Public Disclosure Authorized

Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: October 9, 2018 | Report No: 131477

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
Afghanistan	P166405		Sheberghan Gas-to-Power Project
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
South Asia		May 2019	Energy & Extractives
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
IDA Guarantee	Islamic Republic of Afghanistan	Bayat Power	

Proposed Development Objective(s)

Financing (in USD Million)

Financing Source	Amount
Total Project Cost	**38.85**

Environmental Assessment Category	Concept Review Decision
B	

Have the Safeguards oversight and clearance functions been transferred to the Practice Manager? (Will not be disclosed)
No

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Home to 32.5 million people, Afghanistan is one of the least-developed countries in the world.** Following the countries' transition to a democracy, the period between 2007 and 2013 was marked by high growth rates averaging close to 7 percent of GDP annually, stimulated primarily by international aid. Following the gradual withdrawal of much of international troops, and political and security instability following the 2014 elections,

Afghanistan's growth has declined. The economic growth rate fell to 2.2 percent in 2016 and was projected to improve only marginally to 2.6 percent in 2017. Investor and consumer confidence show no signs of picking up, with the number of new firm registrations in the first six months of 2017 (a proxy for investor confidence) remaining at similar level to the first half of 2016 (1,500 new firm registrations in 2017, compared to 1,700 in the first half of 2016). Growth is expected to remain muted in the medium-term, increasing modestly to 3.6 percent by 2020, predicated on improvements in security, political stability, steady progress in reform, and continued high levels of aid flows.

2. **Due to declining donor support, the Government has focused on increasing domestic revenues to reduce fiscal constraints and enable the Government to address infrastructure deficits.** Investment in infrastructure is a core priority of the Government, as outlined in the Afghanistan National Peace and Development Framework 2017-2021 and associated National Infrastructure Plan (NIP). At present, the country's infrastructure is among the worst in South Asia. For example, only 34 percent of the population has access to electricity from the grid and only 29 percent of roads are paved. Demographic pressures are exacerbating this infrastructure challenge as more than 296,000 refugees have returned from neighboring Iran and Pakistan since the beginning of 2017. Increasing domestic revenues is critical to sustaining public investment in infrastructure. Improvements in tax and customs administration and enforcement, have allowed three years of sustained revenue collection increases, following the abrupt decline in 2014. In the first seven months of 2018, domestic revenues amounted to AFN 185 billion, an increase of almost 4.7 percent on a year over year basis, though 12.6% lower than the target. Combined with incoming donor grants, an overall balanced budget is expected for 2018.

3. **Nonetheless, Afghanistan will continue to rely on international donors.** As indicated above, overall aid is estimated to have declined from an annual average figure of US$ 12.5 billion in the period from 2009 to 2012 to around US$ 8.8 billion in 2015. Nevertheless, the international community remains a strong supporter of Afghanistan and, at the Brussels Conference on Afghanistan in October 2016, undertook to ensure continued international political and financial support for Afghanistan over the next four years. In this context, US$ 15.2 billion were committed to achieve Afghanistan's self-reliance under the Government ambitious reform agenda, the Afghanistan National Peace and Development Framework (ANPDF) 2017 to 2021 which aims at creating a political, social and economic environment that will allow the country to consolidate peace, security, sustainable development and prosperity.

4. **As laid out during the 2016 Brussels Conference and in the NIP for 2017-2021, the Government aims to address the country's key infrastructure gaps by leveraging the private sector** to maximize available finance for development and infrastructure investment. The private sector can support the delivery of efficient public infrastructure services at the national and sector level, most prominently in the energy, transport, water and extractives sectors. To this effect, the Government has launched a Public-Private Partnership (PPP) program, which is designed to attract private financing for infrastructure and other investment projects. Government created the Central Partnerships Authority (CPA) in August 2016, a General Directorate within the Ministry of Finance (MoF), as the central coordinating actor for PPPs.

