



## Second Urban Infrastructure Project (P132386)

EUROPE AND CENTRAL ASIA | Ukraine | Water Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 14 | ARCHIVED on 23-Sep-2021 | ISR48260 |

Implementing Agencies: Ukraine, Ministry of Communities and Territories Development of Ukraine

### Key Dates

#### Key Project Dates

Bank Approval Date: 22-May-2014

Effectiveness Date: 21-Nov-2014

Planned Mid Term Review Date: 23-Oct-2017

Actual Mid-Term Review Date: 20-Nov-2017

Original Closing Date: 31-Oct-2020

Revised Closing Date: 31-Oct-2022

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective (PDO) is to improve the quality and efficiency of water, wastewater, and solid waste services in selected cities in Ukraine.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components Table

Name

Component 1: Urban Infrastructure Improvement:(Cost \$314.57 M)

Component 2: Institutional Strengthening and Capacity Building:(Cost \$7.00 M)

Component 3: Project Management and Supervision:(Cost \$5.00 M)

### Overall Ratings

| Name                                 | Previous Rating                                  | Current Rating                                   |
|--------------------------------------|--|--|
| Progress towards achievement of PDO  | <input type="checkbox"/> Moderately Satisfactory | <input type="checkbox"/> Moderately Satisfactory |
| Overall Implementation Progress (IP) | <input type="checkbox"/> Moderately Satisfactory | <input type="checkbox"/> Moderately Satisfactory |
| Overall Risk Rating                  | <input type="checkbox"/> Substantial             | <input type="checkbox"/> Substantial             |

### Implementation Status and Key Decisions

This is an interim ISR for the project.

**Overall Progress.** The PDO remains relevant and the project continues to make progress towards achieving its results. Implementation Progress (IP) also continues to improve and currently total disbursements of the IBRD loan and CTF stand at US\$150.7 million (about 46% of the total loan amounts), an increase of almost US\$20 million since the previous mission in June 2021.

**Specific Implementation Challenges.** The main ongoing implementation issue is the lack of funds for UIP2. Due to the ongoing Minregion spending limitations, there has been delays in timely payments to contractors and consultants leading to new implementation delays. UIP2 team has been working with the MoF and Minregion to address these challenges and there needs to be a decision by the Government of Ukraine on payments and completion of these much needed investments for the participating cities.

The UIP2 team has indications that capital expenditure limits and Minregion budget allocations will be addressed in October 2021 to allow for continuation of project implementation. The ISR will be updated shortly afterwards to reflect the most up to date information.



## Risks

### Systematic Operations Risk-rating Tool

| Risk Category  | Rating at Approval | Previous Rating                      | Current Rating                       |
|--|--------------------|--------------------------------------|--------------------------------------|
| Political and Governance                                     | --                 | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |
| Macroeconomic  | --                 | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |
| Sector Strategies and Policies                               | --                 | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |
| Technical Design of Project or Program                       | --                 | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |
| Institutional Capacity for Implementation and Sustainability | --                 | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |
| Fiduciary  | --                 | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |
| Environment and Social                                       | --                 | <input type="checkbox"/> Moderate    | <input type="checkbox"/> Moderate    |
| Stakeholders   | --                 | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |
| Other  | --                 | --                                   | --                                   |
| Overall  | --                 | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |

## Results

### PDO Indicators by Objectives / Outcomes

| To improve quality of wastewater services  |  |                   |                  |             |
|--|--|-------------------|------------------|-------------|
| ▶ Volume (mass) of BOD pollution loads removed by the treatment plant supported under the project (Tones/year, Custom) |  |                   |                  |             |
|  | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 15,285.00  | 0.00              | 0.00             | 18,485.00   |
| Date   | 07-Feb-2014  | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| Comments:  | <b>Volume (mass) of BOD pollution loads removed by treatment plants.</b> This PDO indicator directly relates to the quality of wastewater services in targeted cities. This indicator measures the cumulative volume (mass) of Biological Oxygen Demand (BOD) pollution loads removed by the treatment plant supported under the project. Rehabilitation works on all WWTP financed by the project are ongoing, first results are expected mid-2022. |                   |                  |             |

| To improve quality of solid waste services |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |



| ► Industrial or municipal solid waste recycled in Kharkiv (Tones/year, Custom) |  |                   |                  |             |
|--|--|-------------------|------------------|-------------|
|  | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.00   | 0.00              | 0.00             | 40,000.00   |
| Date   | 07-Feb-2014  | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| Comments:  | <b>Industrial or municipal solid waste recycled in Kharkiv.</b> This indicator measures the volume of municipal or industrial solid waste that is recycled as a result of the Bank financed project. Results are expected following the subproject completion, which is expected in the beginning of 2022. |                   |                  |             |

