institutionalizing and prioritizing asset management within the business model of *Toza Hudud* enterprises;
- (vi) Formulate the Performance Management Framework, including definition of:
  - a. Units/levels of performance accountability;
  - b. Service zones and mandates;
  - c. KPIs to be used for performance measurement and management;
- (vii) Assist with development and implementation of efficacious lines of reporting and accountability;

- (viii) Assist with development and implementation of public accountability and grievances redress systems based on modern Information and Communication Technologies (ICT);
- (ix) Develop and implement reporting forms and templates;
- (x) Develop and implement comprehensive internal and external reporting procedures and mechanisms.

9. The Institutional Development and Performance Management Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree in management or related discipline, (ii) at least 15 years of experience in management consulting services rendered to public utilities, (iii) at least 5 years of related international project experience in public utilities sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

10. **Specialist 3: Legal Expert** (international, 4 person-months, intermittent). This specialist will complete the following tasks:

- (i) Support the Team Leader in review of the regulatory framework of the SWM sector and recommend improvements;
- (ii) Analyze the regulatory framework of Uzbekistan in comparison with key regulatory approaches and methods of advanced economies (USA, EU, etc.);
- (iii) Assist the government with preparation of draft(s) of legislative initiatives prescribed by the Action Plan, including: (i) the new Law "On Solid Wastes"; (ii) a regulation on the environmental tax on certain commodities; (iii) regulations on adopting container-deposit practices; (iv) improved regulations for collection and transportation of MSW; (v) improved guidelines for designing and managing landfills; (vi) improved guidelines for assessing norms of wastes accumulation; (vii) definitions of and regulations for KPIs and the performance management framework; (viii) improved PPP regulations; (ix) regulations on public accountability and grievances redress systems; (x) improved tariff setting regulations; and (xi) improved environmental monitoring regulations;
- (iv) Assist with improving Service Agreements with SWM operators<sup>4</sup>, especially in strengthening and institutionalizing sustainable asset management;
- (v) Assist with improving competitive bidding procedures and documents for PPP modalities;
- (vi) Assist the government with improving methodological guidelines and protocols;
- (vii) Assist the government with strengthening regulations on environmental monitoring and testing protocols at landfills;
- (viii) Assist the government with streamlining and optimizing existing SWM regulations;
- (ix) Prepare a summary report on the proposed regulatory framework improvements and the rationale thereof.

11. The Legal Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in law or related discipline, (ii) at least 10 years of experience in legal advisory to public utilities and/or PPP transactions and/or regulatory framework improvements, (iii) at least 5 years of related international project experience in the public utilities sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts,

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<sup>4</sup> Toza Hudud enterprises and private operators.

and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

12. **Specialist 4: Landfill Management Expert** (international, 4 person-months, intermittent). This specialist will complete the following tasks:

- (i) Review national regulations for design, construction, monitoring and operating landfills and recommend improvements in line with international best practices;
- (ii) Formulate minimum necessary requirements in proper design of landfills in line with internationally adopted standards, especially in terms of installing appropriate monitoring structures. As needed, recommend improvements in relevant regulatory documents;
- (iii) Formulate minimum necessary environmental performance standards for landfills in line with internationally adopted standards. As needed, recommend improvements in relevant regulatory documents;
- (iv) Propose improved guidelines and standards for environmental monitoring and testing at landfills;
- (v) Assist the government with improvement of rules for transporting MSW;
- (vi) Assist the government with improving guidelines for designing and operating landfills;
- (vii) Educate key national counterparts on sound practices in landfill management and monitoring based on international best practices;
- (viii) Produce key knowledge product(s) on sound modern practices in landfill design, development and management to be adopted as guiding documents in the SWM sector of Uzbekistan.

13. The Landfill Management Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in Civil Engineering, Environmental Sciences or related discipline, (ii) at least 15 years of experience in landfill management and/or monitoring, (iii) at least 5 years of related international project experience in SWM sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

14. **Specialist 5: Environmental Monitoring Expert** (international, 3 person-months, intermittent). This specialist will complete the following tasks:

- (i) Review of environmental monitoring guidelines, standards and procedures in Uzbekistan;
- (ii) Prepare the new environmental monitoring guidelines, standards and procedures to be adopted by means of regulatory initiatives.
- (iii) Review of training modules, materials, methods, tools, and standards in environmental monitoring;
- (iv) Upgrading training modules, materials, methods, tools, and standards in environmental monitoring;
- (v) Field-testing and refinement of the improved training modules, materials and methods;
- (vi) Development and adoption of new guidelines for training on environmental monitoring;
- (vii) Training of trainers;
- (viii) Supervising first two training sessions conducted by the trained trainers.

15. The Environmental Monitoring Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in Environmental Sciences or related discipline, (ii) at least 15 years of experience environmental monitoring, (iii) at least 5 years of related international project experience in SWM sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

16. **Specialist 6: Financial Expert** (international, 2 person-months, intermittent). The Action Plan for the SWM sector development in 2019-2028 presented in the Annex 2 of the Decree of the President No. PP-4291 envisions development and submission to the Cabinet of Ministers of the Republic of Uzbekistan of the proposal for introducing an environmental tax levied on manufactures and importers of selected commodities requiring special environmental considerations. Such commodities include batteries, glass, plastic, lamps, tires, and automobile lubricants. The financial expert will assist the government with conducting financial and economic analysis of costs and benefits of such taxation. This specialist will complete the following tasks:

- (i) Analyze markets and prices of selected commodities, with preparation of financial projections of price escalations arising from the environmental tax;
- (ii) Assess expected financial gains from the environmental tax on selected commodities per annum until 2028;
- (iii) Assist the government with formulating the financing plan for optimizing and upgrading landfills in Uzbekistan with funds raised by the environmental tax on selected commodities;
- (iv) Assist the government in undertaking inclusive public deliberations and analysis of costs and benefits of introducing environmental tax on selected commodities;
- (v) Assist the government in introducing economic incentives for more efficient and responsible solid waste management;
- (vi) Assist the government with drafting related regulations, procedures, guidelines and manuals.

17. The Financial Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in Finance, Economics or related discipline, (ii) at least 20 years of experience in public finances and/or financial advisory to public utilities, (iii) at least 5 years of related international project experience in SWM sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

18. **Specialist 7: Deputy Team Leader, Public Utilities Sector Specialist** (national, 10 person-months, intermittent). This specialist will complete the following tasks:

- (ii) Support the Team Leader in managing the project team towards fulfillment of all requirements of the Terms of Reference and deliverance of all of the intended Outputs;
- (iii) Compile a comprehensive set of materials for the deskwork analysis of the current situation in the SWM sector in Uzbekistan, including PESTLE, SWOT and GAP analysis and identification of the most critical issues to be addressed;
- (iv) Support in key capacity a review of practices, processes and systems in the SWM sector. As the result of the review recommend improvements in such practices, processes and systems.

