Environmental and Social Review Summary
Concept Stage
(ESRS Concept Stage)

Date Prepared/Updated: 03/27/2019 | Report No: ESRSC00269
BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tajikistan</td>
<td>EUROPE AND CENTRAL ASIA</td>
<td>P170132</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Electrification Project</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>«PRACTICEAREA»</td>
<td>Investment Project Financing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrower(s)</th>
<th>Implementing Agency(ies)</th>
</tr>
</thead>
</table>

Proposed Development Objective(s)

The project development objectives are to provide electricity access to target settlements in Khatlon and Gorno-Badakhshan Autonomous Oblast (GBAO) regions of Tajikistan, and improve reliability of electricity supply in GBAO.

Financing (in USD Million)

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
</tr>
</tbody>
</table>

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 have the following key components: Component 1: Construction of Sebzor HPP and its connection to the domestic power transmission and Afghan networks. This component would have the following two sub-components: Sub-component 1.1: Construction of 11 MW Sebzor HPP. This HPP would be located in the southwestern part of VMKB, close to the Afghan border. The project would ensure sufficient generation capacity to meet the projected electricity demand in VMKB and also allow electricity exports to the neighboring Afghanistan of surplus generation during the summer months. Specifically, the project is expected to generate 94.5 million kWh of energy per year, with 60 percent consumed domestically in VMKB primarily by the consumers already connected to the
network and the rest exported to Afghanistan. Sub-component 1.2: Construction of power transmission lines to evacuate electricity from Sebzor HPP. Evacuation of electricity from Sebzor HPP would require construction of 110 kV double-circuit 18 km power transmission line from the power plant to Khorog HPP substation. There will be a need for another 7 km transmission line from the Khorog HPP substation to the Afghan border. Component 2: Provision of electricity service to target settlements in Khatlon and VMKB regions. This component would have the following two sub-components: Sub-component 2.1: Grid-connection or off-grid electricity supply/generation sub-projects for target communities. This would include electricity supply and generation solutions for: (a) 60 settlements in VMKB with total population of about 11,660 people, which do not have electricity service; and (b) 50 settlements in Khatlon region with total population of about 10,000 people, which are bordering with Afghanistan, and do not have electricity service. Sub-component 2.2. Last-mile connections for consumers in target settlements. This sub-component would finance household connections and basic wiring costs to alleviate consumer affordability barriers. Household consumers whose connection and internal wiring costs are prefunded by the project may be required to repay, in installments, the full costs over a period agreed with PEC and BT (for their respective parts of the assets). The project may also finance last-mile connection costs for social and public facilities (e.g. hospitals, schools, kindergartens), but will not finance those costs for commercial and industrial users. Component 3: Technical Assistance for Project Implementation. This component would finance: (a) Project Management Consultant (PMC) to help PEC and BT to conduct technical supervision of Sebzor HPP and other grid connections or off-grid RE projects; (b) capacity building at PEC and BT to conduct integrated electricity access planning, and prepare and implement capital investment projects for off-grid solutions; (c) capacity building at PEC and BT to operate and maintain non-hydro RE projects given that there is no capacity in the country to operate and maintain non-hydro RE projects; (d) project and entity audits; and (e) support to PEC to strengthen its financial performance and start accessing commercial financing.

