



Tajikistan: Sugdneft Expansion Project

Project Name	Sugdneft Expansion Project
Project Number	51045-001
Borrower/Company	
Country	Tajikistan
Location	Viloyati Sughd
Approval Number	7544/3641
Type of ADB Assistance / Amount	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Partnerships Private sector development
Sector / Subsector	Energy - Oil and gas transmission and distribution
Gender Equity and Mainstreaming	No gender elements
Responsible ADB Department	Private Sector Operations Department
Responsible ADB Division	Infrastructure Finance Division 1
Responsible ADB Officer	Hashimi, Mohammed Azim
Project Sponsor(s)	
Description	Expansion of wholesale and retail petroleum distribution network in the Sughd province. Under the proposed financing, the company plans to expand its retail foot print in the Sughd province by adding seven new retail outlets and associated petroleum handling and storage facilities.
Objectives and Scope	The project is expected to generate significant development impact by providing the borrower with long-term loans presently not available in the market: increasing the availability of fuel inputs in the Sughd province; and generating employment during construction and operation period.
Linkage to Country/Regional Strategy	The project is consistent with the Midterm Review of Strategy 2020, which includes a focus on poverty reduction and inclusive economic growth, and infrastructure development. ADB's support for the project is also in line with its country partnership strategy for Tajikistan, 2016-2020 which highlights investment climate reforms and skills development to increase productive employment.

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	Construction-associated impacts are expected to be temporary and of short duration while operational impacts can occur from petrol leakages from storage tanks and piping system which can result to soil and/or groundwater contamination. Petrol and LPG vapour releases from equipment may form a flammable atmosphere if mixed with air in certain proportion, and may result to unsafe conditions on site and nearby communities. International best practices and guidelines will be adopted in the company's ESMS and applied on each of the new retail fuel stations to avoid and minimize environmental, safety and health risks.
Involuntary Resettlement	For the proposed development of new retail fuel stations (RFS), Sugdneft will apply for allocation of empty land plots or purchase existing RFS from private entities. Land plots for the RFS are relatively small. The land procurement for the RFS is not expected to entail involuntary resettlement impacts. Sugdneft will conduct the planned land procurement in accordance with the ESMS aligned with the requirements of SPS.

Indigenous Peoples	The Sughd region is inhabited mostly by Tajiks (over 1.8 million people, 84%), followed by Uzbeks (329,614 people, 14.8%), Kyrgyz (12,896 people, 0.6%), Russians (8,890 people, 0.4 %), Tatars (2,600 people, 0.1%), Turkmen (157 people, 0.01%), and others (3,175 people, 0.14%). The development of new RFS in the Sughd region will not have impacts on indigenous peoples.
Stakeholder Communication, Participation, and Consultation	Stakeholder consultations will be carried out as a part of the IEE preparation for new RFSs. These consultations have focused on local communities and other relevant stakeholders who have interest or influence on the project. The borrower's environmental and social management system (ESMS) will reflect requirements for Stakeholder Communication, Participation and Consultation that are aligned to SPS requirements.

Timetable for assistance design, processing and implementation

Concept Clearance	21 Feb 2017
Due Diligence	
Credit Committee Meeting	13 Nov 2017 to 13 Nov 2017
Approval	-
Last PDS Update	15 Nov 2017

Project Page	https://www.adb.org/projects/51045-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51045-001
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