

SEPTEMBER 2018
REPUBLIC OF UZBEKISTAN, HOREZM OBLAST
SUE "DEPARTMENT OF OPERATION OF INTERREGIONAL WATER MAIN "TUYAMUYUN-
URGENCH"
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

NAMANGAN AND HOREZM OBLASTS WATER AND WASTEWATER MODERNIZATION PROJECT

FEASIBILITY STUDY

STAKEHOLDER ENGAGEMENT PLAN
HOREZM OBLAST

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PROJECT NO. 148
DOCUMENT NO. Volume 3
VERSION 2
DATE OF ISSUE 14 September 2018
PREPARED AKAD, EVLA
CHECKED AEK
APPROVED SS

ABBREVIATIONS

Company, Client, Enterprise	State Unitary Enterprise “Department of Operation of Interregional Water Main “Tuyamuyun-Urgench” (Horezm Oblast Water & Wastewater Company)
EBRD, Bank	European Bank for Reconstruction and Development
E&S	Environmental and Social
EHS	Environment, Health and Safety
ESAP	Environmental and Social Action Plan
LTIP	Long-Term Investment Program
NTS	Non-Technical Summary
O&M	Operation and Maintenance
OHS	Occupational Health and Safety
PIP	Priority Investment Program
PR	EBRD Performance Requirements
SEP	Stakeholder Engagement Plan
SPZ	Sanitary-Protection Zone
WS	Water Supply
WTP	Water Treatment Plant
WW	Wastewater
WWPS	Wastewater Pumping Station
WWTP	Wastewater Treatment Plant

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1 Introduction – Summary of the Project

State Unitary Enterprise “Department of Operation of Interregional Water Main “Tuyamuyun-Urgench” provides water and wastewater services in Horezm Oblast of the Republic of Uzbekistan. Government of Uzbekistan, on behalf of the “Department of Operation of Interregional Water Main “Tuyamuyun-Urgench” has approached the European Bank for Reconstruction and Development (the “EBRD” or the “Bank”) with the request to finance a priority investment program (“PIP”) for rehabilitation of water and wastewater infrastructure (the “Project”) operated by the Company.

State Unitary Enterprise “Department of Operation of Interregional Water Main “Tuyamuyun-Urgench” is 100% owned by Horezm oblast administration. The Project is expected to improve Company’s operational efficiency; reduction of operational costs; reduction of water losses; improvement of services’ quality (reliability and quality of water supply); and, last but not least, minimisation of negative environmental impacts.

This Stakeholder Engagement Plan highlights the methods of communication between Project Implementation Unit (PIU) within the Project Implementation Agency (Ministry of Housing and Communal Services) / SUE “Department of Operation of Interregional Water Main “Tuyamuyun-Urgench” (the Company) and the stakeholders, which may have interest to the Project including the Administration and state authorities. This report also includes a grievance mechanism for public to raise any concerns.

2 Project Background and Description

2.1 Project location and background

The Company provides municipal services including water and wastewater services to residential customers, industries and organisations of the Horezm oblast including 3 cities, 16 urban-type settlements and about 600 rural settlements. The major operations of the Company, as a provider of water supply and wastewater services, include the following:

- > Abstraction of surface water from the river Amudarya and irrigation canal Shavat using two major water intakes;
- > Surface water treatment at two major water treatment plant located in the city of Pitnak and city of Urgench;
- > Transmission and distribution of potable water;
- > Collection, transportation and treatment of wastewater;
- > Connection of customers to water and sewerage networks.

The total population living within the Company's service area is approx. 1,777,000 people. The service area is 6300 km². The centralized water supply services are provided only to approx. 52% of the Horezm oblast population.

Treated water is supplied to the network actually 24 hours per day, although the major part of consumers is provided with water on schedule. Less than 30% of the population, living mainly in cities, have a round-the-clock water supply. Other consumers receive water only during the daytime, no more than 8-10 hours per day.

Water losses reported by the Company are about 25-30%. The actual losses seem to be larger as there are no any water meters at the plants and water mains. About 65% of private houses connected to the water supply system have water meters at the inlets. Almost 100% of commercial and budgetary consumers are also provided with water meters. Almost all consumers in apartment buildings (about 130,000 people) have no water meters.

The centralized wastewater collection systems only exist in three towns of Horezm oblast: Urgench, Khiva, Pitnak. The population of other settlements uses freestanding pit toilets and septic tanks. Household and industrial wastewater is discharged in the sewage network while rain water is collected and transported via open storm drains. Only about 8% of the region's population is connected to centralized sewage system (22,786 customers or 143,100 inhabitants).

For water supply purposes the Company operates two main water intake complexes and associated water treatment plants (WTPs).

The first WTP is located in Pitnak, in the south-eastern part of the region. Water to this plant is supplied from two surface water intakes. The main water intake (the 1-st elevation pumping station) is located on the territory of Turkmenistan, about 20 km south-east of the WTP, and abstracts water from the Tuyamuyun reservoir. A back-up water intake is located near the WTP and abstracts water directly from the Amudarya River. The WTP consists of radial and horizontal sedimentation tanks and filters. The coagulant is aluminium sulphate, disinfectant is gaseous chlorine. The design capacity of the plant is 300,000 m³/day, however, the third treatment line with the capacity of 100,000 m³/day has not been completed. The facilities have been in operation since 1990th. Treated water is supplied by the 2-nd elevation pumping station to the water mains and further to the settlements of the southern and middle parts of the Horezm oblast.

The second WTP is located in the eastern part of Urgench city. Surface water intake abstracts water from the Shavat irrigation channel. Water is transported by submersible pumps from a riverside well into horizontal sedimentation tanks, then into radial sedimentation tanks and filters. The WTP was built in 2010, its design capacity is 100,000 m³/day. Water from this plant is supplied to Urgench city and the northern part of the Horezm oblast.