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. The project’s regions -Khatlon and GBAO- are home to interesting 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. Khatlon and GBAO account for the highest level of absolute and relative poverty measures. 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 very high 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) high degree of diversity in terms of linguistic as well as political orientations; (ii) inter-regional as well as rural-urban disparities; (iv) cross border illicit trade and drug movement related scuffles; and (iv) low income and employment opportunities. These can become impediments during the construction stage, especially in the spheres of security and labor management and labor influx. On the power situation, Tajikistan, in general, and the project regions, in particular, suffers from electricity supply shortages since its disconnection from the Central Asian Power System in 2011 and discontinuation of gas supply from Uzbekistan. About 2.5 percent of population (200,000) does not have access to electricity across the country. 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 remote mountainous
areas in Khatlon and GBAO where access has historically been a challenge. These areas were dependent upon diesel-based portal generators which have become prohibitively expensive and laborious. Absence of power not only has impacted severely the living and livelihoods (expansion of opportunities for economic activities, improved social services, improved education etc.) but also aggravated fragility as not only the communities face hardships but have to migrate to eke out their living. Providing power supplies in these regions is quite an uphill task as these are mountainous areas with extremely difficult accessibility. The Sebzor HPP will be located on the Shokhdara River some 20 km south east of Khorog town. It will be connected to PamirEnergy substation in Khorog through a 110 kV overhead transmission line. The Sebzor HPP will have the following major components: 1) a weir of about 5 m height in the river near Barjingal village; 2) water intake at the weir; 3) headrace channel or tunnel of about 3 km length to a location near Sebzor village; 4) penstock; 5) powerhouse with turbines and generators; and 6) 110 kV substation.

D. 2. Borrower’s Institutional Capacity
The proposed project will have two implementing entities; Barqi Tojik (BT), a vertically integrated state-owned energy company; and 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. BT will be responsible for implementing the construction of Sebzor HPP project and the electrification of settlements in Khatlon region. PEC will be responsible for construction and grid-connection of Sebzor HPP as well as electrification solutions in GBAO. While both implementing agencies have some experience with project implementation and management, including mitigating environmental and social risks, this 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 ESMF, final Sebzor ESMP, and in 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)

Environmental Risk Rating
The Environmental Risk Rating is Substantial due to the fact that the project is building the Sebzor run-of-river HPP in the remote GBAO province and constructing greenfield power transmission lines related to that facility. The rural electrification component will also involve a large number of smaller scale activities taking place in remote areas of GBAO and Khatlon where current capacity for addressing the relevant ESSes by the implementing agencies is expected to be low.

Social Risk Rating
Social Risk is rated Substantial. Risks and impacts due to the type, location, sensitivity and scale of the Project are not significant. However, contextual risks -- 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 high. Consequently, security risks to contractors and laborers as well as migrant laborers and community safety too warrant attention. All of these will have a bearing on all the project’s activities: (i) construction of Sebzor hydro power plant; (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 construction of a
large reservoir. It 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 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 relatively easily. Thus, the risks vary across the various components. While hydro-power plant construction bears substantial risk, other interventions are likely to be moderate. But, overall, considering various facts and variables into account, social risk is rated substantial.

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:

The environment and social risks are both rated as substantial. Two categories of risks are recognized: one, as related to the impacts of the project activities; and the other, contextual. The former relates to: civil works related environmental disturbances, and land acquisition and resettlement. The latter, contextual risks, at times, could have a bearing on security to contractors and laborers and community safety. All the risks are identifiable and manageable. Towards addressing these, the client will prepare before appraisal the following instruments: (i) Environmental and Social Impact Assessment; (ii) Environmental and Social Management Plan; (iii) Stakeholder Engagement Plan (SEP); (iv) Resettlement Policy Framework (RPF); (v) Labor Management Procedures; and (vi) Community Health and Safety Plan (CHSP). Environmental risks are limited to the impacts associated with weir and hydro-power plant construction, transmission line construction, and rural electrification projects such as: (i) air pollution and noise from trucks and other construction machinery, 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 management. Prior to World Bank involvement, the client prepared an Environmental and Social Impact Assessment (ESIA) for the Sebzor HPP. Prior to appraisal, the client will update and disclose that ESIA and the accompanying Environmental and Social Management Plan (ESMP) to ensure full compliance with the relevant ESSs. The client will also prepare and disclose a detailed ESIA/ ESMP in respect of the proposed transmission line as and when the design/ line alignments are firmed up. Additionally, for the rural electrification component, the client will prepare and disclose an Environment and Social Management Framework (ESMF) that covers all relevant ESF Standards. The ESMF will have checklists for determining if a proposed activity meets environmental and social criteria for financing under the project as well as where and when site specific ESIs/ESMPs will be necessary. Social risks relate chiefly to resettlement and labor management. The former emanate as the project would require lands which may result in permanent and temporary impact. While the construction of Sebzor HPP 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, details about the requirement of lands are not known. As a result, it is not possible to identify the persons likely to be affected and the impacts thereof. Hence a resettlement policy framework (RPF) will need to be prepared which can be expanded and resettlement action plans (RAP) prepared during implementation. Further, given that construction activities will take place in FCV areas, labor management – labor
influx, camps, security, ESHS, relationship with local communities, GBV/SEA- may also need attention. Consequently, the client will prepare, apart from RPF, the following plans: stakeholder engagement, labor management, community health and safety, and occupational health and safety. 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. Potential Associated Facilities - the project proposes to construct a 7km transmission line to the Afghan border for potential export of surplus power to Afghanistan for generating additional revenues. The export of power is also expected to generate significant social and economic benefits for Afghanistan as well. It is envisaged that the project will ensure benefits (similar to that in Tajikistan) to conflict-affected areas of Afghanistan given that bordering communities currently do not have access to electricity. About 47,000 customers (370,000 people) are expected to directly benefit from exports of electricity from Sebzor HPP. The PCN further states that there is interest for the project on Afghan side and the Government plans to request Asian Development Bank (ADB) to finance the power transmission line to connect to the Tajikistan network so that energy from Sebzor HPP can be received. During project preparation, the team would confirm the timing of Afghan transmission line as well as whether investments on power distribution side may be required on Afghan territory to connect new consumers to electricity network. The team will also need to confirm if the Afghanistan transmission line and potential distribution network should be considered “Associated Facilities”. Though not funded as part of the project, they would: (a) directly and significantly relate to the project; and (b) have a bearing on the financial profitability of the project. However, the PDO does not encompass the activities and they may not be contemporaneously implemented. Tajikistan is unlikely to have any influence over the ‘associated activity’ in Afghanistan. ADB does have environment and social measures similar to that of the World Bank. At this stage, the risks associated with this activity cannot be gauged and will have to be explored further during project preparation and/or when or if progress on the planning of the Afghanistan activities is made.


Areas where reliance on the Borrower’s E&S Framework may be considered:

Given the high environment and social risk of the project, Borrower’s E&S Framework will not be used for the Project as a whole or for any of its parts.
ESS10 Stakeholder Engagement and Information Disclosure

Project preparation has made preliminary attempts at mapping the stakeholders. Individuals and groups likely to be affected (direct beneficiaries) have been identified. The local communities and individual households who currently lack electricity supplies are likely to be the major beneficiaries. Mapping of Other Interested Parties such as businesses (including small local entrepreneurs) that benefit from improved electricity supply, government agencies active in the rural communities of Khatlon and GBAO, rival/extremist groups, NGOs and CSOs and non-beneficiaries needs to be done fully. 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) will need to be developed. This will enable the project to identify elaborately different stakeholders and provide an approach towards reaching each of the sub groups. SEP will also identify impediments, if any, at reaching out to stakeholders as well as reflect/ build capacity of the client in engaging with stakeholders. A draft of the SEP will be prepared by the client, disclosed publicly as early as possible and begin implementation during the project preparation itself. The client will also develop and put in place a Grievance Redressal Mechanism (GRM) to enable stakeholders air their concerns/ comments/ suggestions, if any.

