Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

World Bank Performance Standards (OP 4.03)

Date Prepared/Updated: 10/18/2024

BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Uzbekistan	Europe and Central Asia Region	P181627	
Project Name	Uzbekistan - Khorezm Solar IPP Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Energy and Extractives Global Practice	Investment Project Financing/Guarantee	Does not apply	November 7, 2024
Borrower(s)	Implementing Agency(ies)		
Republic of Uzbekistan	Ministry of Economy and Finance		

Proposed Development Objective(s)
To increase private sector led renewable energy supply in Uzbekistan.

Financing (in USD Million)	Amount
Total Financing	83.5
Of which IBRD/IDA	83.5
Financing gaps	0.1
Total Project Cost	**83.60**

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. Project Abstract [including Project structure, components, activities, technical design, flow of funds, etc.]

This project is the Phase 3 of the “Renewable Energy Scale-Up in ECA Multiphase Programmatic Approach (ECARES MPA) Program”, which was approved by the World Bank’s (WB) Executive Directors on [March 14, 2024] with the first phase (P176375) and the second phase (P179336) supporting several countries across Europe and Central Asia (ECA)

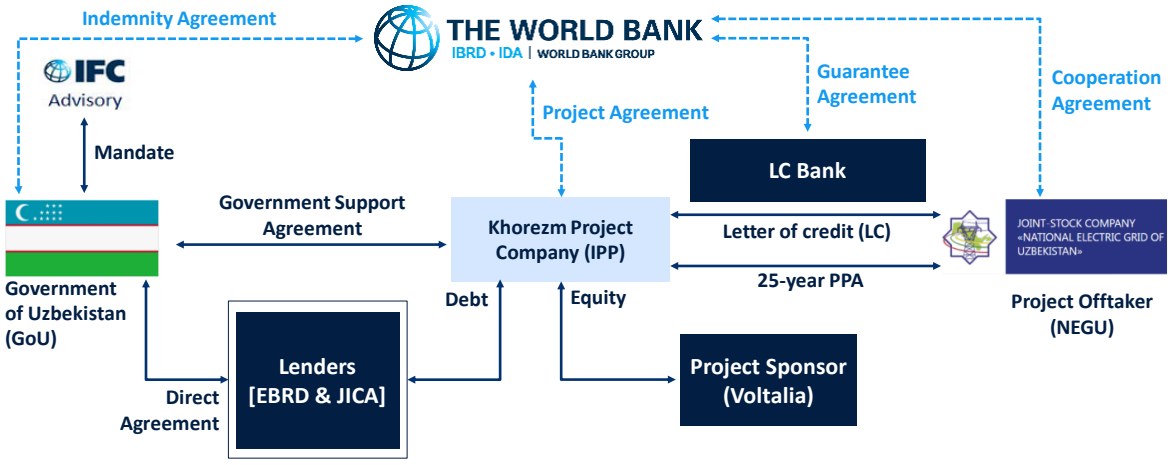
region in accelerating their renewable energy (RE) transition and achieving scale and impact through private investment, while fostering regional knowledge sharing.

This WB guarantee for the Khorezm Solar project aims to: (i) expand access to international market players by reducing offtaker risk perception while increasing competition with the participation of a new private developer (Voltalia) in Uzbekistan; (ii) further improve financing terms to lower transaction costs of renewable/solar energy; (iii) support learning and market development through collection of data on technical and economic performance of renewable / solar energy plants; and (iv) provide international best practices in RE deployment with private sector participation.

The Khorezm Solar IPP Project has one component to be supported by an IBRD payment guarantee, which consist of the construction and operation of a 100 MW solar PV power plant by Voltalia at Khorezm/Sarimay site and power purchase by the state-owned off-taker (NEGU) supported through IBRD project-based payment guarantee. The amount of equity to be provided to the "Sarimay Foreign Enterprise LLC" (Project Company) by Voltalia is expected to be approximately US$38 million. A total debt financing package of US$43 million will be provided by development partners and bilaterals including the European Bank for Reconstruction and Development (EBRD) and Japan International Cooperation Agency (JICA). The provision of the up to US$3.5 million as WB-guaranteed LC (sized based on peak 3-month revenues for this solar project) is a condition precedent to the disbursement of the senior debt and a critical element of the Project's bankability, as the sponsor indicated the need for the guarantee during the bid stage and will be paying for the provision of the guarantee.