5. **Nevertheless, continued security instability remains the most important constraint for public service delivery in Afghanistan**, and the main challenge to reducing poverty, fostering shared prosperity, and accelerating economic growth. Afghanistan remains in a state of fragility and conflict that undermines economic prospects,

social cohesion and stability. Insecurity is negatively affecting growth and poverty by damaging human capital, constraining productive economic activities, increasing social unrest, promoting unequal access to basic services, and increasing political instability. Socioeconomic indicators continue to remain at low levels: the poverty rate increased from 36 percent in 2011/12 to 55 percent in 2016/17. With this increase, 1.3 million additional people fell below the poverty line. The increase in poverty was especially severe in rural areas, where most of the population live.

6. I**nfrastructure investments, specifically in the energy sector, play a critical role in contributing to economic growth and stabilization**. As is true in any country, access to reliable electricity is a key factor for fostering economic growth, equitable development and security, and will help enable the Government to meet its development goal objectives by stimulating job growth and improving quality of life. Afghanistan only ranks in 141 of 189 countries worldwide for access to electricity.[1] In this context, demonstrating the feasibility of financially viable investments becomes crucial to ensure that donor funding can be supplemented from private resources.

Sectoral and Institutional Context

Energy Sector

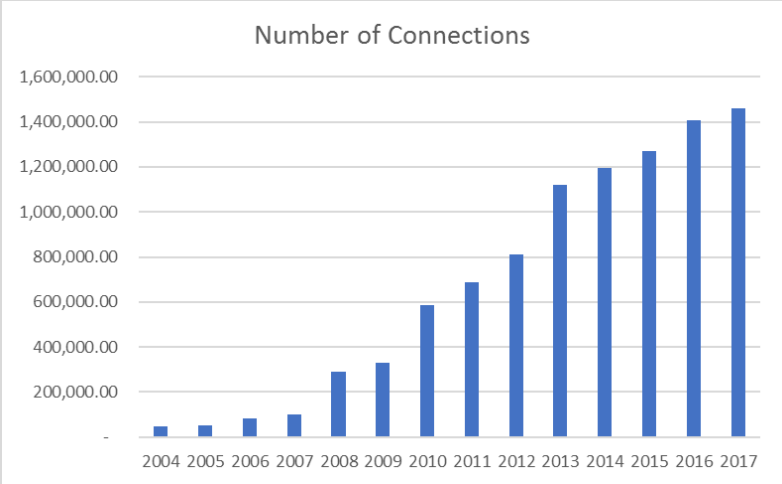
7. **Access to electricity remains low but has steadily increased since 2004**. As of December 2017, Afghanistan's access to grid electricity was estimated at 34 percent. Access to electricity is focused in urban areas[2] and along transmission corridors that are connected to imported energy. Afghanistan's per capita electricity consumption averages 178 kWh per person per year, significantly less than the South Asian average of 667 kWh per person and the average electricity usage of 3,050 kWh per person worldwide (based on 2015 data). Nevertheless, electricity access has expanded steadily, and the number of customers has grown steadily, from only few tens of thousands in 2004 to over 1.5 million as of August 2018 (compare Figure 1). Of these customers, the majority (92.8 percent) are residential customers, 6.7 percent are commercial customers, and the remainder Government, non-governmental organizations (NGOs), and religious sites.

8. **The current average tariff is 6.8 Afghanis/kWh (equivalent to approximately US cents 9.4/kWh), which is below the levelized cost of supply.** However, since investments are largely financed by grants from donors, the pricing reflects a deliberate choice by Afghanistan's power utility, Da Afghanistan Breshna Sherkat (DABS), to partially pass on the investment subsidies to its customers. In the past, DABS has generally shown positive cash-flow and returns a profit, mainly due to its capital expenditure being funded by donors, due to the fact that the finances did not account for depreciation, and due to historical budgetary allocations from the Ministry of Energy and Water (MEW) and MoF.

[1]This is an improvement from 2014, where Afghanistan's rank was only 145. Survey result of 2015 from 'Doing Business' database (http://www.doingbusiness.org/data/exploreeconomies/afghanistan#getting-electricity).

