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Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 05-May-2017 | Report No: PIDISDSA20520

**BASIC INFORMATION****A. Basic Project Data**

Country Afghanistan	Project ID P162022	Project Name Herat Electrification Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 02-May-2017	Estimated Board Date 13-Jun-2017	Practice Area (Lead) Energy & Extractives
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Da Afghanistan Breshna Sherkat (DABS)	

Proposed Development Objective(s)

Provide access to electricity to households, institutions, and businesses in the selected areas of Herat Province, Afghanistan.

Components

Component 1: Electrification of Four Districts in Herat Province

Component 2: Grid Densification, Extension, and Off-grid pilots in Herat Province

Component 3: Technical Assistance

Financing (in USD Million)

Financing Source	Amount
IDA Grant	60.00
Total Project Cost	60.00

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue

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B. Introduction and Context

Country Context

1. Afghanistan's development in the modern era has suffered from frequent periods of political upheaval, accompanied by recurring conflict. The aid and activity associated with the involvement of international forces and aid supported a period of economic expansion with annual growth averaging 9.4 percent between 2003 and 2012. However, with the drawdown of international security forces and associated reductions in aid flows since 2012, economic growth has slowed. Private sector investment has been significantly hampered by conflict. Afghanistan remains one of the least developed countries in the world, with a per capita Gross Domestic Product (GDP) in 2014 of US\$ 634. The 2015 UN Human Development Index ranked it at 171 out of 188 countries. The economy is based largely on services, which represent over 50 percent of GDP. Based on the 2013-2014 Afghanistan Living Conditions Survey (ALCS), over 39 percent of the population lived in poverty – up from 36 percent in 2012, and unemployment stood at 22.6 percent of the labor force. There are also disparities in the incidence of poverty with poverty rates in rural areas approximately 10 percentage points higher than in urban centers. Slow growth, an unstable political situation, and ongoing insurgency create a challenging environment going forward. New sources of economic growth are needed. A steady power supply is one of the necessary elements, which helps foster economic development.

Sectoral and Institutional Context

2. **Electricity Supply and Demand:** Power supply in Afghanistan is delivered through a combination of grid-based systems, mini-grids and stand-alone facilities. In 2013-14, 89 percent of households reported to have access to some kind of electricity, but only 29.7 percent received their power from the grid. However, rural and urban areas differ markedly in this regard. Overall electrification of the country is expected to reach 65 percent by 2032 with an expected peak load of 3,500 mega-Watt (MW) (Afghanistan's Power Sector Masterplan (2013)). Electrification across Afghanistan is also quite heterogeneous across the country's 34 provinces (or "wilayat"). Herat is among those provinces that are expected to have the highest load growth in Afghanistan. Total supply from the grid in 2015-16 was 4,773 giga-Watt-hour (GWh), of which 3,767 GWh or 80 percent was imports. Uzbekistan was the main source of external supply (1,284 GWh), followed closely by Turkmenistan (1,184 GWh). Iran supplied 827 GWh and Tajikistan supplied 471 GWh. Domestic generation totaled 1,007 GWh, and was almost exclusively (96 percent) hydro.

3. **Existing power system:** In mid-2015 there were 12 hydropower plants in Afghanistan, not counting the over 5,000 off-grid mini and micro-hydropower plants installed under the National Solidarity Program. The two largest among those are Naghlu Hydropower Plant at 100 MW installed capacity and Mahipar Hydropower Plant at 66 MW installed capacity. A new 42 MW hydro at Salma in Herat Province was opened in June 2016, and work continues on developing an additional 18 MW of capacity at the Kajaki Hydropower Plant in the south of the country. There are 9 thermal plants connected to the grid, with a total rated capacity of approximately 209 MW. Another 8 small plants with an aggregate capacity of 12 MW operate off grid. All of the thermal capacity is diesel fired. The power generation mix is run to minimize costs by favoring cheap power from abroad and the use of domestic hydropower over diesel power plants. The government plans to continue increasing import capacity through projects set out in the National Energy Supply Program (NESP). The Afghan transmission system is highly fragmented, consisting of isolated grids or islands supplied by different power systems including different generating stations and different import sources. The power systems of the countries meeting Afghanistan's import needs unfortunately operate



asynchronously with one another and with Afghanistan. Expanding and inter-connecting the grid is a top priority for the Government.