The Project Company will sign a Power Purchase Agreement (PPA) and Government Support Agreement (GSA) with the government counterparts. The solar PV power plant will have a 25-year PPA term and a flat USD-denominated tariff and guaranteed dispatch, signed with the sole off-taker, NEGU. The GSA will be signed with the MoEF representing the GoU. Off-taker payments will be supported by an LC covering three months of revenues, which the GoU will have the obligation to top-up in case of a drawdown and failure to replenish by the off-taker. The GoU's LC backstop obligations will be backed by an IBRD payment guarantee.

Summary Contractual Structure for the Khorezm Solar IPP Project



Note: EPC = Engineering, procurement, and construction; LC = Letter of Credit

Following the same principles as under prior Scaling Solar operations in Uzbekistan, the proposed IBRD payment guarantee backstops certain payment obligations of the offtaker (NEGU). Under the Solar PV PPA, NEGU will provide payment security for the Project in the form of a Letter of Credit (L/C), issued through an international commercial bank in favor of the Project Company for the amount corresponding to three peak-monthly PPA payment obligations of the off-taker, Deutsche Bank AG (DB). The DB was selected as the L/C bank through a competitive procurement process undertaken by NEGU in September/October 2023. The L/C to be issued by DB may be drawn in the event NEGU fails to make timely PPA payments to the Project Company, subject to certain grace periods.

Voltalia requested payment guarantees as part of their bidding conditions. The guarantees comprise an up-to 20-year L/C-based structure (counted from actual commercial operation date) committed upfront to mitigate the PPA payment risks. The guarantee is expected to provide confidence to bidders and lenders to participate and provide a good opportunity for the GoU and the World Bank to continue assessing key risks preventing private investment on commercial terms and to devise appropriate action to improve the sustainability of the proposed project.

D. Scope of application of Performance Standards (PSs) [and Environmental and Social Standards (ESSs), if relevant]

As the focus of this operation is to provide a guarantee to the GoU's LC backstop obligations for the Khorezm Solar IPP Project operated by the "Sarimay Solar" (FE - Foreign Enterprise) LLC (Project Company), the Operational Policy OP4.03 (Performance Standards for Private Sector Activities) of the World Bank Group applies.
The relevant Performance Standards (PS) are:
PS 1: Assessment and Management of Environmental and Social Risks and Impacts
PS 2: Labor and Working Conditions
PS 3: Resource Efficiency and Pollution Prevention
PS 4: Community Health, Safety, and Security
PS 5: Land Acquisition and Involuntary Resettlement
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
PS 8: Cultural Heritage

E. Environmental and Social Overview

E.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The Khorezm Solar IPP Project is located in the Khorezm region of Uzbekistan. This region characterized by an arid climate and is situated in the western part of the country. The geography of the Khorezm region is largely defined by flat terrain and its proximity to the Amu Darya River, one of Central Asia's key water sources. The river plays a significant role in sustaining agricultural activities and supporting the local population, making it an environmentally sensitive area. The region experiences extreme temperatures, with hot summers that can reach over 40°C and cold winters, necessitating climate-adaptive infrastructure.

The Khorezm site covers a 68 ha area of land located in Tuprokkala District in the region of Khorezm. The expected renewable energy generation over the lifetime of the project averages to 261 GWh/year, leading to avoiding 90,500 tons of GHG emissions. The Project and it is expected to mobilize about US$85 million of private and commercial financing.

The proposed Solar IPP plant will be built in a single phase. The construction of the Project is expected to take around 12 months, with the PPA being in force for 25 years during which the IPP will sell electricity to NEGU. The technical

lifespan of the Project is expected to be 25-30 years, in line with international standards. The Project will connect to the national electricity network via a 3.2 km 220 kV overhead transmission line (OTL) to the existing Sarymay substation, located some 3 km north-east of the site. The existing Sarymay substation will be extended with two additional line bays to accommodate the connection of this Project.

This location and project characteristics highlight both the environmental sensitivity of the area and its strategic importance for advancing Uzbekistan's renewable energy targets, while addressing potential social impacts through sustainable project design and implementation.