- (v) Assist the government with preparation of draft(s) of legislative initiatives prescribed by the Action Plan, including: (i) the new Law “On Solid Wastes”; (ii) a regulation on the environmental tax on certain commodities; (iii) regulations on adopting container-deposit practices; (iv) improved regulations for collection and transportation of MSW; (v) improved guidelines for designing and managing landfills; (vi) improved guidelines for assessing norms of wastes accumulation; (vii) definitions of and regulations for KPIs and the performance management framework; (viii) improved PPP regulations; (ix) regulations on public accountability and grievances redress systems; (x) improved tariff setting regulations; and (xi) improved environmental monitoring regulations;
- (vi) Participate in key capacity in organizing Workshop(s) involving key stakeholders of the SWM sector on the proposed legislative initiatives;
- (vii) Advise the SCEEP in public disseminations and consultations of the proposed legislative initiative(s);
- (viii) Support the SCEEP in the public hearing event(s) relating to the proposed legislative initiative(s).

19. The Deputy Team Leader, Public Utilities Sector Specialist is preferred to have the following qualifications and experience: (i) at least a Master’s degree, (ii) at least 15 years of related international project experience in public utilities sector, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

20. **Specialist 8: National Legal Expert** (national, 8 person-months, intermittent). This specialist will complete the following tasks:

- (i) Support the Team Leader and the International Legal Expert in review of the regulatory framework of the SWM sector and recommend improvements;
- (ii) Assist the government with preparation of draft(s) of legislative initiatives prescribed by the Action Plan, including: (i) the new Law “On Solid Wastes”; (ii) a regulation on the environmental tax on certain commodities; (iii) regulations on adopting container-deposit practices; (iv) improved regulations for collection and transportation of MSW; (v) improved guidelines for designing and managing landfills; (vi) improved guidelines for assessing norms of wastes accumulation; (vii) definitions of and regulations for KPIs and the performance management framework; (viii) improved PPP regulations; (ix) regulations on public accountability and grievances redress systems; (x) improved tariff setting regulations; and (xi) improved environmental monitoring regulations;
- (iii) Assist with improving Service Agreements with SWM operators;
- (iv) Assist with improving competitive bidding procedures and documents for PPP modalities;
- (v) Assist the government with improving methodological guidelines and protocols;
- (vi) Assist the government with strengthening regulations on environmental monitoring and testing at landfills;
- (vii) Assist the government with streamlining and optimizing existing SWM regulations.

21. The National Legal Expert is preferred to have the following qualifications and experience: (i) at least a Master’s degree in Law, (ii) at least 10 years of related international project experience in public utilities sector, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and

spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

**22. Specialist 9: Public Relations and Stakeholder Mobilization Expert** (national, 6 person-months, intermittent). This specialist will complete the following tasks:

- (i) Stakeholder's mapping and analysis;
- (ii) Design and implementation of the plan for mobilization and engagement of relevant stakeholders for the targeted regulatory framework reform of the SWM sector;
- (iii) Design and implementation of the information campaign;
- (iv) Organizing seminars, workshops and public consultations;
- (v) Continuous and effective engagement of relevant stakeholders towards build up and maintenance of the change management momentum;
- (vi) Assist the SCEEP with preparation and promotion of draft(s) of legislative initiatives recommended by the Consultant;
- (vii) Participate in key capacity in organizing Workshop(s) involving key stakeholders of the SWM sector on the proposed legislative initiatives;
- (viii) Advise the SCEEP in public disseminations and consultations of the proposed legislative initiative(s);
- (ix) Support the SCEEP in public hearing event(s) related to proposed legislative initiative(s);

23. The Public Relations and Stakeholder Mobilization Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 10 years of related international project experience in stakeholder participation promotion, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

**24. Specialist 10: Environmental Monitoring Expert** (national, 3 person-months, intermittent). This specialist will assist the international environmental monitoring expert to complete the following tasks:

- (i) Review of environmental monitoring guidelines, standards and procedures in Uzbekistan;
- (ii) Prepare the new environmental monitoring guidelines, standards and procedures to be adopted by means of regulatory initiatives.
- (iii) Review of training modules, materials, methods, tools, and standards in environmental monitoring;
- (iv) Upgrading training modules, materials, methods, tools, and standards in environmental monitoring;
- (v) Field-testing and refinement of the improved training modules, materials and methods;
- (vi) Development and adoption of new guidelines for training on environmental monitoring;
- (vii) Training of trainers;
- (viii) Supervising first two training sessions conducted by the trained trainers.

25. The Environmental Monitoring Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in Environmental Sciences or related field, (ii) at least 15 years of related international project experience in public utilities sector, (iii) demonstrated

ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

26. **Specialist 11: Economist** (national, 3 person-months, intermittent). The Action Plan for the SWM sector development in 2019-2028 presented in the Annex 2 of the Decree of the President No. PP-4291 envisions development and submission to the Cabinet of Ministers of the Republic of Uzbekistan of the proposal for introducing an environmental tax levied on manufactures and importers of selected products requiring special environmental considerations. Such products include batteries, glass, plastic, lamps, tires, and automobile lubricants. The economist will assist the international financial expert and the government with conducting financial and economic analysis of costs and benefits of such taxation. This specialist will support in key capacity the following tasks:

- (i) Compile economic and statistical materials needed for the analysis.
- (ii) Analyze markets and prices of selected commodities, with preparation of financial projections of price escalations arising from the environmental tax;
- (iii) Assess expected financial gains from the environmental tax on selected commodities per annum until 2028;
- (iv) Assist the government with formulating the financing plan for optimizing and upgrading landfills in Uzbekistan with funds raised by the environmental tax on selected commodities;
- (v) Assist the government in undertaking inclusive public deliberations and analysis of costs and benefits of introducing environmental tax on selected commodities;
- (vi) Assist the government in introducing economic incentives for more efficient and responsible solid waste management;
- (vii) Assist the government with drafting related regulations, procedures, guidelines and manuals.

27. The Economist is preferred to have the following qualifications and experience: (i) at least a Master's degree in Economics, Finance or related field, (ii) at least 15 years of related international project experience in public utilities sector, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

### III. Deliverables

28. The Consultant will be engaged over a period of 24 months with intermittent input. The Consultant will prepare and submit the following reports in a format and content agreed with the ADB:

- (i) Inception Report;
- (ii) Report on Review and Analysis of the Regulatory and Institutional Frameworks of SWM in Uzbekistan;
- (iii) Diagnostic Assessment Report of Institutional Settings of *Toza Hudud* enterprises;
- (iv) Proposed Environmental Monitoring and Testing Protocols for Landfills;
- (v) Minimum necessary requirements in proper design of landfills in line with internationally adopted standards;
- (vi) Minimum necessary environmental performance standards for landfills in line with internationally adopted standards;

- (vii) Knowledge product(s) in sound modern practices in landfill design, development and management;
- (viii) Report with the Proposed Performance Management Framework with KPIs;
- (ix) Summary Report on Recommendations for Improvements in the Regulatory Framework;
- (x) New environmental monitoring guidelines, standards and procedures to be adopted by means of regulatory initiatives;
- (xi) Draft legislative initiatives, including: (i) the new Law “On Solid Wastes”; (ii) a regulation on the environmental tax on certain commodities; (iii) regulations on adopting container-deposit practices; (iv) improved regulations for collection and transportation of MSW; (v) improved guidelines for designing and managing landfills; (vi) improved guidelines for assessing norms of wastes accumulation; (vii) definitions of and regulations for KPIs and the performance management framework; (viii) improved PPP regulations; (ix) regulations on public accountability and grievances redress systems; (x) improved tariff setting regulations; and (xi) improved environmental monitoring regulations,
- (xii) Final Report.