The raw water quality is characterized by low colour, rather high hardness (6-12mg-equ/L) and high mineralization (900-1,100 mg/l). The water turbidity varies considerably, from 0.7 mg/l in winter to 1200 mg/l in spring. At the same time the water hardness level is maximum in winter and minimal in spring.

Water is supplied via the water mains from the head waterworks to clear water reservoirs located in the settlements, and then fed by the 3-rd and 4-th elevation pumping stations to the settlements' water networks or pumped to next consumers.

Treated water is supplied to the network actually 24 hours per day, although the major part of consumers is provided with water on schedule. Less than 30% of the population, living mainly in cities, have a round-the-clock water supply. Other consumers receive water only during the daytime, no more than 8-10 hours per day.

Detailed network maps nor hydraulic calculations are lacking. The accident rate in the water supply networks is about 2 accidents per 1 km per year. The total length of the water networks is almost 5,000 km, including nearly 500 km of the Ø500-1200 mm water mains. According to the Company's data, all networks are potentially looped, but there is no accurate information on the status of the valves and their condition. According to the personnel the major part of the valves is in "open" position and not functioning. Data on the number of air-release valves, street standpipes, hydrants are missing. According to the operating staff the originally designed electrochemical (cathodic) protection of the water mains failed about 15 years ago.

According to the Company's data, water losses are about 25-30%. The actual losses seem to be larger as there are no any water meters at the plants and water mains.

About 65% of private houses connected to the water supply system have water meters at the inlets. Almost 100% of commercial and budgetary consumers are also provided with water meters. Almost all consumers in apartment buildings (about 130,000 people) have no water meters.

The centralized wastewater collection systems in the Horezm region have been in operation since 1970th and exist in three towns: Urgench, Khiva, Pitnak. The population of other settlements uses freestanding pit toilets and septic tanks. The wastewater collection system is separate. Household and industrial wastewater is discharged in the sewage network while rain water is collected and transported via open storm drains. Only about 8% of the region's population is connected to centralized sewage system (22,786 customers or 143,100 inhabitants).

The terrain is flat. Wastewater is mainly transported by wastewater pumping stations (WWPS). There are 31 WWPS in Horezm region of which 20 WWPS are located in Urgench city and Urgench district, 8 WWPS – in Khiva city and 3 WWPS – in Pitnak city. All pumping stations are manually operated. Operators on duty attends them day and night, manually turning on/off pumps depending on the level of wastewater in the receiving chamber. Screen chambers are flooded in order to reduce the frequency of pump's starts. There are no bar screens actually on all WWPSs. Electrical and mechanical

equipment is worn out and shall be replaced. It is not possible to obtain reliable data on actual flows since there are no flow meters at the inlets to WWPSs. The flows are estimated based on running time of pumps and their design capacities.

The total length of sewage networks is 214 km, including: gravity sewers – 142 km and pressure sewers – 72 km. 147 km of networks are operated in Urgench, 37,1 km – in Khiva, 29.9 km – in Pitnak. The major parts of sewers are made of cast-iron and steel. The accident rate on the sewage network is increasing. The number of accidents in 2017 grew by 20% as compared to 2015 and was 2.4 accidents per 1 km (including blockages).

Wastewater treatment in Horezm region is actually not performed due to obsolete and inoperable conditions of wastewater treatment plants located in Urgench, Khiva and Pitnak. The design capacities of WWTPs are: in Urgench – 81,000 m³/day; in Khiva – 10,000 m³/day; in Pitnak – 11,000 m³/day. Plants were constructed according to standard designs and consist of mechanical treatment (screens, sand traps, primary clarifiers) and biological treatment in aerotanks with secondary clarifiers. There are also biological ponds. Wastewater does not undergo treatment process. It just flows via civil structures of WWTPs while being subject to a secondary bacterial contamination due to anaerobic fermentation of accumulated sediment. After treatment plants wastewater is discharged into the open drain-collector, via which, it flows through the system of collectors (open canals) to the Sarykamysh lake, the north-western part of which belongs to Uzbekistan, and the remaining part – to Turkmenistan.

It is not possible to obtain reliable data on actual flows since there are no flow meters at the inlet and outlet of the sewage from WWTP. According to the Company the average flow is around 14,000 m³/day or 5,111 thousand m³/year.

2.2 Long-Term and Priority Investment Programmes

To improve the operational performance and ensure compliance with national and EU standards the Long-Term investment program (LTIP) was developed. This program includes the projects planned by the Company as well as projects identified by the Consultant.

The strategic objectives of PIP in relation to the development of the water supply and wastewater treatment in Horezm oblast are: (i) improvement of Company's operational efficiency; (ii) reduction of operational costs; (iii) reduction of water losses; (iv) improvement of services' quality (reliability and quality of water supply and wastewater removal & treatment) and connection of new customers to WS and WW systems; and, last but not least, (v) minimisation of negative environmental impacts.

Basing on the priority assessment as well as on evaluation of possibilities to attract financial resources, it is proposed to implement activities on integrated reconstruction and modernisation of water supply and wastewater facilities of Horezm Oblast, including the following components:

1. Development of GIS and hydraulic model of the water supply and wastewater systems of Horezm Oblast;
2. Introduction of the Supervisory Control and Data Acquisition system (SCADA);
3. Procurement of special machinery and equipment for the organization of scheduled and emergency repair works at the water supply and wastewater facilities;
4. Procurement of vehicles;
5. Construction of underground water intake in the towns of Urgench, Bagat, Shavat, Gurlensk and Khankin district;
6. Reconstruction of water supply pumping stations;
7. Supply and installation of control valves at the water mains and water supply distribution networks;
8. Supply and installation of water meters and process flow meters;
9. Reconstruction of WTP in the towns of Urgench and Pitnak;

10. Reconstruction and Modernisation of WWTPs in Urgench, Khiva and Pitnak.

3 Identification of Stakeholders and Communication

The stakeholders are the organisations, institutes and individuals who are responsible for, interested in or affected by the proposed Project. The employees of the Company are the internal stakeholders of the Project. Other parties are the external stakeholders.

