BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
<th>Project Name</th>
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<tbody>
<tr>
<td>Tajikistan</td>
<td>P159302</td>
<td></td>
<td>Tajikistan Railways Project (P159302)</td>
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<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<tr>
<td>EUROPE AND CENTRAL ASIA</td>
<td>Sep 10, 2018</td>
<td>Mar 20, 2019</td>
<td>Transport &amp; ICT</td>
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<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Ministry of Energy and Water Resources</td>
<td>Tajikistan Railways</td>
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Financing (in USD Million)

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
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<tr>
<td>International Development Association (IDA)</td>
<td>30.00</td>
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Total Project Cost 30.00

Environmental Assessment Category

B-Partial Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

Type here to enter text

B. Introduction and Context

Country Context

1. With a population of 8.4 million and a GNI per capita of $1,080 in 2014, Tajikistan is the poorest country in Central Asia. Tajikistan’s economic transition was delayed in part due to the civil war that followed the independence of the country in the early 1990s. The geopolitical context is still complicated by tensions at its southern borders with Afghanistan, and an unstable relationship with neighboring Uzbekistan which regularly affects border crossings. Tajikistan’s economy is dominated by agriculture, mining, aluminum processing. It is also one of the world’s most remittance-dependent countries, with overseas workers remittances constituting 49 percent of GDP in 2013 but dropping to 28 percent in 2015 due to the economic slowdown in Russia. In 2015, Tajikistan’s real GDP growth slowed to 4.2 percent from 6.7 percent one year earlier due to Russia’s economic slowdown, weak global prices for key export commodities, low expansion of services and agriculture. This translated into lower incomes for the population and lower domestic demand. The main engines for growth are agro-processing and mining industries. Economic diversification has become a priority since demand for commodities dropped in recent years, but it requires
enhanced human capital, improvements of public services, institutions, and in the quality of infrastructure. While the national poverty rate fell from over 72 percent in 2003 to 32 in 2014, most of the poor living in rural areas have limited access to basic public services such as transportation, electricity, clean water and sanitation. 40 percent of Tajikistan’s poor population is concentrated in the Southern province of Khatlon.

2. **As a landlocked country, Tajikistan needs to enhance connectivity in order to facilitate its economic transition and economic diversification.** Presently private investment accounts for 20 percent of total investments in the country, or 3 percent of GDP. It is much lower than Europe and Central Asia countries’ average. Private investors are discouraged by the environment for doing business in Tajikistan. Averaging about 15 percent of GDP annually since 2008, total investment is low by regional and international standards (in 2015 Tajikistan’s Doing Business ranking was 138 out of 189 economies). The transition from state oriented to private investments is hampered by the lack of connectivity both domestically and with international markets. Local and foreign entrepreneurs cite inadequate transport networks as a main obstacle for doing business. Tajikistan’s transport network remains inadequate both in quality and capacity, limiting access to markets and services, and hampering economic and social development. Projections by the government describe an annual economic growth of 7-8 percent accompanied by an annual increase in the volume of cargo of 9 percent. To accompany that forecast, the Government has developed a 2030 National Development Strategy, which includes targets in terms of physical connectivity.

**Sectoral and Institutional Context**

3. **Railway transport plays a vital role in Tajikistan.** Tajik Railways (TR) carried about 80 percent of all freight transported in and out of Tajikistan in 2015. In 2015, import traffic represented 65 percent of the business of TR, and transit traffic on Northern Line (see map annex 1) represented 25 percent. Imports and exports involve transporting goods such as mining, metals products and containers for agro-products over long distances. This reliance on long distant markets has been reinforced over the past six years, with sharp rise in the shares of Turkey and China in exports, and of Russia in imports increasing calls for a greater role for the railway in the country’s economic development. The railway transportation system also constitutes a climate friendly and an energy efficient way of moving people and freight. Tajikistan’s 14,000 km of roads are essential to carry goods at the domestic level, however 75 percent is in poor condition. Average vehicle speeds across the road network are about 30 km per hour. The national road network carries 92 percent of the domestic freight volumes of all transport modes, and 98 percent of total passengers. Air transport and civil aviation services remain underdeveloped. The share of road transportation is strong for short-distance and intra-regional movements. However trucking services do not present a reliable alternative as they are onerous due to high operational costs, including the cost of fuel that needs to be imported from Russia. Also trucking services are prone to random and unpredictable checks at international borders. A 2015 World Bank study analyzing domestic costs of shipping a 20 feet container by road among the largest urban areas in Tajikistan, showed that transportation costs were higher than between Eastern Europe and the United States.