## Terms of Reference

### Republican Association of Specialized Enterprises of Sanitary Cleaning and Toza Hudud Capacity Strengthening

#### I. Objectives and Approach

1. Toza Hudud Capacity Strengthening (THCS) supports and forms an integral part of the Solid Waste Sector Development Project, designed to upgrade and significantly expand solid waste management services of Uzbekistan. The project aims to increase service coverage from the current 48% towards 86% by the end of 2022, with corresponding improvement in quality of services and environmental compliance. THCS will provide targeted capacity support to Toza Hudud enterprises established in 2017 and the Republican Association of Specialized Enterprises for Sanitary Cleaning (the Association).

2. Pursuant to the Decree of the President No. PP-2916 dated 21 April 2017 “On Measures for Cardinal Improvement and Development of the Solid Waste Management System during 2017-2021” thirteen Toza Hudud enterprises (TH) were established at the provincial level<sup>5</sup> with 172 branches at district level. THs were established to supplement existing Solid Waste Management operators, which included: (i) Maxsustans, state owned enterprise servicing Tashkent City; (ii) Marakand Obod, state owned enterprise servicing Samarkand (iii) relatively large domestic private operators (commonly referred as “PPP clusters”) in capitals of nine provinces<sup>6</sup>; (iv) 100 small private operators assigned a service territory based on a competitive bidding in an electronic auction platform “E-ljro Aukcion”. THs were established predominantly for servicing rural areas, where Public-Private Partnership (PPP) arrangements did not materialize. In general, THs were assigned the most difficult areas of operations, where level of affluence of population, quality of municipal solid wastes (MSW), economies of scale and economies of density were not sufficient to attract the private sector, with the intent to achieve full coverage of the country with SWM services.

3. The recently established THs are at a relatively early stage of institutional development and are in need of a considerable support for institutional development and capacity enhancement. In recognition of such a need the government established the Republican Association of Specialized Enterprises for Sanitary Cleaning (the Association). The mandate of the Association is to facilitate and coordinate institutional development of Toza Hudud enterprises.

4. The objective of the THCS is to rationalize and strengthen institutional settings of THs and the Association in three directions: (i) upgrading the Association into a modern institution for certification and training of solid waste operators in line with international best practices; (ii) transforming THs from rudimentary transport companies into comprehensive managers of service zones and infrastructure for solid waste operations in a respective province; (iii) optimizing and modernizing PPP practices in line with international best practices, including certification and structured training of operators, transparent competitive contracting, efficacious performance management based on Key Performance Indicators (KPI), and well-organized public accountability to mahallas and other self-governing citizen organizations.

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<sup>5</sup> Uzbekistan is divided into fourteen administrative units (collectively, “provinces”): Republic of Karakalpakstan; Tashkent city; 12 viloyats (oblasts).

<sup>6</sup> Republic of Karakalpakstan, Andijan, Bukhara, Khorezm, Surkhandayra, Kashkadarya, Navoi, Djizzak and Syrdarya provinces

## II. Consultant Team and Tasks

5. A team of 12 consultants assigned for a total of 42 person-months will complete the assignment intermittently over a 24-months period. The consultant team includes: (i) a Team Leader, Solid Waste Management Sector Expert (international, 4 person-months, intermittent), (ii) Institutional Development and Performance Management Expert (international, 3 person-months, intermittent), (iii) Solid Waste Operators Certification and Training Specialist (international, 3 person-months, intermittent), (iv) PPP Expert (international, 3 person-months, intermittent), (v) Operations and Maintenance Expert (international, 2 person-months, intermittent), (vi) MIS and ICT Expert (international, 2 person-months, intermittent), (vii) Deputy Team Leader, Change Management Specialist (national, 6 person-months, intermittent), (ix) Institutional Development Specialist (national, 4 person-months, intermittent), (x) Procurement and contract administration expert (national, 2 person-months, intermittent), (xi) Operations and Maintenance Expert (national, 2 person-months, intermittent), (xii) MIS and ICT Expert (national, 4 person-months, intermittent), (xiii) Social Mobilization Expert (national, 6 person-months, intermittent).

6. **Specialist 1: Team Leader, Solid Waste Management Sector Expert** (international, 4 person-months, intermittent). This specialist will complete the following tasks:

- (i) Lead and manage the project team towards fulfillment of all requirements of the Terms of Reference and deliverance of all of the intended Outputs;
- (ii) Diagnostic assessment of functionality and institutional settings of the Association.
- (iii) Formulating the new business model for the Association in line with international centers for certification and training of municipal solid waste (MSW) operators.
- (iv) GAP analysis between the current and new business models of the Association.
- (v) Preparation of the roadmap for upgrading the Association towards the new operating model comprising of two parts: (a) actions and measures to be undertaken within the scope of the THCS; and (b) actions and measures to be undertaken beyond the time horizon of the THCS.
- (vi) Managing and supervising implementation of the first part of the road map undertaken within the THCS in upgrading the Association.
- (vii) Diagnostic assessment of functionality and institutional settings of THs.
- (viii) Formulating the new business model for THs as comprehensive managers of service zones, assets and infrastructure for solid waste operations in respective provinces, including: (a) criteria and processes for delineation of service zones; (b) service standards and performance indicators; (c) procedures for recording, monitoring and managing SWM assets and their conditions within service zones; (d) a comprehensive chain of custody and a prescribed course of action for proper solid waste management in the province; (e) effective system of environmental and operational monitoring; (f) transparent competitive contracting and outsourcing; (g) optimized human resource management based on certification and structured training of operators; (h) optimized internal and external accountability and reporting; (i) optimized and standardized application of Management Information Systems (MIS) and Information and Communication Technologies (ICT); and other aspects of efficient and effective mode of operations.
- (ix) GAP analysis between the current and new business models of THs.
- (x) Preparation of the roadmap for upgrading THs towards the new operating model comprising of two parts: (a) actions and measures to be undertaken within the scope

of the THCS; and (b) actions and measures to be undertaken beyond the time horizon of the THCS.