In addition to regulatory authorities, Consultant together with the Company has identified both internal stakeholders, such as temporary workers, and external stakeholders, such as local residents, and several organisations that may be interested in or impacted by the project activities. For each stakeholder, proposed communication is listed including contact details (or addresses), as well as specific media that will be provide required information to stakeholders, e.g. information on opportunities for public consultation or significant changes.

Company structure include Specialist in work with appeals of individuals and legal persons - conducts reception of complaints and offers of consumers and prepares answers to them, prepares and organizes the publication in the media of official communications related to the Company's activities.

Table 1 Company Stakeholders

Stakeholders	Population	Communication	Notes and contacts
Internal Stakeholders			
Employees of SUE “Department of Operation of Interregional Water Main “Tuyamuyun-Urgench”	1362	Internal meetings, grievance procedure. Trainings. Work safety instructions.	Office, facilities, units and sites of SUE “Department of Operation of Interregional Water Main “Tuyamuyun-Urgench”
Temporary construction workers subcontractors	TBD after Contractors selection	Information in tender documents and contract (special requirements), weekly and monthly reports and feedbacks to them, PIU meetings, training. Contractor’s grievance procedure. Special information on speed limits, timing of routes, safe driving etc.	Contractors TBD
Persons responsible for project implementation at the PIU and the Company (SUE “Department of	PIU and Project Engineer functions	Complex site inspections, analysis of Contractors’ reports, communication with the supervisory authorities and Contractors, meetings,	Office, facilities, units and sites of SUE “Department of Operation of Interregional Water Main “Tuyamuyun-Urgench”

Stakeholders	Population	Communication	Notes and contacts
Operation of Interregional Water Main “Tuyamuyun-Urgench”)		informational requests processing, reporting to the Bank.	
Management of SUE “Department of Operation of Interregional Water Main “Tuyamuyun-Urgench”	Director, Chief Engineer	Periodic meetings with the other stakeholders on wide range of issues	Horezm region, Urgench, Al-Beruni street, 15 Phone +998 (62) 2263026 +998 (62) 2268080
External Stakeholders			
Administration (Khokimiyat) of Horezm region	The executive office of the Oblast Hokim (Governor)	Processing of complaints and informational requests from the public, announces and provision of general information on the project to public through mass media, communication with the stakeholders at meetings; party to the PBSA; enterprise’s performance monitoring; monitors tenders	<p>Address: 220100, Urgench, ul. Al-Khorezmiy, 29</p> <p>Phone: +998 62 223-0087 Fax: +998 62 223-0022 Website: www.xorazm.uz E-mail: hokim@xorazm.uz Line for complains 0 (362) 223-00-54 Working hours: Monday to Friday from 9:00 am to 6:00 pm</p> <p>Governor - Farkhod Urbanboyevich Ermanov Urgench City Al-Khwarizmi, Street 29, 220100 Phone: (0362) 223-00-87 Reception days of citizens: Every hour from 08:00 to 11:00 every day of the week</p> <p>Deputy Khokim of the region Masharipov Uktam Rustamovich Deputy Khokim of the region on agriculture and water resources issues Urgench City Al-Khwarizmi, Street 29, 220100 Phone: (0362) 223-00-24 E-mail: u.masharipov@umail.uz Reception days of citizens: Every hour from 08:00 to 11:00 every day of the week</p>
Common public (Customers), including vulnerable groups	126274 subscribers, including 1956 commercial	Public notifications through controllers, households’ associations, educational programmes, opinion polls, articles in mass media,	Portal of municipal services and housing fund e-kommunal.uz Tel: +998 71 238 42 51 E-mail: info@e-kommunal.uz

Stakeholders	Population	Communication	Notes and contacts
	subscribers	quizzes. Possibility to submit complaints or information requests to the Administration of the municipalities, the Company, road authorities, police etc.	http://www.e-kommunal.uz https://www.facebook.com/ekommunal/
Supervisory authorities		Design documents (incl. EHS volumes and documentation) are to be approved by supervisory authorities, state expertise procedure if needed (see relevant legislation) at feasibility study and implementation stages. Access to the construction sites, inspections, orders to the Company and to Contractors Issue of reports, orders	<p>Head of Housing and Utility Service of Horezm region: Babajanov Shukhrat Samandarovich Phone: 228-73-66 E-mail: xorazm@mjko.uz Reception days: All days. 10-00 to 12-00 Head of Department : Kurbanov Khusan Sharipovich Address : 220100 Horezm Oblast, Urgench city, Al-Khorezmi street 23 Phone : (0-362) 223-15-39 Email : khorezm_komxizmat@umail.uz Hotline : (0-362) 223-15-39 Reception days : Monday-Friday: 08-00 to 11-00 http://www.mjko.uz</p> <p>Horezm Oblast Health Department Director: Tangribardiev Kupalbai Raimberdievich Address: Horezm region, Urgench, ul. Gofura Gulyama, house number 16 A Phone: +998 (62) 226-45-66 E-mail: info.horezm.vssb@minzdrav.uz Website: www.xorazmvssb.uz</p> <p>DEPARTMENT OF EMERGENCY SITUATIONS OF THE HOREZM REGION Khudaibergenov Rasulbek Nortmatovich Address: city Urgench street Sherozii - 12 Tel: (0371) 150-31-99, (8362) 223-11-92, Fax: (8371) 150-31-98; Days of reception: daily from 08.00 to 11.00; E-mail: xorazm@fvv.uz, xorazmfvb@exat.uz;</p>