4. **Although demand is high, TR is losing market share.** Although the important role of the railways is acknowledged by the Government, the share of road transport in overall traffic flows has been continually increasing, while railways decreased from 55 percent in 2008 to 45 percent in 2015. The current declining market share of TR is in sharp contrast with the country’s economic growth during the recent years, illustrating the untapped potential of freight transportation by railways. TR used to transport 10-12 million
tons until 2010, when Uzbekistan closed the border with the Southern Line of Tajikistan (see map - annex 1), leading to a gradual decrease of cargo traffic. Currently, TR transports only half the traffic transported before the abandonment of the Southern Line. Over the recent years, TR’s response has been to compensate the financial losses from declining traffic by an increase in tariffs, which convinced a number of freight customers to shift to trucking. TR will also need to adjust its business model to address the losses of some transit traffic operated along the Northern Line following the opening of the Uzbekistan Pap-Angren railway line in June 2016 which allows bypassing of the territory of Tajikistan. In the long term the railway market share may decrease further, as it is still higher today than in most other countries. Despite the challenges, TR increased its import traffic by 6 percent in 2014, confirming that railways could still play an important role for imports and exports from/to long distance partners.

5. **Tajikistan needs to address the fragmentation of its railway network.** The railway infrastructure in Tajikistan (about 660 km, one of the lowest track densities in the former Soviet Union) is composed of two geographically separated segments. Until September 2016 there were three disconnected segments, one covering the South, one the Center (connected with the South only in September 2016), and one the North of the country (see map - annex 1). All international interconnections transit via Uzbekistan’s territory. The Southern Line’s crossing to Uzbekistan was closed unilaterally by Uzbekistan in 2009 due to perceived security risks along the border with Afghanistan. As a result, the Southern Line, which accounted for two thirds of the Tajik network length, became inoperable. Similarly the transit of Uzbek goods along the Northern line has substantially decreased since the early 2010s. On the other hand, the Central Line connection to international markets is unlikely to be affected by a unilateral reduction of traffic or closure by Uzbekistan, because the Central Line is not located close to the border with Afghanistan. In September 2016, Tajik Railways (TR) managed to open a 40km green field new line from Yahvani (in Khatlon province) to Vahdat South of Dushanbe which now connects the South and Center segments. The completion of this new line is a major development for the railway network as it provides an opportunity for the network to serve domestic demand and addresses the legacy of not having a unified national railway system stemming from the Soviet Union’s fragmented network by national borders at independence. That connection (between Vahdat and Yavan) was built through a very challenging topography on a missing link between the Southern and Central Lines in an effort to revitalize rail transport and serve the Southern province’s markets. This major breakthrough provides a paradigm shift for an enhanced policy dialogue between the Bank and the government. The Southern region is fertile and densely populated. Cotton (Tajikistan’s second-largest export after aluminum products) and other agricultural or agro-industrial products exported via onerous and convoluted truck services since the closure of the southern border connection could now be transported by rail. The Southern Line traffic lost since 2009, equivalent to about half of the current traffic, might be recaptured and exported again over longer distances. It is also anticipated that for the origins/destinations of traffic made over 250-300km, rail services will have a competitive advantage against trucking at domestic level. The Khatlon population will also be allowed to travel by train to the capital Dushanbe. The proposed project design is offering to help TR optimize the new configuration of the rail network.

