



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 08/05/2019 | Report No: ESRSC00732



BASIC INFORMATION

A. Basic Project Data

| | | | |
|----------------------|--|--------------------------|----------------------------|
| Country | Region | Project ID | Parent Project ID (if any) |
| Tajikistan | EUROPE AND CENTRAL ASIA | P171248 | |
| Project Name | Support for Preparation of Sebzor HPP and Rural Electrification Projects in GBAO | | |
| Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date |
| Energy & Extractives | Investment Project Financing | | 8/30/2019 |
| Borrower(s) | Implementing Agency(ies) | | |
| Ministry of Finance | Pamir Energy Company, Ministry of Energy and Water Resources | | |

Proposed Development Objective(s)

The project development objectives are to improve the implementation readiness of Sebzor HPP and Khorog-Qozideh power transmission line projects.

| Financing (in USD Million) | Amount |
|----------------------------|-------------|
| Total Project Cost | 0.50 |

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The Project would support number of essential preparatory activities required for successfully implementing investment projects aimed at further improvement of adequacy and reliability of electricity supply in GBAO. Those investments include construction of Sebzor HPP, including the power transmission line to connect it to Khorog substation, and 63 km Khorog-Qozideh power transmission line. The preparatory activities include finalization of the environmental and social documents, filling of the gaps in the feasibility study for Sebzor HPP, completion of the feasibility study for Khorog-Qozideh power transmission line, strengthening of resilience of PEC energy system to natural disasters, and further strengthening of capacity of PEC in operation of micro-grids.

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D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social] Tajikistan is a small landlocked country in the heart of Central Asia, bordering Afghanistan, China, the Kyrgyz Republic, and Uzbekistan. It is one of the four countries which qualify for the World Bank’s support under its Risk Mitigation Regime (RMR) aimed at addressing the impacts by fragility, conflict, and violence (FCV). The RMR pilots the use of development interventions for providing additional financing to target FCV risks and reinforce sources of resilience. Rural Electrification Project (REP) is one of three projects approved for such financing in Tajikistan covering two of the highly sensitive FCV regions- GBAO and Khatlon. REP is addressing the risks as a part of the social and environmental management by adopting the Bank’s Environmental and Social Standards (ESS) approach. The Environmental and Social Reviews (ESRS) has classified environmental and social risks of the project as substantial. This Technical Assistance (TA), provided through a Recipient Executed Trust Fund (RETF), is to supplement/complement the preparatory activities for REP, the Sebzor HPP project, and 63 km of transmission lines --through the preparation of key environmental and social studies as well as institutional assessments in GBAO.

GBAO- is home to diverse endemic flora and fauna, including some protected species like the snow leopard; protected areas. However, natural hazards such as floods, earthquakes, landslides, mudflows, avalanches, and heavy snowfalls are quite common. GBAO account for the highest level of relative poverty measure. Unemployment of the youth and vulnerable peoples is quite high, which represents a source of instability and a potential threat for the country as a whole. The economy is dependent predominantly on remittances and associated with this large scale male migration and a high number of female headed households. All these have resulted in continuous conflict and unrest, especially among youth, rendering the region unsafe. Isolated instances of attack on foreign tourists are also evident. Geographically, the regions share a pervious border of 1,300 km to the south with Afghanistan, resulting in increased illicit drug trafficking and the associated risks thereof.

Thus, salient environmental and social characteristics of the project area include: (i) small, remote, population centers surrounded mountains and difficult terrain; (ii) high degree of diversity in terms of linguistic as well as political orientations; (iii) inter-regional as well as rural-urban disparities; (iv) cross border illicit trade and drug movement related scuffles; and (v) low income and employment opportunities. While the TA supports only analytical investigations, as its end usage will be reflected in hard core civil construction activities, these can become impediments during the construction stage, specially in the spheres of security and labor management and labor influx.

On the power situation, Tajikistan, in general, and the GBAO, in particular, suffer from electricity supply shortages since its disconnection from the Central Asian Power System in 2011 and discontinuation of gas supply from Uzbekistan. However, this has improved significantly during the recent years. Across the country, about 0.5 percent of population (43,126) does not have access to electricity. Some of the settlements without access are relatively new given rapid growth of population in and around the existing habitations. A good number of these are located in the remote mountainous areas in GBAO where access has historically been a challenge. These areas were dependent upon diesel-based portal generators which have become prohibitively expensive and laborious.

D. 2. Borrower’s Institutional Capacity

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The proposed RETF will be executed by the Pamir Energy Company (PEC), a special purpose company, which is owned 70 percent by Aga Khan Fund for Economic Development (AKFED) and 30 percent by IFC. PEC will be responsible for the rural electrification solutions in GBAO. Additionally, PEC is responsible for carrying out additional site investigation works required for preparation of Sebzor HPP. The PEC has some experience in project implementation and management, including mitigating environmental and social risks, but, REP is the first power project in Tajikistan prepared under the Bank’s new Environment and Social Framework (ESF). It is expected that the client’s capacity to deliver an ESF based project is limited; therefore, capacity building for the client including jamoats and contractors will be included in the project ESMFs, and other environmental and social instruments to be prepared during preparation and implementation.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

As with REP, the Environmental Risk Rating for this RETF is also Substantial due the greenfield nature of the facilities planned, namely the Sebzor HPP and 18 km Sebzor-Khorog overhead transmission line (OHL) (financed by KfW), and the 63 km Khorog-Qozideh OHLKfW (financed by SECO), as well as the number of rural electrification activities in remote and potentially fragile areas. As required under ESS1, the ESMF prepared under REP for PEC outline necessary screening measures and procedures for preparing site-specific ESIA/ESMPs, some of which could be supported by the RETF.