Stakeholders	Population	Communication	Notes and contacts
			<p>Department of Employment of Horezm Region Allabergenov Nodirbek Tadiddinovich The chief of the general directorate is temporarily Reception days: Tuesday, Thursday, from 09-00 to 12-00 Phone: (0 436) 224-60-78, 224-61-39 Webpage: xorazm.mehnat.uz Address: 220100, Horezm region, city of Urgench, ul. Al Khorezmi, 5</p> <p>The State Inspectorate for Control and Supervision over the Technical Condition and Safety of Large and Especially Important Water Facilities under the Cabinet of Ministers of the Republic of Uzbekistan Horezm region Regional Khokimiyat Al-Khorazmiy Street, 29 (0-362) 226-4763 http://www.v-nadzor.gov.uz</p> <p>Horezm regional department of agriculture and water management Head: Yusupov Otabek Baltabayevich Days of reception: Monday - 10:00 - 12:00, Friday - 15:00 - 18:00 Address: Urgench, st. A.Bahadurhan 178 Phone: (0362) 228-82-66 Fax: (0362) 228-82-66 E-mail: xorazm@agro.uz http://www.agro.uz/ru/about/territorial/khorezm/ Schedule: Monday - Friday</p> <p>Horezm regional administration for ecology and environmental protection Head - Klichev Atabek Kadamovich Address: 220100, Uzbekistan, URGENCH, ul. Yoshlik, 1</p>

Stakeholders	Population	Communication	Notes and contacts
			tel .: (362) 2274856 Fax: 2274873 E-mail: xorazm@uznature.uz http://www.uznature.uz/ru/node/52
Mass media		Interviews, press conferences, information requests, transmittance of public concerns	https://www.gazeta.uz http://darakchi.uz "Horezm Truth" and "Khorezmskaya Pravda". Head - Rakhimberganova Soliyjon. Address: Urgench sh. Al-Khorezmi Street 23, 220100 Tel: +998962 223-11-55 Fax: +998962 223-11-55 E-mail: Xorezmnews@inbox.ru
NGO's		The National Association of NGOs of Uzbekistan NANNOUz provides comprehensive support to various NGOs in Uzbekistan, promotes activities aimed to further liberalise and democratise public life, and consolidates and builds cooperation between NGOs. It provides necessary technical and informational support to NGOs, while establishing a sense of understanding, tolerance and patriotism within the population, and a respect for national and cultural values and the traditions of the people of Uzbekistan. NANNOUz is a UNICEF partner in building the capacity of NGOs to actively participate in and contribute to the implementation and monitoring of child rights.	Toshkent, 100047, Amir Temur str., bldg. 14. Phone: (371) 233-46-81, 233-35-26 Fax: (371) 233-24-92 E-mail: uz.nntma@umail.uz http://www.ngo.uz
NGO's		Association of Business Women of Uzbekistan "Tadbirkor ayol" Expansion and protection of economic, social rights and opportunities of women, support of their entrepreneurial and public initiatives, assistance in providing access to financial, educational and information resources.	Tashkent, 100200, Usman Yusupov str., 119. Tel .: (998-71) 241-88-61, 241-34-53, 244-35-22, 241-73-52 Fax: (998-71) 244-35-22, 241-34-53 E-mail: bwa@ars.uz bwa_uz@mail.ru Website: www.bwa.uzorg.net
NGO's		The 'SOS Children's Villages of Uzbekistan' National	http://www.sos-childrensvillages.org

Stakeholders	Population	Communication	Notes and contacts
		<p>Association ‘SOS Children’s Villages of Uzbekistan’ is a non-governmental, non-profit charitable organisation that works in the field of the social protection of orphans and children deprived of parental care, or those at risk of losing their parents. The centre partners with UNICEF in the field of child protection, focusing on the capacity building of child protection professionals and other frontline workers in the sector.</p>	
NGO’s		<p>The Youth Union of Uzbekistan organized with the aim to form a physically healthy, spiritually mature, intellectually developed and independent thinking younger generation, protect young people from external threats and harmful effects of "mass culture" as well as protect their rights and legal interests and providing them support and better conditions.</p>	<p>Urgench, st. A. Khorezmi, house 23 khorezm@kmail.uz Phone: +99871 241-0050 (362) 223-08-30 (0-362) 226-01-66 Web site: www.yi.uz E-mail info@yi.uz https://t.me/yoshlarittifoqi_uz https://www.instagram.com/yoshlarittifoqiofficial/ https://facebook.com/yoshlarittifoqi.uz</p>
NGO’s		<p>Council of farmers of the Republic of Uzbekistan - assistance in the development of multi-sector farms, the introduction of effective water-saving technologies in their activities, primarily drip irrigation, modern information and communication technologies</p>	<p>100170, Tashkent, Ravnak, 1A Phone: +99871 268-1845 Website: www.uzfk.uz E-mail info@uzfk.uz</p>

4 Summary of Current Stakeholder Engagement Activities

4.1 State authorities

Different state authorities and regulatory bodies are involved in the operation of the Company and Project implementation.

According to the Constitution of 8 December 1992, Uzbekistan is a sovereign, democratic republic. The country is headed by President. The government (Cabinet of Ministers) is subordinate to the Oliy Majlis (Parliament) and the President, who appoints the Prime Minister, deputy Prime Ministers and ministers subject to the approval of the legislature.

The highest legislative body is the two-chamber Oliy Majlis, which is elected for a five-year term. The Legislative chamber (lower) consists of 150 members elected by Uzbek citizens based on ballot voting. Members of the higher chamber – the Senate – are elected from each region of Uzbekistan, the Republic of Karakalpakstan and Tashkent city, by six members from each territory. Sixteen members of the Senate are appointed by the President of the Republic of Uzbekistan.

The Oliy Majlis of the Republic of Uzbekistan is responsible for the regulation of water relations:

- › adoption of legislative acts on water and water use, introduction of changes and additions to them;
- › determination of the main directions of state policy in the field of use and protection of water resources and adoption of strategic state water management programs;
- › solution of other issues related to the jurisdiction of the Oliy Majlis of the Republic of Uzbekistan.