- (xi) Managing and supervising implementation of the first part of the road map undertaken within the THCS in transforming THs into comprehensive managers of solid waste operations and assets in the provinces.
- (xii) Review of PPP practices, procedures and regulations in the SWM sector with recommendations for improvement and adoption into TH operations.
- (xiii) Selection and definition of a set of Key Performance Indicators (KPIs) to be adopted for performance management of solid waste operators.
- (xiv) Formulation and implementation of the effectual performance management framework, including baseline and target values of KPIs, line of reporting and accountability, systems of internal and external controls, and effective use of MIS and ICT.
- (xv) Assist the Association and THs in modernizing MIS and ICT for GPS tracking of vehicles, billing, accounting, financial management, public reporting and other aspects of operations.
- (xvi) Design and institute a system of public accountability to customers, mahallas and other self-governing citizen organizations, especially in monitoring, recording and reporting to TH supervisors timing, quality and adequacy of services of solid waste operators at particular locations.
- (xvii) Assisting the Association to establish twinning arrangements with advanced international center for certification and training of solid waste operators.

7. The Team Leader, Solid Waste Management Sector Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 20 years of experience in managing or regulating SWM operations, (iii) at least 5 years of related international project experience in SWM sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

8. **Specialist 2: Institutional Development and Performance Management Expert** (international, 3 person-months, intermittent). This specialist will complete the following tasks:

- (i) Support the Team Leader in the diagnostic assessment of functionality and institutional settings of the Association.
- (ii) Support the Team Leader in formulating the new business model for the Association in line with international centers for certification and training of municipal solid waste (MSW) operators.
- (iii) GAP analysis between the current and new business models of the Association.
- (iv) Support the Team Leader in the diagnostic assessment of functionality and institutional settings of THs.
- (v) Support the Team Leader in formulating the new business model for THs as comprehensive managers of service zones, assets and infrastructure for solid waste operations in respective provinces, including: (a) criteria and processes for delineation of service zones; (b) service standards and performance indicators; (c) procedures for recording, monitoring and managing SWM assets and their conditions within service zones; (d) a comprehensive chain of custody and a prescribed course of action for proper solid waste management in the province; (e) effective system of environmental and operational monitoring; (f) transparent competitive contracting and outsourcing; (g) optimized human resource management based on certification and structured training of operators; (h) optimized internal and external accountability and

- reporting; (i) optimized and standardized application of Management Information Systems (MIS) and Information and Communication Technologies (ICT); and other aspects of efficient and effective mode of operations.
- (vi) GAP analysis between the current and new business models of THs.
  - (vii) Selection and definition of a set of Key Performance Indicators (KPIs) to be adopted for performance management of solid waste operators.
  - (viii) Formulation and implementation of the effectual performance management framework, including baseline and target values of KPIs, line of reporting and accountability, systems of internal and external controls, and effective use of MIS and ICT.
  - (ix) Design and institute a system of public accountability to customers, mahallas and other self-governing citizen organizations, especially in monitoring, recording and reporting to TH supervisors timing, quality and adequacy of services of solid waste operators at particular locations.

9. The Institutional Development and Performance Management Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree in management or related discipline, (ii) at least 15 years of experience in management consulting services rendered to public utilities, (iii) at least 5 years of related international project experience in public utilities sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

10. **Specialist 3: Solid Waste Operators Certification and Training Specialist** (international, 3 person-months, intermittent). This specialist will complete the following tasks:

- (i) Assisting the Association to establish twinning arrangements with advanced international center for certification and training of solid waste operators.
- (ii) Formulating types and classes of solid waste operators and solid waste management activities subject to designate certification.
- (iii) Formulating training modules and curricular to be used in training and certifying different types of solid waste operators and activities.
- (iv) Preparing training materials for each of the training modules.
- (v) Training of trainers at the Association.
- (vi) Supervising first two training sessions conducted by trained trainers.
- (vii) Assisting with establishing financing and pricing mechanism for certification and training of solid waste operators.
- (viii) Assisting with improving training facilities, including procurement of training equipment, materials and literature.
- (ix) Assist with establishing fruitful long-term partnership arrangements with international experts and centers for certifying and training solid waste operators.

11. The Solid Waste Operators Certification and Training Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 10 years of experience in certification and training of solid waste operators, (iii) at least 5 years of related international project experience in the public utilities sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

12. **Specialist 4: PPP Expert** (international, 3 person-months, intermittent). This specialist will complete the following tasks:

- (i) Review of the regulatory framework on PPP and recommend improvements based on international practices.
- (ii) Review of PPP practices, procedures and regulations in the SWM sector with recommendations for improvement and adoption into TH operations.
- (iii) Review of Service Agreements with solid waste operators and recommend improvements in line with international best practices.
- (iv) Review of competitive bidding procedures in contracting solid waste operators and recommend improvements in line with international best practices.
- (v) Assisting with selection and definition of a set of Key Performance Indicators (KPIs) to be adopted for performance management of solid waste operators.
- (vi) Formulation and implementation of the effectual performance management framework, including baseline and target values of KPIs, line of reporting and accountability, systems of internal and external controls, and effective use of MIS and ICT.
- (vii) Train officers of TH, SCEEP and municipal authorities in effective and sustainable asset management in contracting out service zones to private operators.
- (viii) Train officers of TH, SCEEP and municipal authorities in effective contract monitoring and administration.

13. The PPP Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 15 years of experience in PPP advisory and contract administration, (iii) at least 5 years of related international project experience in public utilities sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

14. **Specialist 5: Operations and Maintenance Expert** (international, 2 person-months, intermittent). This specialist will complete the following tasks:

- (i) Review Operations and Management (O&M) systems and practices at THs and recommend improvements.
- (ii) Review asset management systems and practices at THs and recommend improvements.
- (iii) Design and implement effective O&M system with use of optimal software and hardware at THs.
- (iv) Train trainers of the Association and engineers of TH on sound and sustainable O&M.
- (v) Prepare guidelines for sound and sustainable O&M procedures for solid waste operators.

15. The Operations and Maintenance Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in Engineering or related discipline, (ii) at least 15 years of experience in O&M in solid waste operations, (iii) at least 5 years of related international project experience in SWM sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs.

16. **Specialist 6: MIS and ICT Expert** (international, 4 person-months, intermittent). This specialist will complete the following tasks:

- (i) Review management information systems used in billing, accounting, financial management and recommend improvements, including upgrades in functionality, hardware, software, network and communication architecture, and database management approach.
- (ii) Review management information systems used in public accountability and grievances redress systems and recommend improvements, including upgrades in functionality, hardware, software, network and communication architecture, and database management approach.
- (iii) Review TH practices in controlling vehicles by GPS and other technologies, and recommend improvements, including upgrades in functionality, hardware, software, network and communication architecture, and database management approach.
- (iv) Train MIS and ICT experts of the Association and THs in critical aspects of operations.
- (v) Assist the Association and THs with adoption of the MIS strategies in line with development objectives and available resources of the institutions.
- (vi) Assist the Association and TH with selection and adoption of new software and hardware for solid waste operations in line with international best practices.