Social Risk Rating

Substantial

The Social Risk Rating is rather derivate, due to the potential down stream impacts that may arise if and when the results of this TA leads to implementing a variety of construction activities -- REP, Sebzor HPP, 63 Km transmission lines. So, risk will be the same as that of the REP, the parent project. i.e., Substantial. Risks and impacts due to the type, location, sensitivity and scale of the Project are not significant. However, contextual risks - i.e. diverse regions, common fragility, the remoteness & extremely difficult access, the border vulnerability, absence of sustainable job opportunities and income-generating activities leading to unemployment and poverty, migration & remittances consequently increased female headed households - as well as client capacity risks are substantial. Consequently, security risks to contractors and laborers as well as migrant laborers and community safety to warrant serious attention. All of these will have a bearing on all the project’s activities (including the associated activities-dealt in a later section): (i) site investigations for Sebzor hydro power plant, which is an associated facility; (ii) off grid supplies to remote households; (iii) last mile connections for residential consumers; and (iv) improving connectivity through transmission/ distribution lines. No major physical displacement or land acquisition is expected since the proposed Sebzor HPP, as a run-of-river HHP, will not involve a construction of a large reservoir but will consists of a small weir to divert water to a power house through a canal and two penstocks, before returning to the river downstream. The associated facility would entail the construction of a weir, a power house and associated infrastructure including transmission line would be conducted by international contractors, which assumes some labor influx. So, Occupational Health and Safety as well as Community Health and Safety will also assume importance. Off-grid power supplies is highly dependent upon provision of alternative technologies and the project’s outreach to isolated and scattered houses/ settlements. Else, these houses may get excluded.. Transmission/ distribution lines essentially would mean erecting towers which warrants land acquisition, which can be managed. Thus, the risks vary across the

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various components. While the associated facilities (hydro-power plant and transmission line construction) bear Substantial risk, other interventions are likely to be Moderate.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

This investment is meant to provide technical assistance in the form of consultancies to supplement and complement preparatory activities as required for the rural energy projects. Given the potential down stream impacts likely to occur, the overall environment and social risk level is Substantial, due chiefly to, contextual risks and civil works related environmental disturbances, and the resultant risks of security to contractors & laborers and community safety. Towards addressing these, following extensive consultations and analytical enquiry, the client has prepared the following instruments: (i) Environmental and Social Impact Assessments (ESIA) and Environmental and Social Management Plans (ESMPs) for the Sebzor HPP and identified transmission lines (18km TL and 63km TLs); (ii) Environmental and Social Management Frameworks for off-grid solutions; (iii) Stakeholder Engagement Plans (SEP) separately prepared by two implementation agencies (BT in Khatlon and PER in GBAO); (iv) Resettlement Policy Framework (RPF) that cover Khatlon Last-Mile Connections, GBAO Off-Grid Solutions and Last-Mile Connections, Sebzor HPP (associated facility), 110kV Transmission Line from Sebzor to Khorog and 110kV Transmission Line from Khorog to Qozideh (associated facilities); and (v) Labor Management Procedures (LMPs), separately prepared by BT and by PEC.

Environmental risks are limited to the impacts associated with weir, hydro-power plant, and transmission line construction (associated facilities), and rural electrification projects such as: (i) air pollution and noise from trucks and other construction machinery, concrete and asphalt plants; (ii) soil disturbance during earthmoving and material (gravel/sand/soil) extraction; (iii) tree-cutting and loss of vegetation; (iv) generation and disposal of construction and household solid waste; and (v) construction camp and quarry/burrow management.

Social risks are derivate, due to down stream implications chiefly relate to resettlement and labor management. Former emanate as some of the activities during implementation would require lands which may result in permanent and temporary impacts. While the construction of Sebzor HPP (associated facility) as well as off-grid electrification and last-mile connections will unlikely require significant land acquisition or physical displacement, construction of transmission lines may cause some physical and economic displacement. However, currently, full details about the requirement of lands are not known. As a result, it is not possible to identify in detail the persons likely to be affected and the impacts thereof. Hence a resettlement policy framework (RPF) has been prepared which will be expanded and resettlement action plans (RAP) prepared during implementation. Consequently, the client has prepared, apart from RPF, the following instruments have prepared: stakeholder engagement, and labor management procedures. Exclusion risks are considered low since the project will provide off-grid electrification and last-mile connections support to all communities in the project area.