The responsibility of the Cabinet of Ministers of the Republic of Uzbekistan in the field of regulation of water relations is subject to:

- › implementation of a unified state policy in the field of integrated and rational use, management and protection of water resources;
- › coordination of activities of ministries, state committees, departments, other legal entities in the field of integrated and rational use, management and protection of water resources, as well as preventing and eliminating the harmful effects of water;
- › establishment of the procedure for the formation and use of a water fund, the procedure for approving water use standards, water consumption and water withdrawal limits from a water body (hereinafter - water withdrawal limits);
- › ensuring the maintenance of state water accounting and control over the use and protection of water, maintenance of the state water cadastre and water monitoring;

- › development of measures to prevent and eliminate major accidents, disasters, ecological crises and harmful effects of water;
- › setting the procedure for payment for the use of water resources, reimbursement for pollution and depletion of water bodies;
- › development of interstate relations;
- › implementation of other measures provided for by law.

The jurisdiction of the state authorities in the field in the field of regulation of water relations is subject to:

- › determination of the main directions of use and protection of water resources on its territory;
- › ensuring law and order in the regulation of the use and protection of water resources;
- › accounting and assessment of the state of water bodies, control over the use and protection of water, compliance with the established water withdrawal limits, management of water use by water users;
- › carrying out measures to preserve and improve the state of water bodies, prevent and eliminate harmful impacts, as well as water pollution, restoration of objects damaged as a result of accidents, floods, mudflows and natural disasters;
- › regulation of other issues provided for by law.

The Company interacts with following main local Supervisory authorities:

Ministry of Housing and Utility Services of the Republic of Uzbekistan

This authority is the state governance body in the sphere of housing and utility services. The Ministry is accountable to the Cabinet of Ministers of the Republic of Uzbekistan.

The main tasks of the Ministry in the water supply and wastewater sector include the following:

- › to form and implement a unified policy with respect to the development of water supply and wastewater systems in the country, including tariff policy in liaison with the Ministry of Finance;
- › to develop territorial planning schemes of water supply and wastewater systems, taking into account the town planning documentation of settlements;
- › to ensure general management of water supply and wastewater systems;
- › to implement comprehensive measures to improve public access to clean drinking water;
- › to implement a phased metering programme for all categories of consumers connected to drinking water supply systems.

The Company is a structural part of the Ministry's system, where the rights of the Company's founder and state owner are exercised by the Housing and Utility Services Department of the Horezm Oblast, a regional authority representing the RU Ministry of Housing and Utility Services.

Hokimiyat (Administration) of the Horezm Oblast

This is a regional executive authority which is responsible inter alia for the management of the regional water sector and the housing and utility services sector. In particular, the Hokimiyat's competence includes the following:

- › provision of public amenities, development of municipal infrastructure;
- › implementation of measures aimed to improve the quality of water supply and wastewater services;
- › approval of consumption standards for water supply and wastewater services;
- › participation in the tariff setting procedures for water supply and wastewater services;
- › approval of investment programmes of water companies;

- › coordination of the provision of social assistance to vulnerable groups of the population;
- › ensuring efficient use of water resources, introduction of market principles and mechanisms for water use and water consumption, coordination of water management activities;
- › implementation of measures for the efficient use and preservation of natural resources, increasing the effectiveness of environmental protection activities;
- › interaction with district and city hokimiyats, coordination of and control over their activities.

Regional Hokimiyat consists of the Hokimiyat executive office, including a secretariat for development of industry, capital construction, communications and utilities and a secretariat for agriculture and water resources, as well as regional departments of sectoral ministries. A territorial commission established under the regional Hokimiyat on a permanent basis coordinates the implementation of water supply and wastewater programmes.

State Drinking Water Inspectorate

This authority was established under the Cabinet of Ministers of the Republic of Uzbekistan and is part of the national water management system.

Territorial offices of the State Drinking Water Inspectorate perform the following functions:

- › supervise over the production, transportation and sale of drinking water;
- › supervise over the state and operating conditions of water intake wells;
- › supervise over the processes of design and construction of water wells;
- › supervise over the compliance with safety requirements in water supply systems;
- › supervise over the quality of drinking water and outfit of water and wastewater facilities with water treatment and disinfection installations;
- › supervise over the compliance with the Rules for Use of Water Supply and Wastewater Systems, including the Rules for Connection to Water Supply and Wastewater Networks;
- › organize activities to identify unauthorized consumers (illegal connections);
- › conduct technical audits of water supply and wastewater facilities;
- › promote efficient consumption of drinking water and introduction of advanced technologies in the field of water supply and wastewater services.

In order to fulfil the assigned functions, the State Drinking Water Inspectorate may inspect any water and wastewater facilities and any premises of legal entities and individuals, including residential properties, for compliance with the rules for connection to and use of water and wastewater systems; test workers' knowledge of safety rules and standards as well as water and wastewater technical regulations; instruct to remedy and impose fines for violations of water supply and wastewater regulations; order to reduce water abstraction limits or terminate groundwater abstraction in the prescribed manner, where inefficient and inappropriate use of groundwater has been revealed, to prevent the depletion of groundwater deposits; appoint organizations to conduct compliance testing of equipment and materials, analyses of the working and natural environments, and expert reviews of design solutions.

State Committee of Republic of Uzbekistan for Assistance to Privatized Enterprises and Promotion of Competition

This is a state governmental body regulating *inter alia* the spheres of monopoly activities and consumer rights protection.

In particular, the State Committee for Competition performs the following functions as related to antimonopoly regulation and supervision over the activities of water companies:

- › develops proposals for further improvement of the antimonopoly legislation;
- › forms and maintains state registers of natural monopolies;

- › analyses tariffs of water companies, protects consumer rights against unreasonable overpricing and degraded quality of water supply and wastewater services, supervises over the tariff compliance;
- › in due course carries out inspections of water companies to verify justifications of tariff calculations;
- › in the established manner supervises over the observance of the competition law during tender processes;
- › monitors the compliance with the procedures established for provision of services by water companies, and makes proposals on a list of consumers entitled to mandatory service;
- › develops proposals to reduce the costs of services provided by water companies.