6. **Tajikistan will still need to improve the connectivity of its railway network further at both domestic and international levels.** At the domestic level, the new 40km interconnection from Yahvan to Vahdat will not be sufficient for achieving the full potential of the rail network. While the overall physical condition of the network is fairly good and safe relative to regional standards, the Southern line (423 km of track as well as rolling stock), has been neglected since its closure in 2009. The rehabilitation of tracks is necessary along the severely deteriorated section Qurghonteppa–Yavan of the Southern Line, further South
from the new line Yahvan-Vahdat (see map under annex 1). The modernization of the obsolete telecommunication links will also be necessary to enhance reliability and safety and allow higher connectivity of the railway stations with the dispatching center in Dushanbe. Moreover, the Vahdat bridge requires repairs and this could be addressed with additional investment - financing for the bridge is being sought (a different channel than IDA or parallel financing with IFIs) although the project remains viable without the bridge rehabilitation. At the international level, the government is trying to unlock TR network further and reduce the current dependence on Uzbekistan for the transit via the Central Line. This is why the government is planning the development of the Tajikistan-Afghanistan-Turkmenistan (TAT) project in addition to the recent new connection between the Southern and Central segments. The project would consist in constructing a missing link in the Tajik territory, between Kolkhozabad and Nijii Pyanj at the border with Afghanistan. The TAT would provide Tajikistan with a new opportunity to connect with international routes from the South. This project requires major investments as well as longer term coordination with Afghanistan and Turkmenistan.

7. **Beyond physical connectivity, TR should focus its business strategy on international demand.** Constraints and risks faced by the sector could be remedied. TR is a state enterprise which operates under the Ministry of Transport. It is largely a freight railway—96 percent of its traffic units are freight units. TR still does not seek subsidies from the government, and is able to cover its operating costs. However, serious risks of irreversible worsening of the operational and financial situation of TR exist (as described in the Regional Railway Policy Note prepared by the Bank in 2015). The high dependency on international market conditions makes the financial sustainability of the Tajik Railways fragile. TR must act vigorously to protect and extend its share of international transport, which may generate important revenues; it requires flexibility in negotiation with other participants in international transport, and quality of services. During the assessment of the status of the TR in 2015, the World Bank provided a number of specific recommendations: (i) as a large component of TR’s operating expenses is fixed and cannot be easily reduced without restructuring, TR should further implement a restructuring program that will effectively address its financial and operating performance and prepare it to meet future market demands, (ii) the development of TR’s marketing capacity is necessary to retain and develop its market shares, (iii) enhanced coordination with other stakeholders such as customs, taxes etc is needed to reduce costs, (iv) methodologies for setting tariffs and prices including for transit should be modernized, (v) TR needs to focus on productivity starting with an assessment of transaction costs and over time develop asset management procedures and systems, and (vi) improve interoperability with neighbouring countries.

8. **The government is committed to restructure the railways and is seeking assistance from the Bank to do so.** The government supports railways as a strategic mode to respond to the import/export needs of the country, and enhance Tajikistan’s regional connectivity. But the government also expects TR to become more market and service oriented and cost efficient. TR presently faces a surplus of assets (locomotives, wagons) and staff inducing negative effects on operational and financial performance. Assessing the necessary assets and staff, modernization of indispensable assets and resolution of the problem of surplus fleet and staff would reduce operating costs and increase performance of TR. The government agreed to use the key recommendations formulated as part of the Bank-prepared Regional Railway Policy Note (2015) to scope out a restructuring roadmap for TR. An inter-governmental Railway Restructuring Committee has been established in 2016, chaired by the Minister of Transport to review and further expand upon the Regional Railway Policy Note’s findings, and discuss implementation plans. As part of the ongoing policy dialogue, the government requested support from the Bank through a PPIAF study to provide
guidelines in facilitating TR’s transition from an administrative entity under MoT’s oversight, to a corporatized and market oriented organization.

Relationship to CPF

9. **The proposed project is well aligned with the World Bank Country Partnership Strategy (CPS) for Tajikistan for the period FY15-18, pillar 3 – promoting regional connectivity.** The project contributes to meeting the objective of enhancing reliability and reducing the cost of transport services and to strengthening the efficiency of service delivery. The CPS notes that investing in railways has great potential to alleviate poverty, and boost macro and micro economic activity. Enhanced connectivity would increase productivity, reduce transport cost and travel time and facilitate access to markets. In addition, this activity supports closer regional integration with neighboring countries through enhanced regional connectivity.