17. The MIS and ICT Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in Computer Sciences or related discipline, (ii) at least 15 years of related international project experience in MIS and ICT advisory, (iii) at least 5 years of related international project experience in SWM sector, (iv) a proven track record as an expert on ADB or other international financial institutions' assignments, (v) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (vi) fluency in written and spoken English, (vii) the ability to deliver high quality written outputs

18. **Specialist 7: Deputy Team Leader, Change Management Specialist** (national, 6 person-months, intermittent). This specialist will complete the following tasks:

- (i) Support the Team Leader in managing the project team towards fulfillment of all requirements of the Terms of Reference and deliverance of all of the intended Outputs;
- (ii) Participating in key capacity in diagnostic assessment of functionality and institutional settings of the Association.
- (iii) Participating in key capacity in formulating the new business model for the Association in line with international centers for certification and training of municipal solid waste (MSW) operators.
- (iv) GAP analysis between the current and new business models of the Association.
- (v) Participating in key capacity in preparation of the roadmap for upgrading the Association towards the new operating model comprising of two parts: (a) actions and measures to be undertaken within the scope of the THCS; and (b) actions and measures to be undertaken beyond the time horizon of the THCS.
- (vi) Participating in key capacity in implementation of the first part of the road map undertaken within the THCS in upgrading the Association.
- (vii) Participating in key capacity in diagnostic assessment of functionality and institutional settings of THs.
- (viii) Participating in key capacity in formulating the new business model for THs as comprehensive managers of service zones, assets and infrastructure for solid waste operations in respective provinces, including: (a) criteria and processes for delineation

of service zones; (b) service standards and performance indicators; (c) procedures for recording, monitoring and managing SWM assets and their conditions within service zones; (d) a comprehensive chain of custody and a prescribed course of action for proper solid waste management in the province; (e) effective system of environmental and operational monitoring; (f) transparent competitive contracting and outsourcing; (g) optimized human resource management based on certification and structured training of operators; (h) optimized internal and external accountability and reporting; (i) optimized and standardized application of Management Information Systems (MIS) and Information and Communication Technologies (ICT); and other aspects of efficient and effective mode of operations.

- (ix) GAP analysis between the current and new business models of THs.
- (x) Participating in key capacity in implementation of the first part of the road map undertaken within the THCS in transforming THs into comprehensive managers of solid waste operations and assets in the provinces.
- (xi) Participating in key capacity in selection and definition of a set of Key Performance Indicators (KPIs) to be adopted for performance management of solid waste operators.
- (xii) Formulation and implementation of the effectual performance management framework, including baseline and target values of KPIs, line of reporting and accountability, systems of internal and external controls, and effective use of MIS and ICT.
- (xiii) Assist the Association and THs in modernizing MIS and ICT for GPS tracking of vehicles, billing, accounting, financial management, public reporting and other aspects of operations.
- (xiv) Assisting the Association to establish twinning arrangements with advanced international center for certification and training of solid waste operators.
- (xv) Managing change management processes at the Association and THs.

19. The Deputy Team Leader, Change Management Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 15 years of related international project experience within development projects of ADB and/or other international financial institutions in the public utilities sector, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

20. **Specialist 8: Institutional Development Specialist** (national, 4 person-months, intermittent). This specialist will complete the following tasks:

- (i) Participating in key capacity in diagnostic assessment of functionality and institutional settings of the Association.
- (ii) Participating in key capacity in formulating the new business model for the Association in line with international centers for certification and training of municipal solid waste (MSW) operators.
- (iii) GAP analysis between the current and new business models of the Association.
- (iv) Participating in key capacity in preparation of the roadmap for upgrading the Association towards the new operating model comprising of two parts: (a) actions and measures to be undertaken within the scope of the THCS; and (b) actions and measures to be undertaken beyond the time horizon of the THCS.
- (v) Participating in key capacity in implementation of the first part of the road map undertaken within the THCS in upgrading the Association.

- (vi) Participating in key capacity in diagnostic assessment of functionality and institutional settings of THs.
- (vii) Participating in key capacity in formulating the new business model for THs as comprehensive managers of service zones, assets and infrastructure for solid waste operations in respective provinces, including: (a) criteria and processes for delineation of service zones; (b) service standards and performance indicators; (c) procedures for recording, monitoring and managing SWM assets and their conditions within service zones; (d) a comprehensive chain of custody and a prescribed course of action for proper solid waste management in the province; (e) effective system of environmental and operational monitoring; (f) transparent competitive contracting and outsourcing; (g) optimized human resource management based on certification and structured training of operators; (h) optimized internal and external accountability and reporting; (i) optimized and standardized application of Management Information Systems (MIS) and Information and Communication Technologies (ICT); and other aspects of efficient and effective mode of operations.
- (viii) GAP analysis between the current and new business models of THs.
- (ix) Participating in key capacity in implementation of the first part of the road map undertaken within the THCS in transforming THs into comprehensive managers of solid waste operations and assets in the provinces.
- (x) Participating in key capacity in selection and definition of a set of Key Performance Indicators (KPIs) to be adopted for performance management of solid waste operators.
- (xi) Formulation and implementation of the effectual performance management framework, including baseline and target values of KPIs, line of reporting and accountability, systems of internal and external controls, and effective use of MIS and ICT.

21. The Institutional Development Specialist is preferred to have the following qualifications and experience: (i) at least a Master's degree in management or related discipline, (ii) at least 15 years of experience in management consulting services rendered to public utilities (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

22. **Specialist 9: Procurement and Contract Administration Specialist** (national, 2 person-months, intermittent). This specialist will complete the following tasks:

- (i) Review of PPP practices, procedures and regulations in the SWM sector with recommendations for improvement and adoption into TH operations.
- (ii) Review of Service Agreements with solid waste operators and recommend improvements in line with international best practices.
- (iii) Review of competitive bidding procedures in contracting solid waste operators and recommend improvements in line with international best practices.
- (iv) Assisting with selection and definition of a set of Key Performance Indicators (KPIs) to be adopted for performance management of solid waste operators.
- (v) Formulation and implementation of the effectual performance management framework, including baseline and target values of KPIs, line of reporting and accountability, systems of internal and external controls, and effective use of MIS and ICT.
- (vi) Train officers of TH, SCEEP and municipal authorities in effective and sustainable asset management in contracting out service zones to private operators.

- (vii) Train officers of TH, SCEEP and municipal authorities in effective contract monitoring and administration.
- (viii) Support the Team Leader in procurement of training equipment and other goods and services within the project.

23. The Procurement and Contract Administration Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 10 years of related international project experience in public procurement and contract administration, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

24. **Specialist 10: Operations and Maintenance Expert** (national, 2 person-months, intermittent). This specialist will complete the following tasks:

- (i) Review Operations and Management (O&M) systems and practices at THs and recommend improvements.
- (ii) Review asset management systems and practices at THs and recommend improvements.
- (iii) Design and implement effective O&M system with use of optimal software and hardware at THs.
- (iv) Train trainers of the Association and engineers of TH on sound and sustainable O&M.
- (v) Prepare guidelines for sound and sustainable O&M procedures for solid waste operators.