E. 2. Client's Organizational Capacity/Borrower's Institutional Capacity

The Khorezm Solar IPP Project is being implemented by Voltalia, a global renewable energy developer, and the National Electric Grid of Uzbekistan (NEGU). Both organizations play pivotal roles in ensuring the project's success, leveraging their respective capacities and expertise in managing environmental and social risks.

NEGU is a state-owned entity established in June 2019 as a JSC with 14 regional transmission branches and a number of engineering, construction, and social subsidiaries and units. The sole shareholder of NEGU is the Ministry of Economy and Finance. NEGU has substantial experience implementing similar projects under the WB guarantee, which is the Syrdarya Efficient Power Generation Project (P174323) and one ESF/IPF project, Electricity Sector Transformation and Resilient Transmission ESTART (P171683). NEGU has established a special department which is responsible for ensuring ESF compliance across its projects. However, for the Syrdarya Efficient Power Generation Project, environmental and social (E&S) oversight is given to the external consultant, MotMcDonald, which conducts quarterly E&S compliances with the EPC contractoricy's performance. Under the ESTART project, E&S's performance is moderately satisfactory, indicating that NEGU's internal capacity for E&S management requires continued support and enhancement.

Voltalia SA (Voltalia), a subsidiary of Voltalia Investissement SA, is a producer and service provider of renewable energy, founded in France in 2005. The company generates and distributes renewable electricity using wind, biomass, hydro and solar energies. Voltalia's international experience extends to project development, project financing, engineering, procurement and construction (EPC) services. The company has successfully implemented the IFC Performance Standards and E&S management requirements in other renewable energy projects across various jurisdictions, demonstrating its capacity to meet stringent international standards. Voltalia has established a corporate Health, Safety, Environment, and Social (HSES) Policy, which aligns with international best practices and underscores its commitment to upholding robust E&S standards.

The Khorezm Solar IPP Project Company namely Sarimay Foreign Enterprise (FE) LLC is an SPV (Project Company) incorporated and registered in Uzbekistan to develop, finance, build, own, operate, and maintain the Khorezm Solar IPP Project. Voltalia has brought in experienced staff to the board and management of the SPV to ensure effective oversight and implementation of the Project's E&S aspects. . The construction and operation of the solar PV power plant at the Khorezm site will be implemented through engineering, procurement and construction (EPC) and operations and maintenance (O&M) contracts. The EPC contracts are being procured competitively by Voltalia (already awarded for PV) with proven experience in implementing complex E&S frameworks and international standards and will be agreed and signed as a prior condition to financial close.

For this project, the roles and responsibilities of the GoU (through its agencies and SOEs) and of the Governor (Khokimiyat) of the Khorezm is described below:

- The Ministry of Economy and Finance (MoEF) is the implementing agency for the project. It represents the GoU under the Government Support Agreement (GSA) signed with the Project Company and will also enter into the GSA Direct Agreement with the Project lenders.
- The MoEF, on behalf of the GoU, will enter into an Indemnity Agreement with IBRD (by which the GoU commits to reimburse IBRD for any payment under the proposed guarantees in case of a call on the guarantees).
- NEGU, as the single purchaser of electricity from generation companies, including IPPs, is the off taker for the project's electricity and has entered into PPA with the Project Company. An independent engineer will be jointly arranged by NEGU and the Project Company to check the plant performance and monitor compliance with technical specifications under the PPA.
- The Governor (Khokimiyat) of the Khorezm Region is the party to the Land Lease Agreements signed with Voltalia in relation to the long-term leases (for a duration equal to the terms of the PPAs and an additional six months) of the project site.

II. SUMMARY OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

This assessment has been prepared based on review and analysis of ES documents that have been prepared by the Borrower and/or Project Participants (including Private Entities and Financial Intermediaries (FIs)), as indicated by PSSs and/or ESSs.

A. For ESSs: Environmental and Social Risk Classification – High, Substantial, Moderate and Low

Provide rationale for the risk classification

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

B. For PSs: Environmental and Social Categorization - CATEGORY A, B, C, FI-1, FI-2 and FI-3

This project is classified as a Category B under the World Bank Performance Standards (PSs)project, as the project activities have the potential to cause limited adverse E&S impacts that are few, site specific, largely reversible, with no significant threat to biodiversity or sensitive habitats, and readily addressed through existing mitigation measures and good international industry practices (GIIP). The project site of Sarimay covers approximately 182.99 ha of land in the Tuprokkala District of the Khorezm region. The land is currently used for grazing and agriculture, and no significant resettlement or displacement of people is anticipated.