[2] Since the transmission interconnection with Uzbekistan was completed in 2007, Afghans in urban centers enjoy mostly continuous access to electricity.

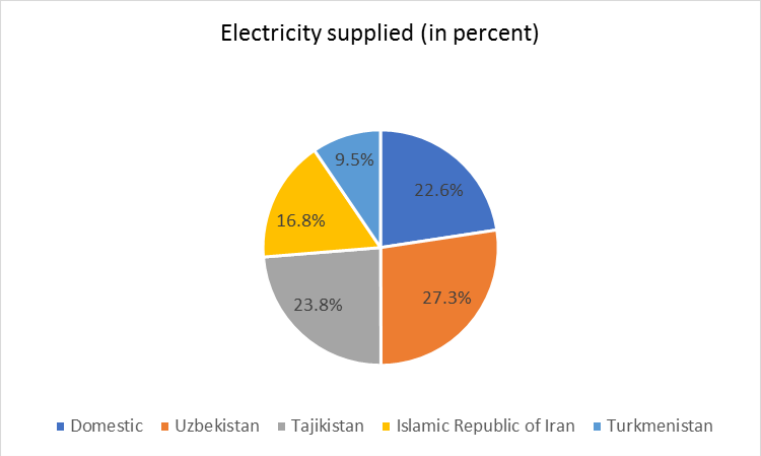
Figure 1. DABS Growth of Customers (Source: DABS)



9. **Nonetheless, gains in electricity access are fragile.** Afghanistan's grid structure, which is operated on more than four separate grid islands, creates a challenging environment for the continued supply of power. The failure of the transmission lines between Uzbekistan, Tajikistan, and Afghanistan in February 2016, which normally would have provided 81 percent of Afghanistan's electricity in 2015-16, illustrates the fragility of the system and the need for diversifying power supply. Similar failures took place in early 2018. Load shedding and outages even in the urban areas are common so that many homes and businesses continue to rely on private generators. Enhanced domestic self-reliance on electricity thus means greater security of supply.

10. **Afghanistan's electricity mix is dominated by electricity imports that are complemented by domestic hydropower**. The country has limited indigenous sources of electricity, with only 522 Mega Watt (MW) of installed capacity, compared to more than 1,000MW of imported electricity. The installed capacity is a mix of hydro (49 percent), thermal (39 percent), and diesel (12 percent). This compares to more than 1,000MW of imported electricity from four neighboring countries: the Islamic Republic of Iran, Tajikistan, Turkmenistan, and Uzbekistan (see Figure 2 below). Sales are based on annual Power Purchase Agreements (PPAs). While current prices are low, there is no certainty on pricing or continuity of supply over the longer term. For the period of 2016-2017, electricity imports of 3,841 GWh made up 75 percent of supplied electricity (see Figure 2). Imported electricity is part and parcel to meeting Afghanistan's demand, and has resulted in the supply of electricity consumption almost tripling compared to the 1,289 GWh consumed in 2006.

Figure 2. Electricity Supplied to Afghanistan from Domestic and Foreign Sources (as estimated for 2016/2017) (Source: DABS)



11. **Plans for generation expansion see a dual role for expanding domestic supplies and enhancing electricity imports.** The 2013 Power Sector Master Plan prepared by the MEW[3] presented a 20-year electricity demand forecast requiring a base case peak load of 3,502 MW and gross demand of 18,409 GWh by 2032. To meet this demand, the Power Sector Master Plan identified a combination of increasing domestic energy generation by means of thermal and hydropower plants, as well as imports. The construction of up to 150 MW of gas-fired power plants in north-western Afghanistan – the envisaged location of the proposed Project – is shown to be least cost from 2017 in all scenarios[4].