| To improve efficiency of water, wastewater and solid waste services |             |                   |                  |             |
|---|-------------|-------------------|------------------|-------------|
| ► Operating Cost Coverage Ratio: Kharkiv VK (Percentage, Custom)    |             |                   |                  |             |
|   | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value   | 0.76        | 0.98              | 1.08             | 0.86        |
| Date  | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| ► Operating Cost Coverage Ratio: Zhytomyr (Percentage, Custom)      |             |                   |                  |             |
|   | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value   | 0.78        | 1.14              | 0.94             | 0.95        |
| Date  | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| ► Operating Cost Coverage Ratio: Kharkiv MC (Percentage, Custom)    |             |                   |                  |             |
|   | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value   | 1.18        | 1.20              | 0.59             | 1.20        |
| Date  | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| ► Operating Cost Coverage Ratio: Kirovograd (Percentage, Custom)    |             |                   |                  |             |
|   | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value   | 0.67        | 0.71              | 1.27             | 0.77        |
| Date  | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| ► Operating Cost Coverage Ratio: Ternopil (Percentage, Custom)      |             |                   |                  |             |
|   | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value   | 0.92        | 1.30              | 1.28             | 0.97        |



| Date   | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
|--|-------------|-------------------|------------------|-------------|
| <b>► Energy efficiency as measured by amount of energy used per m3 of wastewater treated in utilities participating in the project (kWh per m3 of waste water treated) (Cubic Meter(m3), Custom)</b> |             |                   |                  |             |
|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.90        | 0.65              | 0.42             | 0.60        |
| Date   | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| <b>► Energy efficiency as measured by amount of energy used per m3 of water produced in utilities participating in the project (kWh per m3 of water treated) (Cubic Meter(m3), Custom)</b>           |             |                   |                  |             |
|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.60        | 0.52              | 0.45             | 0.40        |
| Date   | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| <b>► Tons of GHG emissions reduced or avoided (Tones/year, Custom)</b>   |             |                   |                  |             |
|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.00        | 31,437.00         | 34,665.00        | 475,392.00  |
| Date   | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |

### Intermediate Results Indicators by Components

| <b>Component 1: Urban Infrastructure Improvement</b>  |             |                   |                  |              |
|---|-------------|-------------------|------------------|--------------|
| <b>► Piped household water connections affected by rehabilitation works undertaken under the project (Number, Custom)</b> |             |                   |                  |              |
|   | Baseline    | Actual (Previous) | Actual (Current) | End Target   |
| Value   | 0.00        | 1,384,870.00      | 1,872,315.00     | 550,000.00   |
| Date  | 07-Feb-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022  |
| <b>► Direct project beneficiaries (Number, Custom)</b>  |             |                   |                  |              |
|   | Baseline    | Actual (Previous) | Actual (Current) | End Target   |
| Value   | 0.00        | 5,270,000.00      | 7,030,000.00     | 4,200,000.00 |
| Date  | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022  |
| <b>□ Female beneficiaries (Percentage, Custom Supplement)</b>   |             |                   |                  |              |



|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
|--|-------------|-------------------|------------------|-------------|
| Value  | 0.00        | 54.00             | 54.00            | 50.00       |
| <b>► Industrial and municipal waste disposal capacity created under the project (Metric ton, Custom)</b>                                       |             |                   |                  |             |
|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.00        | 200,000.00        | 200,000.00       | 400,000.00  |
| Date   | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| <b>► Customers in project areas reporting improved water supply services, as measured through scorecards (rating 1-5) (Percentage, Custom)</b> |             |                   |                  |             |
|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 40.00       | 40.00             | 40.00            | 60.00       |
| Date   | 19-May-2017 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| <b>► Energy savings (GWh/yr) (Gigawatt-hour (GWh), Custom)</b>   |             |                   |                  |             |
|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.00        | 59.88             | 66.03            | 470.00      |
| Date   | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| <b>► Electricity Generation (GWh/yr) (Gigawatt-hour (GWh), Custom)</b>   |             |                   |                  |             |
|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.00        | 0.00              | 0.00             | 210.00      |
| Date   | 12-Mar-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |

Component 2: Institutional Strengthening and Capacity Building

**► Number of water utilities that the project is supporting (Number, Custom)**

|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
|--|-------------|-------------------|------------------|-------------|
| Value  | 0.00        | 10.00             | 10.00            | 10.00       |
| Date   | 22-May-2014 | 12-Mar-2021       | 30-Jun-2021      | 31-Oct-2022 |
| <b>► Utility companies using benchmarking systems (Number, Custom)</b> |             |                   |                  |             |
|  | Baseline    | Actual (Previous) | Actual (Current) | End Target  |



|       |             |             |             |             |
|-------|-------------|-------------|-------------|-------------|
| Value | 0.00        | 9.00        | 9.00        | 7.00        |
| Date  | 22-May-2014 | 12-Mar-2021 | 30-Jun-2021 | 31-Oct-2022 |