The project site has been assessed and categorized as Natural Habitat, but it does not intersect with any protected areas or critical ecosystems. There are no associated facilities for the Project as defined by Lender standards, such as transmission lines or access roads, that would create additional environmental or social risks. The project's potential impacts, including dust generation, noise, temporary loss of grazing areas, and waste generation during construction, are considered minor and can be effectively mitigated using best practices. There are no associated facilities for the Project as defined by Lender standards, and the site has been assessed as being located in 'Natural Habitat.'

During operations, the project will generate green energy and contribute to reduced carbon intensity of the Uzbek national grid, and a detailed carbon footprint and impact on climate change of project activities have been assessed as part of the due diligence on the project. The project location and landscape are vulnerable to climate and geophysical hazards; however, climate and disaster risk screening of project implementation has been conducted during the project preparation. The project will result in minor economic displacement and impacts (loss of grazing and agricultural land, and assets, or limited access to assets, leading to loss of income sources or other means of livelihood) at the solar-panel installation sites and under the transmission lines, although the number of project-affected persons will not be significant. Other potential social risks and impacts relate to establishment of a working Environmental and Social Management System, including E&S capacity, community concerns, including solar-panel installation impacts on the neighborhoods in the aesthetic sense and lack of access to project benefits, contractor management and labor conditions, and child and forced-labor risks among project workers, including solar panel supplier workers. These impacts are site-specific, with limited areas of influence, and easily identified, and can be addressed through the implementation of effective mitigation measures.

There are also some potential labor-related risks associated with the procurement of solar panels under the project. To mitigate the risks associated with polysilicon suppliers (polysilicon being a key raw material in the solar-panel production chain), the implementing agencies will be providing (prior to construction) to the Bank contractual assurances that they have not used or engaged forced labor and will not use or engage forced labor in their operation.

A preliminary screening for climate change and disaster risks was conducted for the project's main components, and the project's overall risk rating was found to be moderate. The identified risks included droughts and heatwaves, whose frequency and intensity may be increased by climate change, that may threaten water supply service. Additionally, the majority of Uzbekistan is at high risk of both river and flash flooding. Climate change is likely to increase the likelihood of floods.

III. APPLICABLE STANDARDS

A. Performance Standards [and the Environmental and Social Standards]

PS1 Assessment and Management of Environmental and Social Risks and Impacts

Instruction to Staff: The assessment undertaken is proportionate to the potential risks and impacts of the project, and has assessed, in an integrated way, all relevant, direct, indirect and cumulative environmental and social risks and impacts throughout the project life cycle, including those specified in PSs. Please also summarize the scope of review.

The World Bank, in collaboration with EBRD, conducted the due diligence and reviewed the Environmental and Social Impact Assessment (ESIA) and other E&S instruments: Critical Habitat Assessment Report, Climate Change Risk Assessment Report, Human Rights Risk Assessment Report, Livelihood Restoration Plan Summary, Environmental and Social Monitoring Plan (ESMP) and Stakeholder Engagement Plan (SEP). An Environmental and Social Action Plan (ESAP) was developed to mitigate E&S risks, which supplements mitigation measures identified via the project ESIA. An Independent Environmental & Social Consultant (IESC) has been engaged on behalf of the Lenders to verify compliance against the ESAP and monitor E&S performance.

The Environmental and Social Due Diligence included a 2-day physical site visit completed in July 2023 by IFC, consultations with relevant stakeholders, including public stakeholders and Project Affected Persons (PAPs), a

technical review of project ESIA and associated deliverables, and an assessment of Voltalia's corporate environmental and social (E&S) capacity. The World Bank has also reviewed the instruments and concurred with EBRD's review and due diligence and will conduct joint supervision and monitoring of the project with EBRD before project's implementation. The instruments are deemed sufficient to ensure effective due diligence and implementation of mitigation measures. Key thematic areas identified include biodiversity conservation, stakeholder engagement and grievance management, human rights, climate change adaptation, and community health and safety.