10. **The project will support achieving the twin goals which were set by the World Bank to end extreme poverty and to promote shared prosperity.** The project will enhance connectivity with the province of Khatlon which concentrates 40 percent of all the country’s poor population. Access to infrastructure will allow producers in the Khatlon province to reach new customers, modernize and diversify their production, gain new technologies and skills with the ultimate objective of increasing wages and revenues. It will also allow the poor to gain all year long access to health and education facilities in Dushanbe thanks to the development of safe and reliable rail passenger services.

C. Proposed Development Objective(s)

To enhance the connectivity between the Central and Southern Lines of Tajikistan Railways and to improve TR’s operational and financial efficiency.

Key Results (From PCN)

11. **The main outcome indicators of the project include:**
   - Increased capacity to handle freight traffic expressed in TU-km (ton-km + passenger-km) per km of track (number);
   - Increase of number of beneficiaries having access to rail transport through the interconnection of Southern and Central Lines: passenger (number) and freight (number);
   - Reduced operating costs on the railway network expressed in US$/TU-km/year (percentage).

12. **The main output indicators of the project include:**
   - Rehabilitation of 35 km of track (railway line Qurghonteppa-Yavan);
   - Rehabilitation of the Vahdat bridge;
• Modernization of the telecommunication system of Tajik Railways along the Central and Southern lines;
• Implementation of an action plan for TR restructuring;
• A Feasibility Study for the Kolkhozabad to Nijnii Pyanj new railway line, part of the TAT project.

D. Concept Description

13. The proposed project is meant to accompany TR in their effort to maximize the benefit of the recently opened Vahdat-Yavan railway line connecting the Southern and Central railway networks. The project is set as a first engagement with TR, addressing some of their infrastructure development and institutional strengthening objectives:

a. Improving the quality of services on the interconnected Southern and Central Lines by financing the rehabilitation of a worn out section Qurghonteppa–Yavan and the rehabilitation of the Vahdat bridge.

b. Modernizing the telecommunication network of TR’s network for increasing traffic safety and enhancing the performance of the traffic management system.

c. Studying the economic efficiency of the potential extension of the Southern Line up to the free economic zone close to Panji Poyon at the border with Afghanistan.

d. Carry out a PPIAF study while taking steps to implement the project. The scope of the proposed PPIAF is to: reduce operating costs including the: (i) examining restructuring options and enhanced financial performance of TR in human resources development, rolling stock and infrastructure maintenance; (ii) implementing a time-bound plan for restructuring. This plan will require: (i) implementing tools to analyze the costs of services; (ii) scoping out tariff strategies applicable to market segments; and (iii) training to give staff the business culture and skills needed to support TR’s commercialization.

14. As the first Bank-financed railway project in Tajikistan, the project will be limited to achieving immediate and short term objectives (necessary for the revitalization of the TR) and for the preparation for approaching longer term objectives, as follows:

a. Short term objective: Supporting the interconnection between the Southern and central lines through the rehabilitation of the Vahdat bridge and the rehabilitation of the worn-out railway section Qurghonteppa–Yavan. It will allow TR to access new market and thereby support an increase in freight volumes.

b. Short term objective: Modernization of TR’s telecommunication network as a vital component of the safety of railway traffic, offering also the potential for increasing revenues from commercialization of surplus telecommunication capacities.

c. Short term objective: Definition of the strategy for restructuring of the TR on a commercial basis and identification of specific steps for the restructuring.
d. Longer term objective: Evaluation of the feasibility of the development of the TAT extension to the border with Afghanistan. The evaluation will assess whether the line could serve the domestic and export needs of TR network, even before the longer term finalization of the international corridors.

15. The proposed project will contribute to improving the efficiency of the railway transport system and will facilitate regional integration and international connectivity. The project will enhance connectivity in the country and facilitate transport of goods from the South to Dushanbe and to export. The modernization of the telecommunication network of TR’s network will contribute to the increase of traffic safety and better performance of the traffic management system. Simultaneously, considering the high capacity of the modern fiber optic cables installed by TR, the surplus telecommunication capacity would be leased to third parties (telephone, data transmission, internet services, etc.) generating revenues for TR and improving telecommunication capabilities. The feasibility study for the extension of the Southern line up to the free economic zone close to the Panji Poyon border with Afghanistan will be prepared in response to the government’s longer term interest in developing new routes to connect Tajikistan with trade partners (TAT project).