12. **A further challenge related to Afghanistan's energy sector is its transmission and distribution system which is small, fragmented, and underdeveloped**. In total, there is 790 km of 220 kV, 140 km of 132 kV, 1,331 km of 110-kV line, 1,895 km lines at 15 kV to 44-kV as well as about approximately a further 6,000 km of lower voltage lines installed. Of this, about 2,170 km of transmission line and about 3,700 km of distribution line are operating[5]. The overall network consists of four major working islands linking the different generation sources to the grids: (a) the North-East Power System (NEPS), which consists of multiple small islands and connects 17 load centers including Kabul, Mazar-e-Sherif, and Jalalabad with Tajikistan and Uzbekistan (at 220 kV, 110 kV, and 35 kV); (b) the South-East Power System consisting of Kandahar and linking with Kajaki (110 kV); (c) the Herat System linking with the Islamic Republic of Iran and Turkmenistan (132 kV and 110 kV); and (d) the Turkmenistan System linking Faryab, JawzJan, Sar-e-Pul, and Andkhoy Districts (110 kV). The proposed Project will be connected to the NEPS-Turkmen segment of the network.

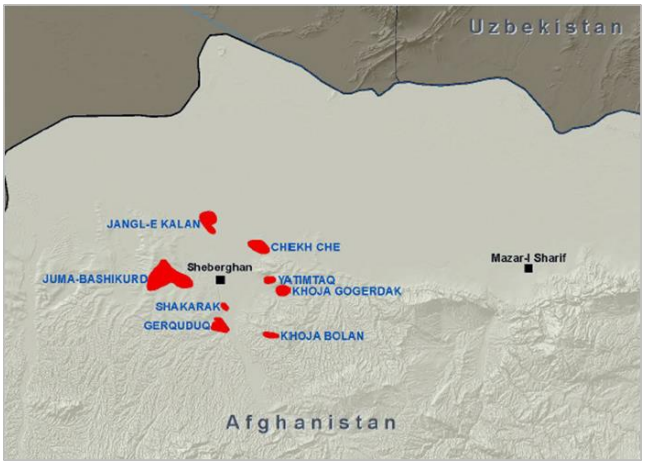
[3] Islamic Republic of Afghanistan MEW/ADB/Fichtner. Power Sector Master Plan. Final Report. April 2013.
[4] There is only one other option that the expansion plan evaluates as being lower cost, which is the interconnection of the NEPS and the South-East Power System within Afghanistan.
[5] Multiple transmission rehabilitation and expansion projects are underway, most notably the CASA-1000 Project that will link Kyrgyzstan and Tajikistan (as energy exporters) with Afghanistan and Pakistan (as energy importers).

Gas Sector

13. **The U.S. Geological Survey and the Ministry of Mines and Petroleum (MoMP) have assessed the undiscovered conventional, technically recoverable natural gas resources of northern Afghanistan at a substantial 15.7 trillion cubic feet** (TCF), placing the country somewhere between Mexico and Pakistan in terms of reserve volumes. It is expected that natural gas will be an increasing component of the fuel mix going forward to balance high-growth across an array of end-use energy demands. Natural gas, which has half the carbon footprint of coal, is a lower-cost means of providing flexible energy solutions, including electricity supply, while it can also contribute to addressing the nation's fiscal and external imbalances, and the crippling environmental, social as well as occupational health and safety issues resulting from weakly regulated coal mining.

14. **The proposed Project would constitute a proof of concept project both for the operationalization of gas development and expansion of gas-based power generation capable of displacing both electricity imports.** It is also the environmentally preferable option to developing Afghanistan's rich coal resources to supply electricity. The most recent assessment of existing field production data and contingent resources for known gas fields – seven fields (Jarquduk, Khoja Gogerdak, Yatimtaq, Khoja Bolan, Juma/Bashikurd and Shakarak – see Figure 3) in the Sheberghan area – was conducted in July 2016[6]. According to its findings, even its 1C or "low case" estimates (see Figure 4) would be adequate to support a stable supply of natural gas at current production volumes and for gas-based power generation such as the proposed Project as well as the Mazar-e-Sharif Gas-to-Power Project (also to be supported by a proposed IDA guarantee) in the short-term. For the proposed Project this would mean adequate gas supply covering the initial five-year term of its respective PPA. Furthermore, the proposed Project will not need to rely on the rehabilitation and/or construction of any gas supply infrastructure, such as pipelines, given its envisaged location directly at the gas fields of Sheberghan.