In the field of consumer rights protection, the State Committee for Competition carries out, in accordance with the established procedure, monitoring of the compliance with the applicable consumer legislation, and together with public organisations exercises the state protection of consumer rights and interests, and performs educational work to enhance the consumer culture of the population.

State Committee of the Republic of Uzbekistan for Environmental Protection

This is a state governmental body responsible to ensure environmental protection and efficient use and reproduction of natural resources. The Committee is accountable to the Cabinet of Ministers of the Republic of Uzbekistan.

As related to water supply and wastewater sector, the State Committee for Environmental protection carries out *inter alia* the following functions:

- › issues in accordance with the established procedure permits in the sphere of nature management, subsoil use and environmental protection;
- › approves standards for maximum permissible emissions and discharges of pollutants into the environment;
- › carries out the state environmental control over the compliance by legal entities and individuals with the applicable environmental regulations, including:
- › established environmental standards for emissions and discharges of pollutants into the environment;
- › environmental safety requirements for the positioning, design, construction and commissioning of new and reconstructed facilities;
- › requirements for the use of water resources, compliance with established norms, rules and regime of use, protection of surface and groundwater against pollution, littering and depletion, as well as implementation of water protection measures within coastal strips (zones) of water bodies;
- › charges compensations for environmental pollution;
- › conducts state environmental expertise of projects.

Ministry of Health Protection of the Republic of Uzbekistan

This is the main public health authority subordinated to the Cabinet of Ministers of the Republic of Uzbekistan.

The Ministry, in particular, develops and approves sanitary norms and rules, hygienic standards, including in the field of drinking water supply and wastewater management, and also exercises the state sanitary supervision over their observance. Regional and local branches of the **State Sanitary and Epidemiological Supervision Service** carry out their activities under control from the Ministry of Health Protection. They exercise the sanitary and epidemiological monitoring and expertise in districts and cities.

Ministry of Labour and Social Protection of the Republic of Uzbekistan

This is the main labour protection authority subordinated to the Cabinet of Ministers of the Republic of Uzbekistan.

The Ministry carries out state supervision and control over compliance with legal acts and other regulations on occupational health, labour and social protection. To ensure the implementation of these functions, the Ministry cooperates with the **State Inspectorate of the Occupational Health and Safety in Industry, Mining and Utilities**. The regional branches of this Inspectorate exercise the OHS control and expertise in districts and cities. They also provide specialised trainings, e.g. the emergency response drills for chlorination units, H&S trainings for personnel working in the hazardous facilities or conditions, etc.

Ministry of Internal Affairs of the Republic of Uzbekistan

This is a republican governmental which exercises general management and coordination of police activities and reports directly to the President of the Republic of Uzbekistan and to the Cabinet of Ministers of the Republic of Uzbekistan, if applicable. The Ministry's territorial departments shall, in particular, ensure the safeguarding of water supply facilities by establishing access control regimes at protected sites aiming to prevent and impede any security incidents. Besides, the **Head Firefighting Department** implements its activities under the supervision of the Ministry of Internal Affairs.

Enforcement Bureau of the General Prosecution Office of the Republic of Uzbekistan

This authority is part of the country's law enforcement system and carries out the following functions in the field of water supply and wastewater:

- > takes measures to reveal, terminate and prevent theft, unauthorized connections to water and wastewater networks and water mains;
- > participates in the establishment and maintenance of consumer accounts, water consumption metering, accounting of payments made and arrears, including monitoring of the amounts of distributed, sold and consumed water *inter alia* by means of automated control and metering systems, timely taking of readings from consumer meters, entering of data into their personal accounts and identification of the monthly water consumption, monitoring of the complete and timely billing;
- > organizes the full and timely receipt of payments for water supply and wastewater services, including the indisputable collection of debts of legal entities, implements claim-related work in the interests of water companies to collect debts, and enforces debts for water supply and wastewater services on the basis of enforcement documents;
- > monitors the compliance with deadlines, completeness and quality of implementation of projects aimed to introduce modern automated water metering and control systems;
- > implements comprehensive measures to improve consumers' payment discipline and willingness to abide by decisions of the court and other authorities.

District and city departments of the Bureau are equipped with payment terminals that allow to enter meter readings and immediately make payments for the services rendered.

Special Republican Commission for Coordination of Implementation of Water Supply and Wastewater Programs

In order to increase the efficiency of state investments in projects aiming to provide the population with high-quality drinking water and wastewater services, this Commission was established, with the following main tasks assigned to it:

- > issue of conclusions, provided that drinking water sources are available, allowing to open financing for water and wastewater projects to be implemented at the expense of state capital investments and IFI loans;

- › making decisions whether proposed water and wastewater projects are feasible;
- › approval of final lists of water supply and wastewater facilities to be constructed or reconstructed;
- › monitoring of the progress of water and wastewater projects, aiming to achieve the required project parameters and effects.

There are permanent territorial commissions under regional hokimiyats which are responsible to prepare information for the development of designs, cost estimates and preliminary target lists of water supply and wastewater facilities to be constructed or reconstructed. The Ministry of Housing and Utility Services annually provides for a comprehensive review of the preliminary target lists approved by territorial commissions and introduces the final target lists for approval by the Special Republican Commission.

4.2 Mass media

The relationships of the project Company with mass-media are very weak due to the level of communication to mass media. Company has no website, and company's activity not represented in social networks. There is a local newspaper "Khorezmskaya Pravda", which could be useful to inform consumers on the Company activities and to reach consumers and educate them in proper handling of water and wastewater systems including water saving methods. There are couple of the mass medias, bought local and country level.