4. **Energy institutions.** The Ministry of Energy and Water (MEW) oversees the energy sector in Afghanistan. Up until 2009, Afghanistan's power utility was a department of the MEW under the name of Da Afghanistan Breshna Moasessa. Since the power utility was spun off, the MEW has been increasingly focused on policy, strategy, and planning issues. The MEW has taken the lead on the preparation of the NESP and the Power Sector Master Plan. The MEW is also leading the dialogue with Afghanistan's neighbors and donors. The vertically integrated power utility was set up under the name of the Da Afghanistan Breshna Sherkat (DABS). The DABS has been able to establish itself as a financially independent and commercially viable entity while remaining under state ownership. Initially, the DABS was only responsible for the daily operation of the transmission and distribution system, but it is increasingly also carrying out its own investment program.

5. **Herat Province.** This Project targets Herat Province for the following reasons: Firstly, it is the Province in Afghanistan with the second highest combined commercial and technical losses just following Kabul Province. Any improvement in the Herat system will positively affect the overall viability of DABS as a power utility. Secondly, Herat is a microcosm in terms of electricity network that within its own borders combines all challenges that the overall electricity network in Afghanistan experiences, such as a large dependency from imports and challenges of interconnecting the domestic (hydro-based) generation with the international system. While focusing on electrification of 4 distinct communities, the Project is also a test case for how electrification can be sustainably undertaken, including through off-grid pilots, and how an electricity network can be made to grow together over time.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

6. The Project Development Objective (PDO) is to provide access to electricity to households, institutions, and businesses in the selected areas of Herat Province, Afghanistan.

Key Results

7. The following indicators will be used to track progress in achieving the PDO:
- People provided with new or improved electricity service **(230,800)**; and
 - Number of non-residential consumers provided with new or improved electricity service **(1,600)**.

D. Project Description

8. **Component 1 – Electrification of Four Districts in Herat Province (USD 20 million):** This component supports investments for building a new 110 kilo-Volt (kV) transmission line and four 110/20 kV substations and medium and low voltage distribution networks in four districts of Herat Province.

9. **Component 2 – Component 2 – Grid Densification, Extension, and Off-grid pilots in Herat Province (USD 36 million):** This component extends grid electricity supply to other parts of Herat Province. Additionally, solar mini-grids and solar-hybrid mini-grids would be piloted in villages that are unlikely to obtain grid electricity in less than five years and where it is technically and economically justifiable.



10. **Component 3 – Technical Assistance (USD 4 million):** This component finances technical assistance to insure timely and quality completion of the Project, to enhance DABS capacity in procurement, engineering studies and project management, to enhance financial planning for the utility and safeguards implementation, and to prepare a foundation for further extension and integration of the grid in Herat Province. This component will also finance a grid code for Afghanistan.

E. Implementation

Institutional and Implementation Arrangements

11. Overall responsibility of Project implementation is with the DABS.

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F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project is located in Herat Province and includes Chesht, Obe, Karokh and Pashtun-Zarghoon districts. It is expected that the selected project corridor will pass both rural and urban areas, with possible agricultural land or bush-land of low biodiversity value.

G. Environmental and Social Safeguards Specialists on the Team

Mohammad Yasin Noori, Obaidullah Hidayat

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Activities described under Component 1 suggest the triggering of OP/BP 4.01 (Environmental Assessment) since this component supports investments for the construction of a new 110 kV transmission line, four 110/20 kV substations and medium & low voltage distribution networks in four districts of Herat Province. Since the environmental and social footprint details, including detailed technical designs for all sites cannot be predicted at appraisal stage. DABS therefore prepared an