Project Components

16. The project includes three components: (i) targeted investments for rehabilitation of the Vahdat bridge, the Qurghonteppa-Yavan rail section and telecommunication improvements, (ii) a strategy for restructuring TR, and (iii) a feasibility study for the rail line connecting the Southern line to the border with Afghanistan.

Component 1. Targeted investments to support TR modernization

17. The Component will support procurement of necessary goods, works and services to ensure the safety and reliability of key railway lines.

a. Rehabilitation works (about $7 million confirmed, 23 percent of total cost).

(i) The section Qurghonteppa – Yavan (35 km, see map) is part of the Southern Line which was connected with the Central Line. Rails and sleepers are in poor condition on this section and need to be replaced. The investment cost will cover single track rail and fixings, base plates and pads.

(ii) The rehabilitation of the railway bridge in Vahdat and river flows control constructions along the Kafirnigan River are needed to increase the operational speed and safety. The investment is estimated at $20 million. Financing for the bridge component is being sought (through alternative WBG financing
source, or through parallel financing by another IFI). In the event that financing does not materialize, the project economic viability would not be affected.

b. Railway safety modernization (about $15 million, 50 percent of total costs): Connection of the newly built Vakhdat-Yavan section (see map under annex 1) to the optic fiber network and thereby to the central server in Dushanbe is critical to ensure safe and reliable train operations. Investment in the modernization of telecommunication systems is a preferred option given the forecast traffic during the first years following the re-opening of the Southern line. This component will include installation of fiber optic ducts and cable along the track, installation of modern radio and telephonic connections for the traffic management, CCTV for supervision of the critical parts of the railway infrastructure, and transmission of any information relevant for railway traffic and safety. The expected excess telecommunications capacity would be leased by TR to other users in Tajikistan, generating additional revenues to the company. International experience shows that such an option requires straightforward institutional arrangements. The telecoms package could include the central line, the Vahdat-Yavan new line and part of the southern line connecting the main population centres and their stations. The estimated cost of would at least cover the Central line, the new line, and 100 km of the Southern line – a reassessment of the traffic forecasts for the Northern Line will be carried out at a separate stage.

Component 2. Strategy for restructuring TR ($4.75 million, 16 percent of total cost) including implementation support.

18. The following activities are planned inter alia to be carried under the PPIAF TA in parallel with the project preparation:

(i) Examination of restructuring options to improve governance structure of TR, such as through corporatization of TR and enhanced financial performance of TR in the areas of human resource development, rolling stock and infrastructure maintenance. The government aims to revisit its restructuring program approved in 2010 and seeks support from the Bank to do so.

(ii) Development of a restructuring plan including a time-bound plan for the implementation of restructuring. Support to TR in capacity building will be provided, including staff training on state of the art commercial rules for operation of international freight and passenger transportation services. The training will focus on staff working in the Southern Line, as their knowledge and skills need updating because the line was closed for the last 7 years. A study tour in other railways in the region or in other parts of the world will also help the members of the Railway Restructuring Committee to have direct contact with successfully reformed railways and to develop a grasp of modern management practice.

(iii) A rapid assessment of TR’s safety organization and procedures/operational manuals.
19. Further institutional activities for the project implementation phase would include: support for financial and accounting modernization, in-house support during the implementation of the reforms, staff training as part of a comprehensive capacity building effort, implementation of human resources strategies, revised safety procedures, commercial management practices and tools, and asset management systems.

20. Project Management Activities will finance activities including management of social and environmental safeguards and fiduciary, procurement activities, and impact assessment. The component will cover operational costs, external consultants, logistics, office equipment etc. Financing will be provided for technical advice to review and implement an outreach strategy, the collection of baseline and monitoring data, and capacity building for relevant staff. These efforts will adopt a gender lens ensuring that adequate attention is paid to gender differences while dealing with customers. Depending on data available, this would reflect analysis showing the gendered nature of information access in Tajikistan. Training on environmental and social safeguards will also be provided.