Mass media in Uzbekistan and Horezm area:

«Gazeta.uz»

www.gazeta.uz

Internet Edition 1news.uz

<http://1news.uz>

Mass media in Uzbekistan about business, start-ups and economy

<http://kommersant.uz>

Newspaper "New time of Uzbekistan"

<http://www.uzinform.com>

"Horezm Truth" and "Khorezmskaya Pravda" Newspaper

Address: 220100, Urgench sh. Al-Khorezmi Street 23

Tel: +998962 223-11-55

Fax: +998962 223-11-55

E-mail: Xorezmnews@inbox.ru

The newspaper "Tib Hajet"

Address: 740000, Uzbekistan, Urgench, Oblzdrav bldg.

Phones: phone: +998 (6222) 6-85-15;

The newspaper "XIVA TONGI"

+998 62 375 24 69

220900 Khiva city, H. Kubro street bldg. 46

<http://xivatongi.uz>

«UZDIGITAL TV» Local TV

city of Urgench, Yangi Urgench street, house 1.

+998622261065

<http://uzdtv.uz>

The Company does not have formal developed and approved Plan of mass media communication, and does not initiate interacting with the newspaper to provide any information.

The relation with mass media can be improved to reach higher level in customers education on the water supply and wastewater treatment operation and rules.

4.3 Customers

Consumers of water supply and wastewater services are divided into two basic groups, including households and other consumers (legal entities, such as institutions, industries and organizations).

The Customers and Billing Department of the Company is responsible for communication with consumers of services. This department deals with various issues related to consumers.

People can also contact the Company via contact phones of the management or visit the Company facilities during the working hours. Everyone can come and ask their questions to the high management of the company. In general, communication with customers is not properly organized.

Company does not conduct monitoring of the customers satisfaction level.

There is lack of understanding of main rules for water and wastewater facilities use by general public. Dumping of hazardous substances and bulky garbage into wastewater pipelines, unauthorised water use, especially for gardens watering are still a problem. The responsibilities of the Company are not always clear to customers (e.g. whether the pipes should be repaired by customers or by the Company).

Some disturbance may be also caused to the local communities during the emergency repairs works implementation. These works are performed with due guarding of the area and in the shortest timeframe to minimize negative impact to the people.

Horezm region, Urgench, Al-Beruni street, 15

Helpline:

+998 (62) 2263026

+998 (62) 2268080

5 Stakeholder Engagement during Project Implementation

The majority of population of Horezm Oblast are Uzbeks. There are no indigenous peoples distinct from dominant groups in the Project Area of Influence. Therefore, the requirements concerning Indigenous peoples may be considered as not applicable.

The review has not revealed any specific negative impacts on vulnerable groups (such as non-working population over the age of retirement, children aged up to 15 years, the disabled, big families, low income families, multiple children families, elderly people, veterans of combat operations, etc.). Persons from vulnerable groups can apply for the state subsidies to ensure affordability of the tariffs. Information of these subsidies is available at the respective regulatory bodies. This issue is under control of the Oblast administration.

The Company has no established procedures for land acquisition and assessment of resettlement or economic displacement needs which can be used during the Project implementation. The procedure of determining compensations for potential displacement has not been specified either. In Uzbekistan, these issues are subject of the regional authorities' regulation, not the Company's. At present, to resolve the issues of land use and establishing temporary easement, the Company follows the requirements of the national legislation that regulates these issues in sufficient details.

Safeguard service of the Company prevents penetration of unauthorized persons to the Company's facilities. There were no claims or conflicts connected with the work of that service. However, there is no separate instruction for interaction with public for the security personnel.

The city authorities take active part in development and implementation of investment programs related to upgrade of facilities which have environmental impact.

Internal interaction, including interaction with the Company's employees, is not regulated. The Company does not have an adequate system of bonuses for the excellent performance of professional duties in relation to issues of the EHS and the adoption of appropriate initiatives.

The Consultant recommends to address the E&S impacts related to the routing of pipelines over farmers' fields during the detailed design stage as part of public consultations within the national EIA (OVOS) process. This shall be done by the Designer with the potential involvement of PIU consultant. Beside this, it is expected that the Designer will conduct the survey of exact routing of pipelines and meet with the farmers who might be affected by the project. We expect that with good timing the project can be implemented without economical displacement. If temporary economic displacement is unavoidable then the Company and PIU consultant shall take the mitigation measures prescribed by EBRD PR 5.

Data on environmental and social impacts of the planned activities are considered "environmental information" which shall be available to public. All legislative requirements considering the environmental and social impact assessment, state expertise (if applicable) and information disclosure

will be fulfilled by the Company at the project implementation stage with the assistance of the respectively chosen consultant.

It is recommended to introduce stable communication with the local newspaper to provide all necessary information on the Project Activities.

Additional information campaign is recommended for the water meters Project Component, to educate the populations on the benefits and of the water meters use. It can be done via the mass media, via the leaflets distributed by the payments collectors or via additional meeting with population.

Information on maintenance and planned works shall be distributed through mass media. It is recommended to establish a call centre to duly receive and respond to complaints and suggestions from individual consumers.

The Project related information (Non-Technical Summary and this SEP) will be available for public in the offices of the PIU and of the Company, at the local administration, and at the web-site of EBRD. The information will be presented in Uzbek, English and Russian languages. It is also recommended to enhance the work with mass-media on the educational field of to the rules of using the water and wastewater systems.

All reconstructed facilities should be duly fenced and marked to prevent unauthorised access. Information campaign shall cover the exact dimensions of the areas under the responsibility of the company, and areas under the municipal or privet responsibilities.

There is the potential for disadvantaged and vulnerable groups (disabled or old age women, low-income families, war veterans and veteran workers, physically challenged people, etc.) to be excluded from the Project communications and stakeholder management measures. To prevent this, it is recommended to perform additional announcements via local social services centre, newspapers and through payment collectors. It is also recommended to provide additional information for the population and vulnerable groups on the subsidies allocation mechanism.