Figure 3. Map of gas fields in Sheberghan area



[6] Report by McDaniel & Associates Consultants Ltd. (under an USAID funded program).

Figure 4. USAID/Mc Daniel Assessment[7]

Contingent Resources under Different Scenarios				
	2C BCM	2C TCF	1C TCF	3C TCF
Jarquduq	1.233	0.04	0.02	0.10
Khoja Gogerdak	3.424	0.12	0.08	0.18
Yatimtaq	5.666	0.20	0.15	0.26
Shakarak	0.433	0.02	0.00	0.04
Juma Bashikurd	16.394	0.58	0.33	0.79
Khoja Bolan	2.601	0.09	0.07	0.13
Jangali Kalan				
Chekhche				
TOTALS	29.750	1.05	0.64	1.50

15. **In the long term, gas supply for current and additional potential off-takers will only be viable in case of substantial investments in field production, gathering and processing.** While natural gas production facilities in the three major fields have recently undergone rehabilitation work with support from the Asian Development Bank (ADB) and are assessed to be in serviceable condition, the gas gathering, separation and processing systems installed during their initial phase of development have not been consistently maintained. As a result, capacity to move commercial quantities of gas safely and efficiently to market is effectively limited. To address the shortcomings in field production, gathering and processing, Government is expected to commit to overall gas sector reforms and gas sector operationalization under the World Bank proposed Afghanistan Extractives for Development Project (AE4D Project), which is under preparation. Already committed investments include the optimization of existing and adding of new amine infrastructure. As such, Government has procured three experts (on site since June 2018) for improving operation of the current amine plant and is in the process of tendering a turnkey contract to procure a new amine plant and dehydration unit[8]. In addition, MoMP is currently rehabilitating two gas wells at Yatimtaq and has committed to the drilling of five new wells in the long term.

Relationship to CPF

16. **The proposed Project supports both the Country Partnership Framework (CPF) 2017-2020 for Afghanistan and the Systematic Country Diagnostic (SCD) of February 2016.** Among its strategic aims, the CPF highlights building strong and accountable institutions to enable the state to fulfil its core mandate, delivering basic services to its citizens, and to create an enabling environment for the private sector. It was informed and guided by the SCD which focuses on reducing poverty and addressing fragility as parallel and mutually reinforcing development imperatives in Afghanistan. The SCD identified both service delivery, including electricity services, as well as fiscal sustainability, as significant contributors to economic growth. By providing for the generation of indigenous electricity, its delivery to customers supplied by NEPS as well as leveraging private sector financing, the project will support both contributors. In doing so, the proposed Project will ultimately also underpin the CPF's above-noted aim to enable Government to deliver basic services and to put in place an enabling framework for private sector activity.

[7] The gas measurement used in Figure 4 refer to billion cubic meters of natural gas (bcm) and trillion cubic feet.

[8] Ultimately, MoMP also intends to appoint a service provide to operate and maintain these facilities.

C. Proposed Development Objective(s)

17. The project development objectives are to increase the amount of electricity generated in Afghanistan and to leverage private financing for the country's energy sector.

Key Results (From PCN)

18. The key results indicators will be:

- Generation capacity of the plant constructed under the proposed Project (MW);
- Amount of indigenous electricity in NEPS-Turkmen segment increased (%); and
- Private sector capital mobilized (US$).

D. Concept Description

19. **The proposed Project will entail the development of a 40MW green-field gas-to-power plant which is expected to be located 20 km east of Sheberghan, and approximately 1 km west of the amine treatment plant (operated by Afghan Gas Enterprise (AGE)) at the Yatimtaq gas field (see Figure 5) in northwestern Afghanistan**. It will supply power to Jawzjan (Sheberghan is its center), Faryarb, Sar-i-pul and other parts of the provinces in the Balkh region. It therefore forms part of the 2013 Power Sector Master Plan, which identifies this as the least cost option for increased domestic energy generation (up to 150 MW of installed capacity by means of gas-fired power plants).