Documentation and information available and reviewed as part of E&S screening are as follows:

1. "Tajikistan: Country Economic Update, Spring 2018." World Bank, Washington, DC.
2. OECD State of Fragility Report, 2018.



3. Tajikistan Risk and Resilience Assessment, World Bank, Washington, DC, 2017.
4. Jobs Diagnostic Tajikistan, World Bank, Washington, DC, 2017.
5. Dodwell, Brian, Daniel Milton, and Don Rassler. The Caliphates Global Workforce: An Inside Look at the Islamic States Foreign Fighter Paper Trail. United States Military Academy Combating Terrorism Center West Point United States, 2016. Toktomushev, Kemel. "Promoting Social Cohesion and Conflict Mitigation: Understanding Conflict in the Cross-Border Areas of Kyrgyzstan and Tajikistan." (2017).
6. Government of Tajikistan. State Committee of National Security, presentation to Parliamentary Session on "Prevention of youth involvement in terrorist organization and implementation of the Law in the Republic of Tajikistan", November 7, 2018. <http://saidomardum.tj/ma-lisi-ol/peshgirii-albi-avonon-ba-tashkiloti-terrorist-vazifai-omeai-sha-rvand-niz-ast/> <https://eurasianet.org/s/tajikistan-former-students-of-islam-return-to-nothing>
7. World Bank. 2017. "REDUCING MULTI-HAZARD RISKS ACROSS TAJIKISTAN: Protecting Communities Through Quality Infrastructure.

Areas where "Use of Borrower Framework" is being considered:

RETF will not use any of the Borrower's Framework for either the conduction of the studies or in the resultant implementation action plans.

ESS10 Stakeholder Engagement and Information Disclosure

Given the highly diverse stakeholder profile and that their expectations and orientation as well as capacity to interface with the project are different, a Stakeholder Engagement Plan (SEP) has already been developed under the REP. This has enabled the project to identify elaborately different stakeholders and provide an approach towards reaching each of the sub groups. The local communities and individual households who currently lack electricity supplies are likely to be the major beneficiaries viz., direct affected parties. Other Parties include: utility companies, local administration, traders and small and medium enterprises. SEP details out the type of consultations to be held (during preparation as well as implementation), frequency and methods of communication. It has also identified impediments in reaching out to stakeholders and accordingly plans drawn to build capacity of the client in engaging with stakeholders.. A draft of the SEPs has been disclosed publicly. RETF studies will draw upon the approved SEP as deemed appropriate. A Grievance Redressal Mechanism (GRM) has also been developed to enable stakeholders air their concerns/ comments/ suggestions, if any.

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B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

PEC has already prepared a LMP for the parent project. As PEC will be managing the RETF enlisting consultants, same LMP will be applicable to the consultants. All consultants will be deployed using the World Bank's standard procurement procedures.

ESS3 Resource Efficiency and Pollution Prevention and Management



The TA bears no impacts and risks related to ESS 3. However, TORs and analytical studies will include requirements of the ESS 3 as appropriate.

ESS4 Community Health and Safety

The TA bears no impacts and risks related to ESS 4. However, TORs and analytical studies will include requirements of the ESS 4 as appropriate.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

As the TA entails only consultancy studies, it will have no impacts on Land. However, as the resultant plans - RPF/ RAP- will be land based, TORs and analytical studies will include requirements of the ESS 5 as appropriate. RPF/ FAP will adopt and comply with the provisions laid out in ESS 5.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Given fact that the RETF is being used to support development of power options in GBAO, the action plans following assessments and investigations prepared under the RETF may cover elements related to ESS 6, as appropriate.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Based on the screening against ESS 7, this ESS is not considered relevant to the RETF.

ESS8 Cultural Heritage

Given fact that the RETF is being used to support development of power options in GBAO, environmental instruments prepared and/or upgraded under the RETF may address elements related to ESS 8, including chance find procedures, as appropriate.

ESS9 Financial Intermediaries

This standard is not currently relevant as no financial intermediaries are party to the project implementation modality.

C. Legal Operational Policies that Apply

| | |
|--|-----|
| OP 7.50 Projects on International Waterways | Yes |
| OP 7.60 Projects in Disputed Areas | No |

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

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A. Is a common approach being considered?

Yes

Financing Partners

RETF has no financing partners. However, the parent project and other construction activities have the following partners: KfW, USAID, SECO, and EBRD.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

- 1. Prepare the Terms of Reference for the consultancies and share with the Bank for approval.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- 1. Ensure that all the preparatory studies/ investigations are in full accordance with the ESS, in general, and ESCP as agreed and approved for the REP.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

31-Oct-2019

IV. CONTACT POINTS

World Bank

| | | | |
|---------------|------------------|--------|---------------------------|
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Borrower/Client/Recipient

Borrower: Ministry of Finance

Implementing Agency(ies)

Implementing Agency: Pamir Energy Company

Implementing Agency: Ministry of Energy and Water Resources

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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|-------------------------------|---|
| Task Team Leader(s): | Artur Kochnakyan |
| Practice Manager (ENR/Social) | Kevin A Tomlinson Recommended on 05-Aug-2019 at 14:38:3 EDT |