25. The Operations and Maintenance Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in Engineering or related discipline, (ii) at least 10 years of related experience in operations and maintenance of machinery and equipment in SWM, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

26. **Specialist 11: MIS and ICT Expert** (national, 4 person-months, intermittent). This specialist will complete the following tasks:

- (i) Review management information systems used in billing, accounting, financial management and recommend improvements, including upgrades in functionality, hardware, software, network and communication architecture, and database management approach.
- (ii) Review management information systems used in public accountability and grievances redress systems and recommend improvements, including upgrades in functionality, hardware, software, network and communication architecture, and database management approach.
- (iii) Review TH practices in controlling vehicles by GPS and other technologies, and recommend improvements, including upgrades in functionality, hardware, software, network and communication architecture, and database management approach.
- (iv) Train MIS and ICT experts of the Association and THs in critical aspects of operations.
- (v) Assist the Association and THs with adoption of the MIS strategies in line with development objectives and available resources of the institutions.
- (vi) Assist the Association and TH with selection and adoption of new software and hardware for solid waste operations in line with international best practices.

27. The MIS and ICT Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree in Computer Sciences or related discipline, (ii) at least 10 years of related experience in MIS and ICT advisory, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

28. **Specialist 12: Social Mobilization Expert** (national, 6 person-months, intermittent). This specialist will complete the following tasks:

- (i) Design and institute a system of public accountability to customers, mahallas and other self-governing citizen organizations, especially in monitoring, recording and reporting to TH supervisors timing, quality and adequacy of services of solid waste operators at particular locations.
- (ii) Stakeholder's mapping and analysis.
- (iii) Design and implementation of the plan for mobilization and engagement of relevant stakeholders for enhanced public dialogue and oversight.
- (iv) Design and implementation of the information campaign, especially in propagating benefits of the project, as well as the role and importance of mahallas and other citizen organizations in oversight of solid waste operators and environmental compliance in their areas of residence.
- (v) Design and implement public awareness campaign through community consultations with women associations, youth organizations and other civil organizations. The public awareness campaign shall promote environmental responsibility, sound hygiene and sanitation practices and 3R notions in SWM.
- (vi) Organizing seminars, workshops and public consultations.
- (vii) Assisting with setting up and managing Internet and social media sites of the Association and TH with effective public disclosure of the institutional mandate and performance.
- (viii) Design and implement effective grievance redress system with use of ICT.

29. The Social Mobilization Expert is preferred to have the following qualifications and experience: (i) at least a Master's degree, (ii) at least 10 years of related international project experience in stakeholder participation promotion, (iii) demonstrated ability to work congenially and productively with a consultant team, counterparts, and other project stakeholders, (iv) fluency in written and spoken English, Russian and Uzbek languages, (v) the ability to deliver high quality written outputs.

### III. Deliverables

30. The Consultant will be engaged over a period of 24 months with intermittent input. The Consultant will prepare and submit the following reports in a format and content agreed with the ADB:

- (i) Inception Report;
- (ii) Diagnostic Assessment Report of Functionality and Institutional Settings of the Association;
- (iii) Diagnostic Assessment Report of Functionality and Institutional Settings of Toza Hudud enterprises;

- (iv) Proposed new business model for the Association in line with international centers for certification and training of municipal solid waste (MSW) operators;
- (v) GAP analysis between the current and new business models of the Association.
- (vi) The roadmap for upgrading the Association towards the new operating model comprising of two parts: (a) actions and measures to be undertaken within the scope of the THCS; and (b) actions and measures to be undertaken beyond the time horizon of the THCS.
- (vii) Proposed new business model for THs as comprehensive managers of service zones, assets and infrastructure for solid waste operations in respective provinces, including: (a) criteria and processes for delineation of service zones; (b) service standards and performance indicators; (c) procedures for recording, monitoring and managing SWM assets and their conditions within service zones; (d) a comprehensive chain of custody and a prescribed course of action for proper solid waste management in the province; (e) effective system of environmental and operational monitoring; (f) transparent competitive contracting and outsourcing; (g) optimized human resource management based on certification and structured training of operators; (h) optimized internal and external accountability and reporting; (i) optimized and standardized application of Management Information Systems (MIS) and Information and Communication Technologies (ICT); and other aspects of efficient and effective mode of operations.
- (viii) GAP analysis between the current and new business models of THs.
- (ix) The roadmap for upgrading THs towards the new operating model comprising of two parts: (a) actions and measures to be undertaken within the scope of the THCS; and (b) actions and measures to be undertaken beyond the time horizon of the THCS.
- (x) Review of PPP practices, procedures and regulations in the SWM sector with recommendations for improvement and adoption into TH operations.
- (xi) Key Performance Indicators (KPIs) to be adopted for performance management of solid waste operators.
- (xii) The system of public accountability to customers, mahallas and other self-governing citizen organizations, especially in monitoring, recording and reporting to TH supervisors timing, quality and adequacy of services of solid waste operators at particular locations.
- (xiii) Twinning arrangements between the Association and an advanced international center for certification and training of solid waste operators.
- (xiv) Training modules and curricular to be used in training and certifying different types of solid waste operators and activities.
- (xv) Training materials for each of the training modules.
- (xvi) Interim Progress Reports.
- (xvii) Final Report.

**STATE COMMITTEE OF THE REPUBLIC OF UZBEKISTAN FOR ECOLOGY AND  
ENVIRONMENTAL PROTECTION (SCEEP)  
AUDITED PROJECT FINANCIAL STATEMENTS (APFS)  
AUDITOR'S TERMS OF REFERENCE**

**I. INTRODUCTION**

**A. Project Description**

1. The project will assist government to (i) update the SWM legal framework by developing specific regulatory directives; (ii) build institutional capacity in, and improve the sustainability of the Association and *Toza Hudud*; (iii) develop and mainstream environmental education, awareness and advocacy; (iv) strengthen *Toza Hudud* asset bases and improve collection services through the provision of vehicles, equipment and physical infrastructure; and (v) improve the SCEEP's environmental testing capabilities. The project is aligned with the following impact: environment, health and living conditions improved. The project will have the following outcome: reliable and sustainable SWM services improved and expanded in small urban centers, peri-urban and rural areas nationwide.<sup>7</sup>

2. The State Committee of the Republic of Uzbekistan for Ecology and Environmental Protection (SCEEP) is the executing agency for the project. A Project Management Unit (PMU) under the SCEEP will handle procurement, contract management, financial management, project administration, safeguards compliance and reporting. The Republican Association of Specialized Enterprises of Sanitary Cleaning (Association) is the implementing agency for the project, responsible to coordinate, monitor, verify and report project implementation progress.

3. **Output 1: SWM sector regulatory framework enhanced** by assisting government to formulate specific regulatory directives, as identified in the strategy. These will (i) enhance SWM operations by establishing waste assessment protocols, and strengthening waste transportation and disposal site regulations and compliance; (ii) improve public accountability and tariff setting methodologies; (iii) further promote a PPP enabling environment; and (iv) establish a performance management framework (including key performance indicators) for SWM operations.