		<p>Environmental and Social Management Framework (ESMF).</p> <p>The ESMF will further guide the investment specific Environmental and Social Impact Assessment (ESIA) where needed, such as the investments planned for the 25 km of transmission line. It will also include a screening of the transmission corridor to determine (i) whether a full Environmental and Social Impact Assessment (ESIA) will be needed in addition to the required Environmental and Social Management Plan. The borrower are responsible to conduct the ESIA, prepare the subsequent Environmental and Social Management Plans (ESMPs), consult and disclose these documents prior to commencement of any civil works. A ToR to conduct the ESIA are in place in the project ESMF. Also the ESMP will provide guidance with a detailed institutional arrangement and monitoring and evaluation mechanism, a Grievance Redress Mechanism (GRM), including an estimated budget to allow sound and adequate implementation of the ESMP. The ESMP will be binding to the civil works contracts as part of the Environmental and Social Clauses during project implementation stage. The Recipient/DABS has disclosed the ESMF on May 2, 2017.</p>
Natural Habitats OP/BP 4.04	No	This policy is not triggered, since there is no reserved natural habitat and the transmission line will not cross any identified natural habitat.
Forests OP/BP 4.36	No	This policy is not triggered as no forests are considered to be affected by the civil works of the Project.
Pest Management OP 4.09	No	No herbicides will be used to control weeds under the transmission lines and in the substations.
Physical Cultural Resources OP/BP 4.11	Yes	OP/BP 4.11 is triggered because the selected districts for investment under component one have sites of significant physical cultural resources. Impacts envisaged may relate to the construction of a new 110 kV transmission line, substations and medium & low voltage distribution networks in four districts of Herat Province, where lesser known monuments may be present. The possible discovery



		<p>of archeological sites or random findings during implementation of the project activities will require measures to manage chance finds.</p> <p>The ESMF includes screening provisions for evaluating potential impacts and provides specific guidance for the preparation of requisite cultural heritage management plans. A guideline for Chance Find Procedure (CFP) is also provided in accordance with national laws and regulations. The ESMF also includes generic terms of reference for assessing impact on heritage sites and for preparing a Cultural Heritage Management Plan (CHMP).</p>
Indigenous Peoples OP/BP 4.10	No	<p>This policy is not triggered as there are no indigenous people in the project area that meet the criteria of OP/BP 4.10.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>This policy is triggered as the project will support investments in some densely populated areas. Temporary and/or partial permanent land/assets impacts are expected to happen during the execution phase, especially during installation of a new 110 kV transmission line, four 110/20 KV substations and medium & low voltage distribution networks to surrounding Communities.</p> <p>Since the social safeguards footprint details, including detailed technical designs for all sites could not be predicted before project appraisal, a framework approach has been used. For the sake of simplicity, DABS has updated the ESMF from the ongoing APSDP which has similar scope in terms of Social and Environmental impacts.</p> <p>In case of any subproject involving land/asset impacts, the RPF prepared by DABS for DABS Planning and Capacity Support Project- DABS TA, which includes compensation details, has been adapted for this project to cover all situations involving possible involuntary resettlement. This Resettlement Policy Framework (RPF) will guide preparation of Resettlement Action Plans (RAPs) or</p>



abbreviated RAPs (where needed).

The preparation of the ESIA and RAP will be completed, consulted, approved by the Bank, and disclosed before any land is taken and before any civil work begins. The ESMF for the Project includes terms of reference for social impact assessment and the terms of reference (TOR) for the RAP are also included in the RPF.

Consultations on ESMF and RPF for Herat Electrification Project were conducted on March 7, 2017. The safeguards documents are revised to respond to stakeholder feedback. The proceedings from the Herat consultation have been annexed to the final ESMF. DABS disclosed the ESMF and RPF in their website on April 10, 2017. Once the ESMF and RPF were cleared by the World Bank, DABS re-disclosed these safeguards documents in-country on DABS' website on May 2, 2017.

Safety of Dams OP/BP 4.37	No	No dams will be affected by the project.
Projects on International Waterways OP/BP 7.50	No	No project activities will take place on international waterways.
Projects in Disputed Areas OP/BP 7.60	No	There is no known disputed area in the project area of influence.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

It is not anticipated that the Project activities will have large scale adverse safeguards impacts. The Project is not expected to have any impact on water flows and other flora and fauna. However, the 25km of 110 kV transmission line are expected to involve cutting of trees and related safety issues including safety of the near-by residents. The updated ESMF includes a set of screening tools to assess potential safeguards impacts of the project activities. The ESMF and RPF also include guidelines to prepare mitigation plans, such as Environmental and Social Management Plan (ESMP), Cultural Heritage Management Plan (CHMP), and RAP. The ESIA for the installation of a new transmission-line will be conducted during the implementation stage and TOR for this study is made as part of the ESMF. Potential issues in respect of the erection of transmission line relates to interface with the local communities and ensuring safety. These issues are manageable as evident from a number of Bank assisted projects in Afghanistan. In addition, the ESMF contains an Environmental Code of Practice (ECOP), where the Contractor implementing the civil works will be required to ensure that environmental impacts and health and safety issue if any, be adequately mitigated at



construction stages.