In the near future it is recommended to establish good level web-site for the Company and representation in social – medias and messengers.

5.1 Grievance by general public

The Company does not have an established Grievance mechanism. The grievances are received through direct communication, registered manually and discussed at the Company meetings. No official procedure exists to organise this process. The company does not have any corporate regulation on the duration for the claim responding. It is recommended to establish a grievance mechanism for the customers with following characteristics.

All grievances will be put in a one register and assigned a number, and resolved within the following number of days:

- > 15 days if the answer does not need involvement of other parties or site visits
- > 30 days if involvement of other parties or site visits are required

Depending on the request details, the Company might involve other stakeholders (i.e. City Administration or the Contractor) in response preparation and corrective actions

In case of legislative non-compliance identification (such as construction works noise at night etc.) residents have the right to direct their complaints to the local police offices.

Appendix A contains recommended Public Grievance Forms for the Project.

To better understand the recommended process, one should also refer to the grievance processing chart on Figure 1 below.

Claims of persons and companies are to be submitted at:

Horezm region, Urgench, Al-Beruni street, 15

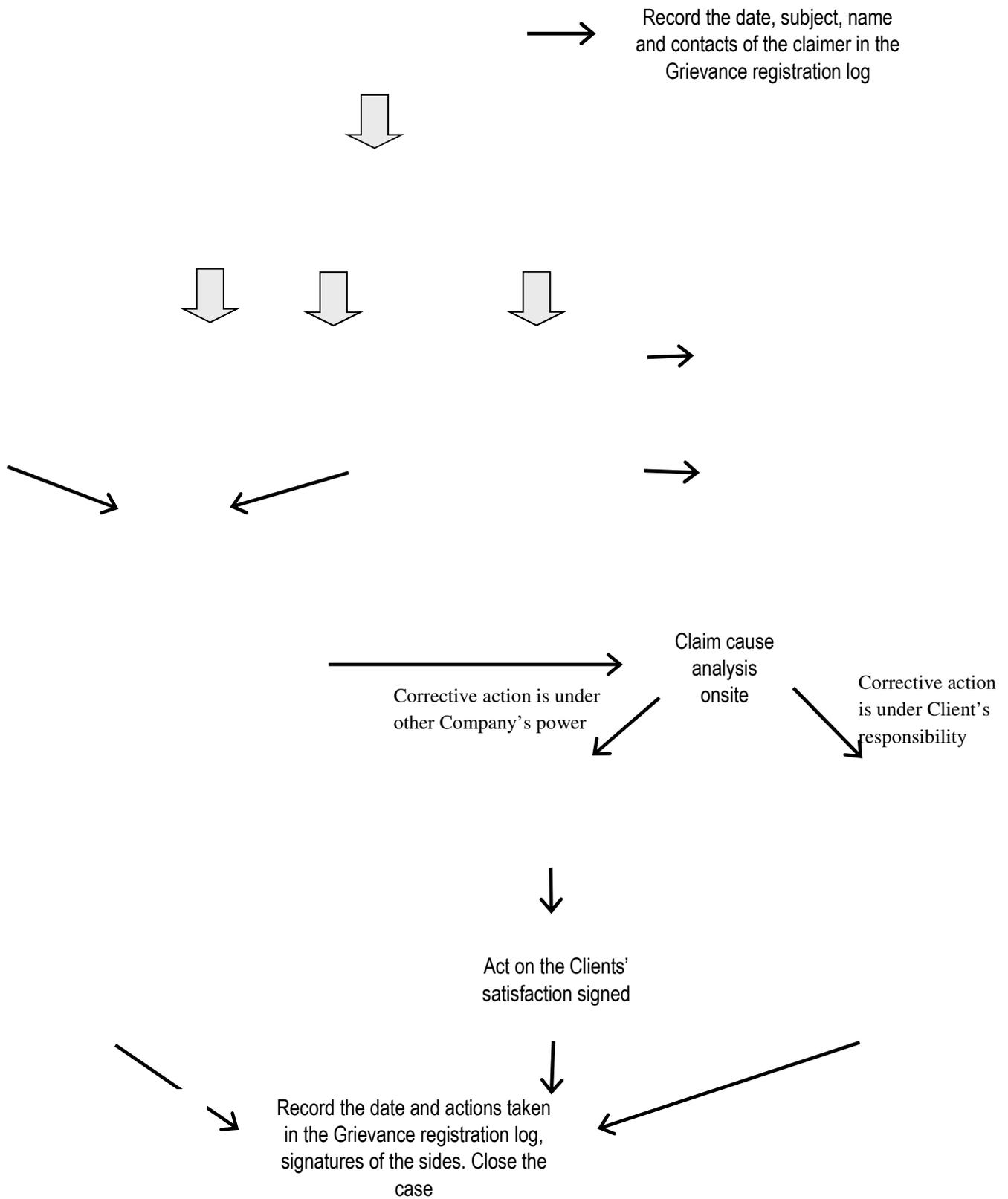
Helpline:

+998 (62) 2263026

+998 (62) 2268080

If the claims are related to the implementation of this Project they will be further transferred to Project Implementation Agency (Ministry of Housing and Communal Services) during project planning and construction phase.

Figure 1 Flowchart for Processing of public Grievances and Information requests



Appendix A Act on the customer's satisfaction with the claim processing results

АКТ № _____

город _____
_____ 20__ г.

Настоящим актом подтверждаем _____

Потребитель удовлетворен ответом и претензий к ГУП "Управление по эксплуатации межрегионального водопровода "Туямуюн-Ургенч" не имеет.

Подписи сторон:

Представители ГУП "Управление по эксплуатации межрегионального водопровода "Туямуюн-Ургенч"

Потребитель:

подпись, ФИО, должность

подпись, ФИО, должность

подпись, ФИО, должность

подпись, ФИО, адрес