4. **Output 2: Republican Association of Specialized Enterprises of Sanitary Cleaning and *Toza Hudud* capacity strengthened** by (i) formulating a *Toza Hudud* business restructure plan and roadmap to transition them into comprehensive managers of assets and service zones for provincial SWM operations; (ii) transforming the Republican Association of Specialized Enterprises of Sanitary Cleaning into a technical nexus for public and private SWM operators; (iii) instituting performance-based management, including key performance indicators, and performance benchmarking for SWM operations; (iv) upgrading management information systems for asset management, billing, customer relations and public reporting; (v) strengthening sustainable SWM service delivery through the professional accreditation of key *Toza Hudud* personnel in SWM utility management, financial management and operation and maintenance (O&M) efficiency improvement; (vi) optimizing PPP practices in line with international best practices; and (vii) promoting public awareness and behavioral change campaigns in the '3R's' principles nationwide.

5. **Output 3: Environmental monitoring capabilities of the SCEEP improved** which includes (i) provision of laboratory equipment for SCEEP's provincial laboratories for the on-site

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<sup>7</sup> The design and monitoring framework is in Section IX of Project Administration Manual.

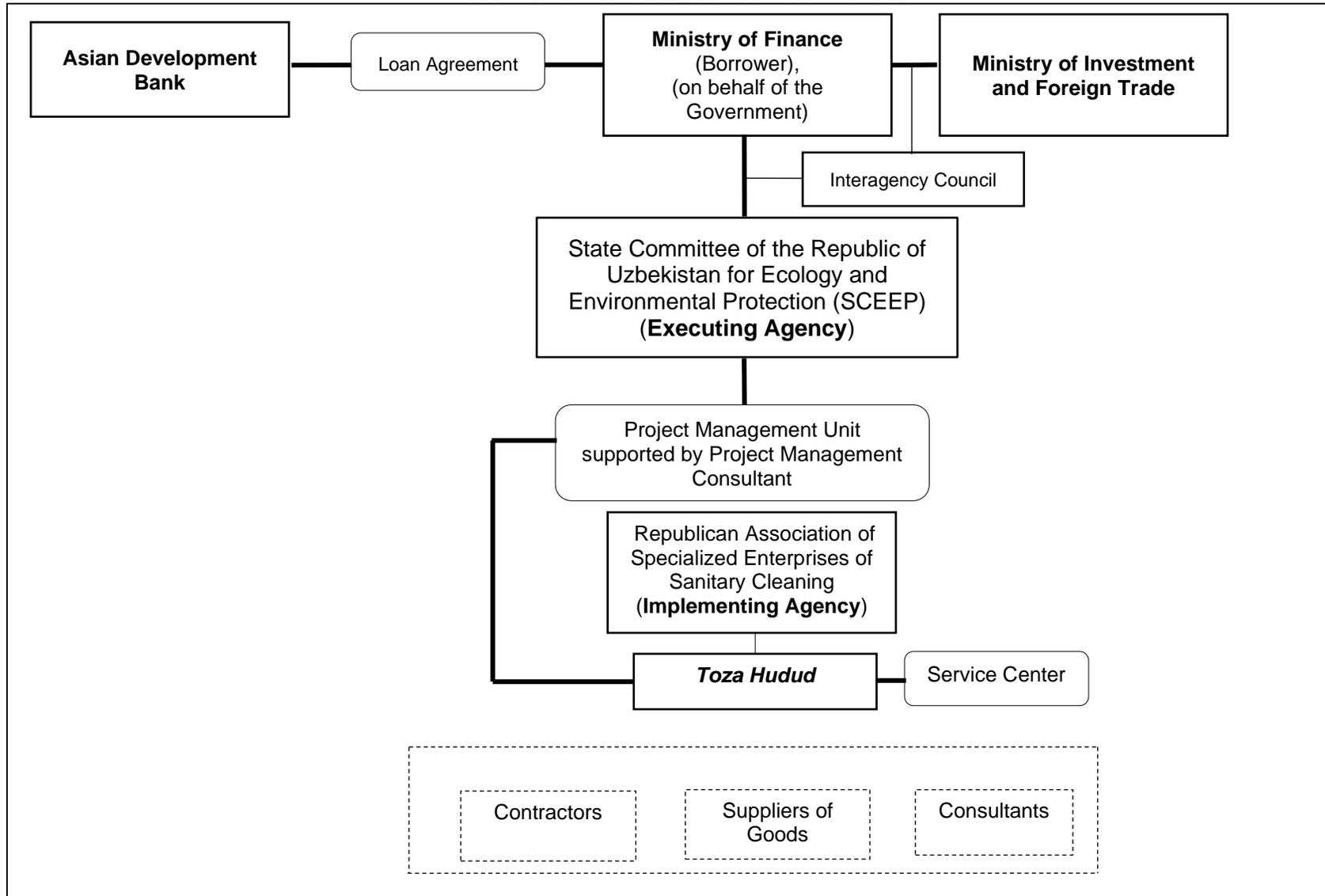
testing of disposal sites and other SWM facilities,<sup>8</sup> (ii) provision of six vehicle-based mobile laboratories and related equipment for on-site air, soils, surface water, groundwater, landfill gas and leachate sampling and testing, and (iii) operational training for laboratory personnel.

6. **Output 4: SWM collection and interim disposal services in small urban centers, peri-urban and rural areas improved nationwide** by (i) building up the functional asset bases of the *Toza Hudud* by providing 300 collection vehicles (12m<sup>3</sup> capacity), 6,000 waste disposal bins (1.1m<sup>3</sup> capacity), 13 excavators, 13 semi-trailer trucks with flatbed trailers, and 13 mobile service vehicles; and (ii) constructing 13 provincial vehicle maintenance service centers (service centers) to provide for sustainable vehicle and equipment O&M.

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<sup>8</sup> Including (i) surface water, groundwater and leachate; (ii) soils and geologic materials; (iii) air quality; and (iv) odor.

### PROJECT ORGANIZATION STRUCTURE



## II. MANAGEMENT RESPONSIBILITY FOR PREPARING PROJECT FINANCIAL STATEMENTS

7. Management is responsible for preparing and fairly presenting the project financial statements, and for maintaining sufficient internal controls to ensure that the financial statements are free from material misstatement, whether due to fraud or error. In addition, management is responsible for ensuring that funds were used only for the purpose(s) of the project, for compliance with financial covenants (where applicable), and for ensuring that effective internal controls are maintained. In this regard, management must:

- (i) Prepare and sign the Audited Project Financial Statements.
- (ii) Prepare and sign a Statement of Compliance.

8. Management must include the following in the Statement of Compliance:

- (i) That project financial statements are free from material misstatements including omissions and errors, and are fairly presented;
- (ii) That the borrower or executing agency has utilized the proceeds of the loan only for the purpose(s) of the project;
- (iii) That SCEEP was in compliance with the financial covenants of the legal agreement(s) (where applicable);

## III. OBJECTIVES

9. The objectives of the audit of the project financial statements is to enable the auditor to (i) express an independent and objective opinion as to whether the project financial statements present fairly, in all material respects, or give a true and fair view of the project's financial position, its financial performance and cash flows, and (ii) provide a reasonable assurance opinion over certain specific representations made in the Statement of Compliance. (*please refer to section VI. B*).