20. The gas-to-power plant will be developed, constructed, operated and maintained as an Independent Power Producer (IPP) Project on a Build Own Operate (BOO) basis, by Bayat Power ("Project Company"), a Special Purpose Company established by Bayat Group. The latter is a local conglomerate, which has been operating in Afghanistan for 15 years. Bayat Group owns and operates several enterprises in Afghanistan, primarily in the telecommunications and media sector, but it has also engaged in oil and gas exploration as well as production.

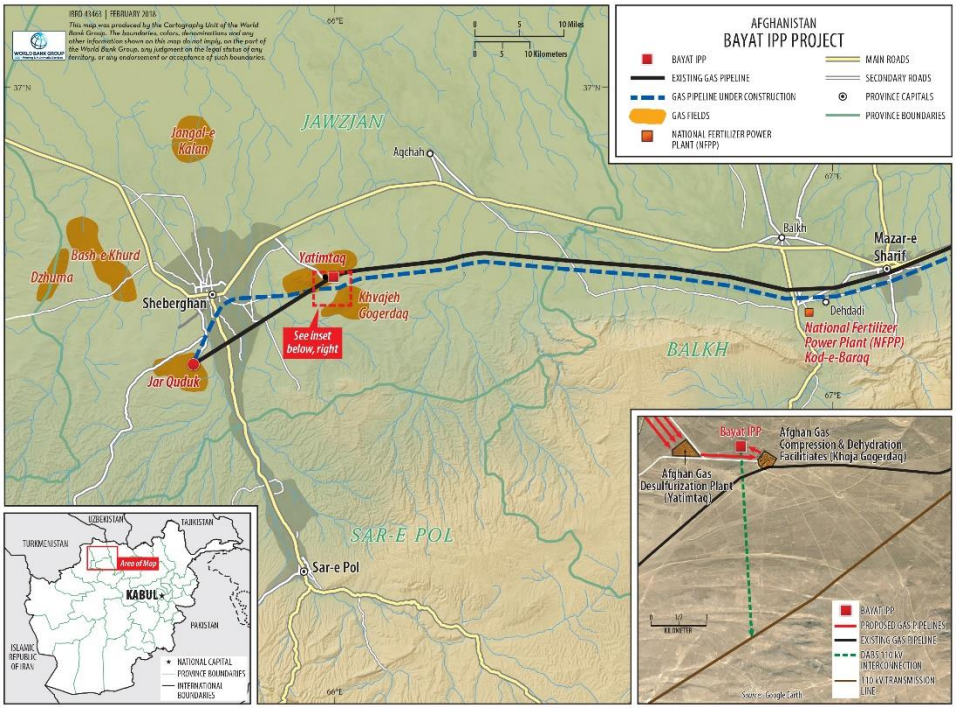
21. The Project Company will sell its entire electricity output to DABS under a take-or-pay PPA for an initial period of five years, with a possible extension. At the same time, the Project Company has entered into an Implementation Agreement (IA) with Government; and Gas Supply Agreement (GSA) with AGE (acting on behalf of Government of Afghanistan through its Ministry of Mine and Petroleum). All three agreements have been signed in March 2018 and are awaiting effectiveness.

22. The total project cost is expected to be around US$38.85 million to be initially financed 100 percent by equity. The sponsors may approach lenders for refinancing at a later stage.

23. The plot of land where the proposed project will be located is Government owned and will be leased to the Project Company under a Lease Agreement (as part of the IA), entered into between the Government and Project Company. Due to its proximity to the respective gas processing facilities, site construction work is expected to be minimal, only requiring grid connection from the site to the 110kV substation at Sheberghan (a distance of

approximately 3.3 km on Government owned land), which would be undertaken by DABS. Given its location at Sheberghan, the proposed Project would form part of the NEPS-Turkmen segment of the grid which is connected to transmission lines from Turkmenistan and, therefore synchronized with the Turkmen power system.