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

Project workers will include Direct Workers, Contracted Worker and Primary Supply Workers. The construction of the Sebzor HPP (a weir, a power house and associated facilities such as transmission lines) will likely entail international/regional service providers and contractors. Unskilled labor is expected to be hired locally while skilled workers are expected to be hired from other areas of Tajikistan and/or internationally. Labor camps are envisaged, which may have more than 200 workers at any given point of time. Risk related to labor influx is expected, but will be mitigated by the establishment and close adherence to 1) a labor management procedure to be prepared by the PIU; (ii) labor management plan(s) to be prepared by the Contractor(s) as part of the Contractors ESMP; and 3) a workers code of conduct acceptable to the Bank. Risk of child/ forced labor is considered to be limited, however, ESIA to be conducted during preparation will assess potential risks and mitigation measures will be included in ESMP, if found necessary. The ESMF and ESIAs will include sections on OHS and Community Safety as well as Labor Management Procedures (LMP). ESMPs and Bidding Documents prepared for the project will include a Health, Safety and Environmental (HSE) plan in line with World Bank Group Environment, Health and Safety (EHS) Guidelines. A Worker Health and Safety Plan will also be developed to cover site-specific job hazards, provision of preventive and protective measures for all hazards; information about safe working methods; and road safety measures. The plan will also include procedures on incident investigation and reporting, recording and reporting of non-conformances, emergency preparedness and response procedures and continuous training and awareness to workers. Locally based GRMs specifically for direct and contracted workers, respectively, will be provided. Civil works contracts will incorporate E&S mitigation measures (ESMP; LMP, ESHS guidelines; Stakeholder Engagement Plan (SEP), RPF, CHS Plan, Contractor’s GRM, etc.). All civil works contracts will include industry standard Codes of Conduct that include measures to prevent GBV/SEA.

ESS3 Resource Efficiency and Pollution Prevention and Management
The ESMF and ESIs/ESMPs will include sections on resource efficiency and Pollution Prevention and Management. Assessment of risks and impacts and proposed mitigation measures related to relevant requirements of ESS3, including raw materials, water use, air pollution, hazardous materials, and hazardous waste will be included within scope of the ESMF and ESMPs as relevant.

**ESS4 Community Health and Safety**

Construction of weirs, hydro-power plants, and transmission lines are associated with dusts/noises, soil disturbances, temporary blockades, traffic management, waste disposal, labor influx and associated disturbance to local communities and labor camps management. Addressing these issues would demand a detailed mapping of the communities likely to be affected and an assessment of the impacts thereof. ESIA/SEP will enable identifying stakeholders and the likely impacts. In particular, client will identify, evaluate and put in place a mechanism to manage potential road safety risks and risks to workers, nearby communities and other road users. ESIA will assess the potential scale and risk due to; natural hazards associated with earthquakes, landslides, and avalanches; potential change in ecosystem services related to the Sebzor HPP; and labor influx on safety of local communities and their effect on the availability of basic needs and services. The Social Assessment will specifically look at security risks. Further, as appropriate, a separate CHS plan will also be prepared, as part of the Contractor’s ESMP and based on the result of ESIA (as a sub-management plan of which the template will be included in the ESMF and the ESMP), to address these impacts/ risks: (i) health to human and livestock; (ii) HIV/ AIDS; GBV/ SEA; (iii) traffic management; (iv) labor influx and labor camp management; and (iv) safe keeping of persons and communities within and outside the project site as a result of the deployment of security personnel. The Contractor will be required to appoint designated community liaison persons as part of the CHS plan who will keep local communities informed of construction schedule, expected impact and other issues of interest for them, and receive grievances or feedback from them. For the Sebzor weir and the power plant, the updated ESIA/ESMP will assess the level of dam safety requirements as spelled out in ESS4. The final design documents and associated final ESIA/ESMP, to be prepared as part of the design, supply, and install contract, will address the dam safety issues related to the weir construction to the satisfaction of the Bank.

**ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

Project would require lands in lieu of components 1 and 2. Under the former, construction of a hydro power project is envisaged. However, the plant will be built across an existing run-of-river with a 2.8 km canal, two 220 m penstocks and a power house. And, this will be built in a sparsely populated area. So, land acquisition and resettlement impacts are likely to be not significant. The client has already done some preliminary investigations and alternatives drawn for the construction of hydro-power plant. As regards off grid supplies, no details are currently available. Construction of transmission and distribution lines may not require much lands and most land acquisition may be addressed as easement (servitude) requiring land use restrictions only, but would demand buy-in from the local communities. So, as of now, the extent of land acquisition and the impacts thereof (on local people / communities) are not known. Nature and extent of impacts as well as number of people/households likely to be affected would become known as the detailed surveys are done and design firmed up. Hence, given this situation, a Resettlement Policy Framework (RPF) will be prepared and disclosed during project preparation. The RPF will establish how site-specific Resettlement Action Plans (RAPs) will be prepared, disclosed, and implemented. It is noted that all sub-projects requiring RAPs will ensure that the RAPs are fully implemented prior to commencement of works.
ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Sebzor HPP, related transmission lines, and much of the rural electrification work financed by the project are planned in remote mountainous areas of Eastern Tajikistan. For the Sebzor HPP and the transmission lines, the ESIs/ESMPs will look closely at the biodiversity and living natural resources in and around the planned run of river plant. The updated ESIA will confirm that the Sebzor HPP and transmission lines are not expected to directly impact any protected areas, critical habitats, or endangered species. If the ESIA updated indicates a situation to the contrary alternatives and mitigation measures will be reviewed during design. Further, the ESMF will specifically deal with biodiversity issues in Khatlon and GBAO regions (protected areas, critical habitats, presence of endangered species, etc.) and include instructions for necessary sections in the site specific ESIA/ESMPs to be prepared for sub-projects once they are identified.

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 project.

ESS8 Cultural Heritage

Tajikistan is home to one UNESCO World Heritage Site (the Tajik National Park in the Pamir Mountains in the GBAO) as well as nine candidate sites; therefore, it is clear that the planned interventions might also interact with Tajikistan’s unique cultural heritage. Although construction works are not expected to have direct physical impact on any heritage monuments, indirect impacts from the movement of construction machinery, presence of work force, etc. as well as permanent impact on the visual/aesthetic view of any sites on or near the affected roads will be closely looked at and mitigation measures provided during the preparation of ESMF and ESIs/ESMPs. Both instruments will include a section on protection of Cultural Heritage as well as proper "chance find" procedures to be included in site specific ESIA/ESMPs.

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

No

OP 7.60 Projects in Disputed Areas

No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE
A. Is a common approach being considered? No

Financing Partners

There is a potential for co-financing of component 1 with KfW and the European Union.

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

Actions to be completed prior to Bank Board Approval:

1. Update and (re)disclose the ESIA/ESMP Prepared for the Sebzor Hydro-power Plant in 2016 to ensure that the instrument reflects all relevant Environmental and Social Standards.

2. Prepare and disclose an ESMF (for other components) that includes relevant Environment and Social Standards as well as information on Tajikistan’s unique flora, fauna, and cultural heritage - the ESMF will detail selection criteria for sub-activities as well as criteria and timing for preparing site specific ESIA/ESMPs.

3. Prepare and disclose an RPF before appraisal.


All of these instruments will be consulted on with stakeholders prior to finalization, reviewed and approved by the Bank, and publicly disclosed.

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

1. Environment and social screening of project activities based on the ESIAs/ESMPs (Sebzor and transmission lines), and ESMF, including need to prepare site specific ESIA/ESMPs as well as the list of sub-management plans including labor management plans, community health and safety plan.

2. Application of the RAP (to Sebzor and transmission lines) RPF to project activities, including the need to prepare site specific Resettlement Action Plans.

3. Continued stakeholder engagement throughout project implementation and beyond project closure.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 29-Mar-2019

IV. CONTACT POINTS

World Bank

Contact: Suryanarayana Satish  
Title: Senior Social Development Specialist
VI. APPROVAL

Task Team Leader(s): Takhmina Mukhamedova, Artur Kochnakyan
Safeguards Advisor ESSA Nina Chee (SAESSA) Cleared on 26-Mar-2019 at 08:52:10
Practice Manager Kevin A Tomlinson (PMGR) Concurred on 27-Mar-2019 at 04:43:55