21. Gender. The project will include the following gender activities. The preparation will assess the gender-specific needs in railway services and related facilities’ design through consultations (surveys, interviews, fora). Gender-disaggregated data on railway passengers and personnel would enable better planning and design of physical facilities (e.g., design of stations), services, and safety provisions that meet women’s and men’s specific needs. The project preparation will include an assessment of the potential impact of the railway development on women’s economic opportunities, including trade and tourism-related activities. Opportunities for promoting women’s employment in the railway operations will be explored (i.e. setting targets for female employment in new railway jobs and providing women with equal access to on-the-job training, for example, as railway station attendants, ticket booth operators, station managers, train drivers, ticket collectors, and in railway operations and maintenance).

22. Citizen engagement. Further preparation work will assess (i) whether feedback provided by beneficiaries is used and/or whether actions taken based on their feedback are communicated back to them; (ii) the degree of involvement in decision-making that beneficiaries have in the design, implementation, or oversight of the project.

Component 3. Feasibility for the rail line expansion from Kolkhozabad to Nijnii Pyanj free economic zone (about $1 million)

23. The extension of the railway network up to the border of Tajikistan is part of Tajikistan-Afghanistan-Turkmenistan (TAT) corridor, which already involves various donors in considering of financing various activities, and this shall be further discussed and coordinated by MOT with donors, including parallel co-financing option with the Bank. The TAT would give Tajikistan a competitive alternative to the transit via Uzbekistan. There is a need to prepare a Feasibility Study (FS) for this section to assess economic viability of the project. The main emphasis is to enhance connectivity of the railway network with
existing and future customers, including agro-business private industries and cement factories. The terms of reference of the feasibility study will include appropriate social and environmental studies. While the preparation of FS can be carried out during the proposed project implementation, the civil works will be carried out separately if the project is deemed economically feasible.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project is located within the bounds of Districts of Republican subordination and Khatlon Region. Dushanbe, the capital of the country and Vahdat are amongst the larger districts in the Districts of Republican subordination. Dushanbe inhibits around 800,000 people. Khatlon Region on the other hand is located in the southwest and is the most populous Region in the country. Khatlon borders Afghanistan in the south and southeast and Uzbekistan in the west. The population in Khatlon is over 2.5 million and is predominantly engaged in agriculture. Approximately 45 percent of the country’s irrigated land is located in this Region. Cotton is the major crop grown in the area and accounts for 60 percent of the cotton harvest in the country.

The proposed project, the southern line, passes through a mix of plain and mountainous terrain and will help improve Dushanbe-Vahdat, and Qurghonteppa-Yavan corridor. Considering the proposed project scope, environmental risks are limited to the typical impacts associated with infrastructure rehabilitation projects. The severity of potential impacts is expected to be moderate and is mostly limited to the construction period.

B. Borrower’s Institutional Capacity for Safeguard Policies

Tajikistan Railways (TR) does not have experience in implementing World Bank financed projects. The Project will be implemented through a Project Implementation Unit (PIU) which will be led by a Director from MoT and a Deputy Director from TR in charge of coordinating with IFIs and coordinating with decentralized government agencies, and comprising a team of specialists as well as support staff. No staff are currently assigned to the role of environmental and/or social specialist. The Bank will recommend that one staff each is assigned to work on social development issues including involuntary resettlement and on environmental safeguards. Additional support may be required, in the form of consultants, to prepare relevant resettlement instruments. However, it will be critical for PIU staff and relevant local authorities to be an integral part of the process of preparing any relevant resettlement instruments.

The World Bank will carry out a detailed capacity assessment during project preparation to inform training activities. In addition, the PIU will be trained by the World Bank to acquire a good understanding of project management and project safeguards as required by IFIs. The World Bank will also provide upfront training to the PIU on international best practices on involuntary land acquisition and preparation of environmental and social impact assessments.