Figure 5: Location of the proposed Project



24. The construction of the proposed Project would consist of one 40MW mobile gas turbine generator designed to burn natural gas. The balance of the plant will include a gas distribution and filtration system. As such, the Project Company has identified generation units, which are ready to ship in the United Arab Emirates and, as part of the feasibility study conducted for the project, proposes to complete commissioning of the plant within a period of four to six months after effectiveness of the PPA and GSA. Operations and maintenance would initially be contracted to a service provider, although Bayat Power's ultimate proposal is to train local individuals to undertake these responsibilities.

25. **Status of transaction structuring.** To date, Bayat Power has prepared both a feasibility study and initial environmental and social scoping study which has been reviewed by the World Bank team and will need to be transformed into a detailed Environmental and Social Impact Assessment (ESIA) as well as an Environmental and Social Management Plan (ESMP) will be developed during further project preparation.

SAFEGUARDS

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

26. The Sheberghan Gas to Power Project will be a green-field development located 20 km east of Sheberghan, approximately 1 km west of the amine treatment plant (operated by Afghan Gas Enterprise (AGE)) at the Yatimtaq gas field in northwestern Afghanistan. It will supply power to Jawzjan (Sheberghan is its center), Faryarb, Sar-i-pul and other parts of the provinces in the Balkh region.

27. The plot of land where the proposed project will be located on Government owned land and will be leased to the Project Company under a Lease Agreement (as part of the IA), entered into between the Government and Project Company. Due to its proximity to the respective gas processing facilities, site construction work is expected to be minimal, only requiring grid connection from the site to the 110kV substation at Sheberghan (a distance of approximately 3.3 km on Government owned land), which would be undertaken by DABS. Given its location at Sheberghan, the proposed Project would form part of the NEPS-Turkmen segment of the grid which is connected to transmission lines from Turkmenistan and, therefore synchronized with the Turkmen power system.

B. Borrower's Institutional Capacity for Safeguard Policies

28. The Project Company does not have an existing Environmental and Social Management System (ESMS) for the proposed project in place yet. On completion of their ESIA and Environmental and Social Management Plan (ESMP), the Project Company will prepare the ESMS for the proposed project. In addition, the Project Company will prepare an Environmental and Social Action Plan (ESAP), which will contain the actions the Project Company will need to take to bring the ESMS for the proposed Project into compliance with the Performance Standards.

29. The proposed Project will follow World Bank Performance Standards of which the following are triggered: PS1 – Assessment and Management of Environmental and Social Risks and Impacts; PS2 – Labor and Working Conditions; PS3 – Resource Efficiency and Pollution Prevention; PS4 – Community Health, Safety, and Security, as well as PS6 – Biodiversity Conservation and Sustainable Natural Resources Management.

30. The Project Company will have to prepare and implement the ESIA, ESAP and ESMP on the basis of the World Bank Performance Standards. The institutional capacity of the Bayat Group with regard to safety, health, environmental and social aspects will be fully assessed during project preparation and will be completed by project appraisal. While Bayat Group has experience in oil and gas exploration as well as production, the Project Company will need to assign qualified environmental and social experts particularly for the social and environmental risk management. At the same time, adequate capacity building activities to meet the requirement of ESMS will be agreed on and started during project preparation stage.

C. Environmental and Social Safeguards Specialists on the Team

Mohammad Arif Rasuli, Senior Environmental Specialist (GENDR)
Mohammad Yasin Noori, Senior Environmental Specialist (GSURR)