The project's SEP outlines the engagement techniques planned with stakeholders to seek views, opinions, feedback and grievances regarding the project. The techniques seek to increase accessibility for those classified as vulnerable and enable them to be informed. The project's Grievance Management Tool will be disseminated to all stakeholders using the information we have for those, displayed at all local shops and petrol stations, social media via Telegram and Voltalia's website. A community liaison officer (CLO) is expected to be permanently available in the project area for any emergency cases to meet them in person, in addition, a permanent contact group will be opened on Telegram apps and any other information will be provided through the project website and telegram group. Posters shall be advertised on public billboards, local notice boards and will include instruction on how to fill out the forms and timeframe for processing grievances, including location of the grievance boxes.

E&S instruments were disclosed on EBRDS's website in May 2024 (https://www.ebrd.com/work-with-us/projects/psd/54484.html); they were disclosed in-country in May 2024. The ESIA and SEP have also been disclosed at the World Bank's external website in https://documents.worldbank.org/en/publication/documents-reports/documentlist?qterm=P181627.

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

ESS10 Stakeholder Engagement and Information Disclosure

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

PS 2 Labor and Working Conditions

During the preparation of the project's ESIA and public consultations with local stakeholders, local hiring was detected as the utmost importance to the communities, and expectations for the creation of local jobs were expressed; and, potential risk of tension or reputational damage following the outcomes of the previous substation project that resulted in minimal local hires, which led to frustration among stakeholders/the communities. Provisions in the project's Labor Management Plan (LMP) have been included to enhance and make use of the available local workforce. The project's LMP and the Occupational, Health, and Safety Management Plan (OHSMP) also address Worker health and safety standards, Contractor and subcontractor management, Non-discrimination and equal opportunity, Grievance redress mechanisms for workers, and ensures compliance with international labor conventions, including provisions for occupational health and safety, worker accommodation, and prevention of forced or child labor.

Labor and Working Condition Risks' will be addressed through the project's Labor Management Plan (LMP).

The WB notes, in light of the procurement of solar panels under the project, that there are allegations of forced labor risks associated with polysilicon suppliers (polysilicon being a key raw material in the solar-panel production chain). Accordingly, the following mitigation measures (among others) will be adopted for the project: The Project Company (Voltaria) will be providing to the Bank contractual assurances that they have not used or engaged forced labor and will not use or engage forced labor in their operations; and Voltaria will require the same contractual assurances from the related entity charged with the procurement of solar modules for the project, which will, in turn, require the same from its primary (direct) supplier/s of solar modules, once they have been selected.

ESS2 Labor and Working Conditions

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

PS 3 Resource Efficiency and Pollution Prevention

The project's design includes measures to improve resource efficiency, reduce greenhouse gas emissions, and minimize energy consumption. The project's ESIA outlines specific steps to conserve water, prevent pollution, control air emissions, manage wastewater, and prevent soil contamination during both the construction and operation phases. Additionally, plans to manage air quality and noise pollution have been developed with strict monitoring and control measures for both construction and operation stages. The project will ensure that emissions and discharges comply with national and international standards. Energy and water efficiency measures will be implemented to minimize resource use throughout the project's lifecycle.

However, the Project also acknowledges that solar panels and associated Battery Energy Storage Systems (BESS) present environmental risks related to the production of e-waste during damage, decommissioning, and the end-of-life period of PV panels and BESS. These risks primarily arise from hazardous materials, including heavy metals and chemical substances present in solar PV panels and lithium-ion batteries, which require specialized disposal methods. If not properly managed, they could pose long-term environmental and health hazards.

Uzbekistan's current capacity for managing hazardous waste, including e-waste, is limited, and lacks specialized facilities to handle the disposal of PV panels and BESS components. In response, the project includes mitigation measures outlined in Action 20 of the ESAP to address these gaps. The mitigation measures include a plan to establish partnerships with regional hazardous waste management facilities and implement a recycling and waste management protocol that adheres to the World Bank standards.

Additionally, a Decommissioning Plan will be developed to manage and mitigate the risks associated with the disposal and recycling of solar PV panels and batteries. This plan will outline procedures for safe dismantling, transportation, and final disposal or recycling of all hazardous components, with an emphasis on minimizing environmental impacts.