## IV. AUDITING STANDARDS

10. The audit is required to be conducted in accordance with International Standards on Auditing (ISA); and International Standards on Assurance Engagements (ISAE). These standards require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the project financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the project financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the project financial statements whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the project financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the project financial statements.

11. In complying with ISA, the auditor will pay particular attention to the following standards:
- ISA 800 – Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks.
  - ISA 240 – The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements.
  - ISA 250 – Consideration of Laws and Regulations in an Audit of Financial Statements.
  - ISA 260 – Communication with Those Charged with Governance.
  - ISA 265 – Communicating Deficiencies in Internal Control to Those Charged with Governance and Management.
  - ISA 330 – The Auditor’s Responses to Assessed Risks.

## **V. PROJECT FINANCIAL REPORTING FRAMEWORK**

12. The auditor will verify that the project financial statements have been prepared in accordance with *International Public Sector Accounting Standards (IPSAS) promulgated by the International Public Sector Accounting Standards Board (IPSASB), or national equivalents*. The executing agency and/or implementing agency are responsible for preparing the project financial statements, not the auditor.

## **VI. AUDIT DELIVERABLES**

### **A. Audited Project Financial Statements**

13. An auditor’s opinion providing reasonable assurance over the project financial statements, and project financial statements comprising the following:

- A statement of cash receipts and payments
- A statement of budgeted versus actual expenditures
- A statement of advance account (where applicable)
- A summary statement of expenditures (where applicable)
- Significant accounting policies and explanatory notes

### **B. Reasonable Assurance Opinion over the Use of Loan Proceeds and Compliance with Financial Covenants**

14. The auditor will provide a reasonable assurance opinion following ISAE 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information” for the following confirmations provided by Management in the Statement of Compliance:

- (i) That the proceeds of the loan were used only for the purpose(s) of the project; and
- (ii) That the borrower or executing agency was in compliance with the financial covenants of the legal agreement(s), where applicable.

15. The auditor will outline the degree of compliance for each of the financial covenants in the loan agreement.

### C. Management Letter

16. The auditor will provide a management letter containing, at a minimum, the following:
- (i) Any weaknesses in the accounting and internal control systems that were identified during the audit, including any irregularity in the use of the advance fund and statement of expenditures (SOE) procedures (where applicable);
  - (ii) Recommendations to rectify identified weaknesses;
  - (iii) Management's comments on the audit recommendations along with the timeframe for implementation;
  - (iv) The status of significant matters raised in previous management letters;
  - (v) Any other matters that the auditor considers should be brought to the attention of the project's management; and
  - (vi) Details of any ineligible expenditure<sup>26</sup> identified during the audit. Expenditure is considered ineligible if it refers to (i) expenditures incurred for purposes other than the ones intended under the legal agreement(s); (ii) expenditures not allowed under the terms of the legal/financing agreements; and (iii) expenditures incurred in violation of applicable government regulations.

### D. Specific Considerations

17. The auditor will, during the course of the audit, pay particular attention to the following:
- (i) The use of external funds in accordance with the relevant legal and financing agreements;
  - (ii) The provision of counterpart funds in accordance with the relevant agreements and their use only for the purposes intended;
  - (iii) The maintenance of proper books and records;
  - (iv) The existence of project fixed assets and internal controls related thereto;
  - (v) Where the audit report has been issued under ISA 800, it shall include the mandatory Emphasis of Matter paragraph alerting users of the audit report that the project financial statements are prepared in accordance with a special purpose framework and that, as a result, the project financial statements may not be suitable for another purpose. The auditor shall include this paragraph under an appropriate heading;
  - (vi) Where reasonable assurance has been provided using ISAE 3000, the assurance report must contain, among others:
    - A statement that the engagement was performed in accordance with ISAE 3000;
    - Subject matter;
    - Criteria for measurement;
    - A summary of the work performed; and
    - The auditor's conclusion.
  - (vii) On the advance fund procedure (where applicable), audit procedures are planned and performed to ensure (a) the advance account (and any sub-accounts) has been managed in accordance with ADB's Loan Disbursement Handbook, (b) the

<sup>26</sup> If the auditor reports any ineligible expenditure in the management letter, the details of the findings should include the funding source to which the observation relates.

cash balance of the advance account (and any sub-accounts) is supported by evidence, (c) the expenditures paid from the advance account (and any sub-accounts) comply with the approved project purpose and cost categories stipulated in the loan agreement, and (d) the amount of expenditures paid from the advance account (and any sub-accounts) comply with disbursement percentages stipulated in the loan agreement;

- (viii) Adequate supporting documentation has been maintained to authenticate claims stated in the SOE for reimbursement of eligible expenditures incurred and liquidation of advances provided to the advance account (where applicable);
- (ix) On the SOE procedure (where applicable), audit procedures are planned and performed to ensure that (a) the SOEs have been prepared in accordance with ADB's Loan Disbursement Handbook, (b) the individual payments for expenditures stated in the SOE are supported by evidence, (c) the expenditures stated in the SOEs comply with the approved project purpose and cost categories stipulated in loan agreement, and (d) the amount of expenditures stated in the SOEs comply with disbursement percentages stipulated in the loan agreement; and

18. All reports must be presented in the English language within 6 months following the end of the fiscal year.

19. ADB's Access to Information Policy will guide the public disclosure of the project financial statements, including the auditor's opinion on the audited project financial statements. After review, ADB will disclose the audited project financial statements and the opinion of the auditor on the audited project financial statements no later than 14 calendar days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter and the additional auditor's opinions will not be disclosed.<sup>27</sup>

## **VII. OTHER MATTERS**

### **A. Statement of Access**

20. The auditor will have full and complete access, at all reasonable times, to all records and documents including books of account, legal agreement(s), bank records, invoices and any other information associated with the project and deemed necessary by the auditor.

21. The auditor will be provided with full cooperation by all employees of SCEEP and the project implementing units, whose activities involve, or may be reflected in, the annual project financial statements. The auditor will be assured rights of access to banks and depositories, consultants, contractors and other persons or firms hired by the employer.

### **B. Independence**

22. The auditor will be impartial and independent from any aspects of management or financial interest in the entity or project under audit. In particular, the auditor should be independent of the control of the entity. The auditor should not, during the period covered by the audit, be employed by, or serve as director for, or have any financial or close business relationship with the entity. The auditor should not have any close personal relationships with any senior participant in the management of the entity. The auditor must disclose any issues or relationships that might

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<sup>27</sup> Such information generally fall under public communications policy exceptions to disclosure. (ADB. 2019. *Access to Information Policy*. Manila.)

compromise their independence.

**C. Auditor Experience**

23. The auditor must be authorized to practice in the country and be capable of applying the agreed auditing standards. The auditor should have adequate staff, with appropriate professional qualifications and suitable experience, including experience in auditing the accounts of projects or entities comparable in nature, size and complexity to the project or entity whose audit they are to undertake. To this end, the auditor is required to provide curriculum vitae (CV) of the personnel who will provide the opinions and reports, together with the CVs of managers, supervisors and key personnel likely to be involved in the audit work. These CVs should include details of audits carried out by these staff, including ongoing assignments.