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
PS 1: Assessment and Management of Environmental and Social Risks and Impacts	Yes	The proposed Project will be developed, constructed, operated, and maintained as an IPP on a Build BOO basis by the private entity Bayat Power (the Project Company), a Special Purpose Company established by Bayat Group in Afghanistan. The Project Company will have the responsibility of identifying, assessing and managing the environmental and social risks of the proposed Project. The World Bank will review and assess the private entity's capacity to carry out these tasks and will ensure the required technical assistance is provided to address any related gaps. For these reasons, the proposed Project meets the criteria in OP4.03 for application of the Performance Standards to the entire proposed Project. The potential environmental risks and impacts of the envisioned plant will occur at two stages: (i) construction stage – risks and impacts are expected to be associated with management of construction activities, equipment and staff, including inter alia, dust, noise and safety concerns; and (ii) operations stage - risks and impacts are expected to be associated with air emissions from the plant, safety concerns around gas leaks both in terms of air quality and risks of explosions/fire. Given that the size of the plant is expected to be only 40MW, construction would only involve a mobile gas turbine generator and that its potential site is expected to be of low to moderate environmental and social sensitivity, the overall project has been categorized as category B, as the risks described above are expected to be limited to the foot print of the plant, of mostly temporary nature and may be readily managed through tangible mitigation measures. The Project Company will develop its own Environmental and Social Management System which will build on the results and findings of the full ESIA and corresponding environmental and social management plans, health and safety plans, and emergency response

		plans for the gas-to-power plant. The World Bank will review the ESIA, ESMP's and ESMS and respective due diligence reports for consistency with the World Bank Performance Standards, prior to appraisal of the proposed Project. The World Bank will then prepare the Environmental and Social Review Summary (ESRS) which will be disclosed afterwards. Associated facilities: The envisioned plant will not need to rely on the rehabilitation and/or construction of any gas supply infrastructure given its envisaged location directly at the gas field of Sheberghan. Also, due to its proximity to the respective gas processing facilities, additional construction work is expected to be minimal, only requiring grid connection from the site to the 110kV substation at Sheberghan (a distance of approximately 3.3 km), which would be undertaken by DABS. Consistent with the definitions and requirements of PS1, this 3.3. km transmission line is considered an associated facility. Its overall environmental and social impacts of the latter is likely to be minimal given that the requisite infrastructure will be constructed on Government owned land which is not inhabited/with no squatters on site. The World Bank will require the Project Company to conduct environmental and social due diligence concerning the associated facility to ensure identification and resolving of any issues.
PS 2: Labor and Working Conditions	Yes	The ESIA will include a review of relevant Afghan workplace and labor legislation/policies as well as a review of the Project Company's human resources management policies and procedures. The ESMP will include appropriate recommendations for incorporation into the ESMS, consistent with Afghan standards and World Bank performance standards. The ESMP will also include a grievance redress mechanism for workers to raise workplace concerns. The private sector will inform the workers of the grievance mechanism at the time of recruitment and make it easily acceptable to them.
PS 3: Resource Efficiency and Pollution Prevention	Yes	Pollution prevention and response to accidents involving pollutant releases during project construction will be central concerns in the ESIA.

PS 4: Community Health, Safety, and Security	Yes	Emergency Response Plans will need to be prepared and any potentially affected communities will need to be made aware of them, including the risks associated with and power plant and transmission line operations.
PS 5: Land Acquisition and Involuntary Resettlement	No	The site for the proposed Project has been identified and will be located on Government owned land to be leased to the Project Company under a Lease Agreement entered between the Government and Project Company. No land acquisition, displacement of people or adverse impacts on livelihoods are expected.
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Yes	The ESIA will include a review of the potential impact of the project on biodiversity and living natural resources and will provide appropriate recommendations on management/mitigation of any impacts.
PS 7: Indigenous Peoples	No	No groups that meet the definition in PS7 have been identified in the project area.
PS 8: Cultural Heritage	No	No impact on cultural heritage has been identified in the project area.
Project on International Waterways OP/BP 7.50	No	This is not applicable as the entire Jawzjan Province, in which the proposed Project will be located, is situated in the Northern Closed Basin.
Projects in Disputed Areas OP/BP 7.60	No	There are no disputed areas in the project area.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

January 31, 2019

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

To date, the project Company has prepared an initial environmental and social scoping study which has been reviewed by the World Bank but will need to be transformed into a detailed ESIA as well as ESMP that meets the requirements of the World Bank Performance Standards. While draft terms of reference for the hiring of consultants to conduct these works for the Project Company have been prepared, the timing for commencing and completing these studies will be confirmed with the Project Company during further project preparation.

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