C. Environmental and Social Safeguards Specialists on the Team

Javaid Afzal, Angela Nyawira Khaminwa, Gulru Azamova
### D. Policies that might apply

<table>
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<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>The proposed project scope includes rehabilitation of the (i) existing bridge over Kafirnigan River in Vahdat, (ii) the 35 km long Qurghonteppa-Yavan rail section and (iii) installation of modern telecommunication infrastructure that includes fiber optics ducts and cable along the Southern Line track, installation of modern radio and telephonic connections for the traffic management, and CCTV for supervision of the critical parts of the railway infrastructure. The team assessed the safeguards category B considering that the proposed works are of rehabilitation and are to be carried out within the existing right of way. An environmental and social impact assessment (ESIA) is to be carried out for the proposed works to be financed by the Bank. Government of Tajikistan with the help of Chinese Government has constructed a new rail link between Vahdat and Yavan, and construction of this section is already complete and track is functional. The ESIA will include a due diligence for Vahdat-Yavan section (constructed with the help of Chinese Government) to ensure that obligations required under the national law for environmental protection were considered and implemented. The ESIA will be prepared and disclosed prior to the project appraisal. Under component 3, the World Bank will be funding feasibility studies for rail expansion from Kolkhozabad to Nijnii Pyanj. The TORs for the studies will need to reflect relevant environmental and social impacts, with reference to the World Bank’s OP 4.01.</td>
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<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>TBD</td>
<td>The project activities are confined within the existing right of way, and the alignments do not pass through any critical natural habitat. However, associated facilities include recently constructed Vahdat-Yavan new rail section and therefore require an assessment whether any critical habitats have been impacted. Any impacts on critical natural habitat will be studies as part of due diligence under the ESIA.</td>
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<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>The project activities are confined within the existing right of way, and the alignment does not pass through any forest or forested land.</td>
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<td>OP 4.09: Pest Management</td>
<td>No</td>
<td>The project does not promote or increase use of pesticides as defined in the Policy. Land is cleared from vegetation using mechanical means.</td>
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<tr>
<td>OP 4.11: Physical Cultural Resources</td>
<td>TBD</td>
<td>There are no sites of physical cultural significance present along the existing alignment - financed under component 1a. However, associated facilities include recently constructed Vahdat-Yavan new rail section and therefore require an assessment whether any physical cultural resources have been impacted. This will be studied as part of due diligence under the ESIA.</td>
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<tr>
<td>OP 4.10: Indigenous Peoples</td>
<td>No</td>
<td>There are no Indigenous Peoples as per OP 4.10 in the project area.</td>
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| OP 4.12: Involuntary Resettlement  | Yes      | In component 1(a), the track and bridge rehabilitation works are expected to be undertaken on the current position of the tracks without any correction of curbs or extension of stations. There may however, be some involuntary resettlement impacts.  

In component 1(b), the laying of the fiber optic network and other telecommunication infrastructure may also involve some involuntary resettlement impacts. These works could include the central line, the newly-constructed Vahdat-Yavan line and the southern line.  

Also under component 1(b), as the laying of the fiber optic network and other telecommunication infrastructure could be undertaken on the newly constructed Vahdat-Yavan line. An audit will be undertaken on land acquisition related to this line and an action plan prepared to ensure that the relevant land acquisition complies with OP 4.12.  

In component 3, the World Bank is financing feasibility studies for rail expansion from Kolkhozabad to Nijnii Pyanj. The TORs for the studies will need to reflect relevant environmental and social impacts, with reference to the World Bank’s OP 4.12.  

For the works under Component 1, a Resettlement Action Plan (RAP) may be required for site-specific resettlement that will be known prior to appraisal and a Resettlement Policy Framework (RPF) may be required for involuntary acquisition that will be known after appraisal.
The project does not involve any activity on any dam as required under the Policy.

The project involves river flow control measures for the proposed rehabilitation works on a bridge over Kafirnigan River. The River is a tributary of Amu river which is an international river. Whether the proposed works will alter, change or modify the quantity, quality or flows of international waterways needs to be studied as part of ESIA.

The project is not located in disputed areas as defined in this Bank Policy.

**E. Safeguard Preparation Plan**

Tentative target date for preparing the Appraisal Stage PID/ISDS

Apr 17, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The ESIA study will be completed and disclosed by April 14th, 2017.

The audit on resettlement required on the Vahdat-Yavan line and the identification of any gaps and/or gap-filling measures (the action plan) will be prepared by April 14th, 2017. In addition, the TORs for the feasibility studies and the required resettlement instruments (RAP/RPF) will be prepared and disclosed by April 14th, 2017.

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**APPROVAL**

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**Approved By**

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