The social safeguards impacts are expected to be moderate and would be caused by temporary and/or partial permanent loss of land and other assets. Selection of routes, particularly for the installation of a new 25 km 110 kV transmission line, four 110/20 KV substations and distribution networks will be screened for land disputes in order to avoid a situation where investments would fuel such disputes.

The updated ESMF includes guidelines for identifying and assessing the impacts of potential investments on existing heritage structures and sites which will be applied for this project. As always, and whenever technically feasible, impacts on cultural resources should be avoided or minimized through the selection of the site locations and transmission line routing. Systematic involvement of local people throughout the planning and implementation of project in all four districts will underpin the identification and implementation of any mitigation measures to be included in ESMPs and RAPs. The sub-project activities are expected to improve local people's living standards through providing investments in all four selected districts.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The project activities are not expected to cause any potential indirect or long term negative impacts because appropriate institutional arrangements for environmental and social management would be put in place throughout project implementation. The provision of electricity to the people living in the four provinces is expected to have significant positive development impacts.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The installation of a new 110 kV transmission line under Component one is expected to involve temporary and/or partial permanent land/asset losses, the ESIA will take into consideration alternative routes to avoid or minimize adverse impacts.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The implementing agency is Da Afghanistan Breshna Shirkat (DABS). The Chief Executive Officer (CEO) of DABS will have overall responsibility for ensuring compliance with the requirements set out in the ESMF. The environmental and social safeguards officers assigned to the Herat Electrification Project (HEP) will also take responsibility for overseeing the implementation of this project's ESMF & RPF provisions during preparation, implementation, monitoring and evaluation of all investment activities under component one. However, the institutional capacity of DABS in Herat Province is comparatively low to implement and monitor safeguard requirements. Therefore, capacity building at the subnational levels is necessary, since they will have important roles in project implementation and monitoring of safeguards compliance. Substantial coordination and knowledge sharing with DABS' headquarter office will take place to organize various capacity building events. Hence, the proposed Project's institutional and implementation arrangements will take advantage of existing institutional systems. The TA component of the project will provide necessary additional capacity building during project implementation.

The Project's safeguards officers (one social & one environmental) have benefitted from several training events organized by the Bank office in Kabul, including training in Management of Land Acquisition, Resettlement and Rehabilitation organized by BRAC University/World Bank. The ongoing DABS Planning and Capacity Support (P131228) Project includes training for DABS staff on all aspects of the ESMF and RPF, including ESIA process, preparation of site-



specific ESMPs and RAP for investment projects, monitoring and reporting on progress of Environmental and Social Management. All staff at the local level, including DABS staff in Herat province will receive training on overall safeguards management.

Further emphasis will be placed on creating/raising awareness of and building capacity to manage social and environmental issues among DABS' staff, including the relevant safeguards focal officers.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders are DABS, Afghanistan's National Environmental Protection Agency (NEPA), Herat provincial & districts authorities, relevant NGOs, and most importantly the relevant local communities in all four districts.

DABS' staff will be properly trained on how to undertake a meaningful consultation with the relevant stakeholders in a way and format they understand. The relevant project staff will also be responsible to share draft design with local communities for comment and feedback.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission to InfoShop	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
01-May-2017	01-May-2017	

"In country" Disclosure

Afghanistan

02-May-2017

Comments

DABS disclosed the ESMF and the RPF for the Herat Electrification Project on April 10, 2017 and re-disclosed the same after clearance from the World Bank on May 2, 2017

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission to InfoShop
01-May-2017	01-May-2017

"In country" Disclosure

Afghanistan

02-May-2017

Comments



C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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APPROVAL

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