**Performance-Based Conditions**

**Data on Financial Performance**

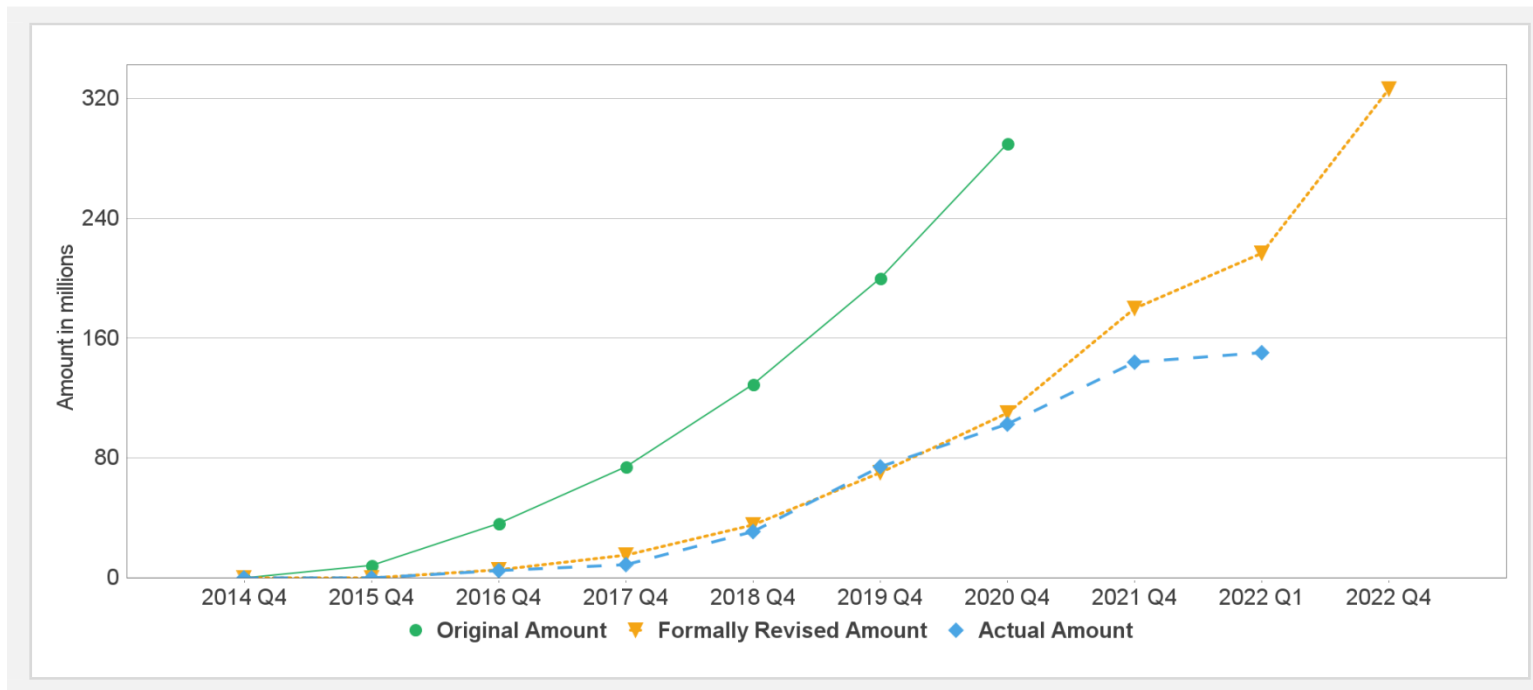
**Disbursements (by loan)**

| Project | Loan/Credit/TF | Status    | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P132386 | IBRD-83910     | Effective | USD      | 300.00   | 277.10  | 22.90     | 128.14    | 148.96      | 46%         |
| P132386 | TF-17112       | Effective | USD      | 50.00    | 49.47   | 0.53      | 22.95     | 26.53       | 46%         |

**Key Dates (by loan)**

| Project | Loan/Credit/TF | Status    | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P132386 | IBRD-83910     | Effective | 22-May-2014   | 26-May-2014  | 21-Nov-2014        | 31-Oct-2020        | 31-Oct-2022       |
| P132386 | TF-17112       | Effective | 22-May-2014   | 26-May-2014  | 21-Nov-2014        | 31-Oct-2020        | 31-Oct-2022       |

**Cumulative Disbursements**





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### PBC Disbursement

| PBC ID | PBC Type | Description | Coc | PBC Amount | Achievement Status | Disbursed amount in Coc | Disbursement % for PBC |
|--------|----------|-------------|-----|------------|--------------------|-------------------------|------------------------|
|--------|----------|-------------|-----|------------|--------------------|-------------------------|------------------------|

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### Restructuring History

Level 2 Approved on 26-Feb-2016 ,Level 2 Approved on 20-Oct-2016 ,Level 2 Approved on 07-Jun-2018 ,Level 2 Approved on 26-Jun-2020

### Related Project(s)

There are no related projects.

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