ESS3 Resource Efficiency and Pollution Prevention and Management

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

PS 4 Community Health, Safety and Security

The project's Community Health, Safety, and Security Management Plan addresses risks to the local community from project activities, including transportation of materials, construction activities, and operational impacts, with measures covering traffic management, dust and noise pollution control, and emergency response protocols. The plan also includes mitigation measures for fire safety risks, such as overheating of panels, electrical faults, and hazards associated with the Battery Energy Storage System (BESS), integrated into emergency response procedures. Fire prevention measures include fire detection systems, regular maintenance checks, and training for staff and local responders, aligned with international fire safety standards Specific attention has been paid to the health and safety risks posed by construction activities, with mitigation measures to safeguard local populations.

The project's Community Health, Safety, and Security Management Plan also includes mitigation measures to address potential risks on Sexual Exploitation and Abuse, Sexual Harassment, and Gender-Based Violence (SEA/SH/GBV), including the implementation of a Code of Conduct (CoC). The CoC would introduce during induction training to every employee before entering the work. In regularly SEA/SH/GBV topics will be covered weekly toolbox talk and the effect of disciplinary action will also expound to the employees for such kind of cases.

Grievance sheets with grievance boxes for SEA/SH/GBV victims will be available at the following locations: project information office, project Site including all access points, workers camp or workers lodging premises, if applicable, and related facilities. The location of the grievance boxes shall be discrete and away from all surveillance cameras. GM boxes will be locked, and key will be kept only social advisor and project CLO. GM forms will hang out behind the boxes in 3 different language, Forms availability will be monitored by CLO and Social advisor weekly basis. CLO will be on site permanently, social advisor will on site minimum once per month.

ESS4 Community Health and Safety

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

PS 5 Land Acquisition and Involuntary Resettlement

The project's ESIA concluded that no land related legacy issues or conflicts were identified during the consultations. Also, it reports that the project's footprint area is not on the balance sheet of the district Hokimyat reserve land. The land is categorized as a pasture land and it is entirely located within a 40,500 ha land plot that was leased to the State Committee for Development of Silkworm and Karakul (SCDSK) by the decision of the hokim of Tuprokkala district of Khorezm province on October 8, 2020 #424k. The lease was approved by the hokim of Khorezm province on October 10, 2020 #366k. Moreover, the SCDSK has not subleased any part of its land lease.

The ESIA also report that the project site has not been not leased to anyone else during the five years preceding the land lease to the SCDSK.

According to the public consultation reported in the SEP, the village representatives mentioned that the site is not of interest to locals, since it's not an irrigated stony area with very little vegetation. The area was never used by locals for cropping or for settling. Occasional grazing activities occur yearly in April-May when shepherds return to their village from the pasture sites located further and that represent better grazing opportunities. Locals collect stones from the site for the construction of barn walls and basements. However, the production of cinder blocks is less practiced. There are vast areas available for grazing and stone gathering and the impact of the project in this regard is very insignificant for the local population.

Based on the issues reported above, the project's management plans and SEP will address all potential risks related to land management. However, they seem to be minor.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The project is located in an area with no critical habitats, so the project's biodiversity impacts are minimal. However, the ESMP identifies potential thematic impacts on local natural habitats, such as disturbance to native vegetation and displacement of local fauna due to construction activities. To manage these impacts, the ESMP includes mitigation measures such as habitat restoration, minimization of construction footprints, timing restrictions to avoid sensitive periods for local fauna, and strict management of noise and lighting to reduce disturbance. Additionally, the Invasive Alien Species Management Plan was developed to monitor and control any potential spread of invasive species during construction and operation phases.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

PS 7 Indigenous Peoples

There are no groups who meet the definition of Indigenous Peoples in Malawi as such, PS7 is not relevant.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

PS 8 Cultural Heritage

The project is located in an area with no known significant cultural heritage, and no impact on cultural heritage is currently anticipated as a result of this operation. However, this standard is applicable to the project given the potential for encountering previously unidentified cultural heritage during construction activities. To manage this risk, a Chance-Find Procedure has been developed and included under the ESMP to ensure that any unexpected discoveries are protected and properly managed according to national and international standards.

ESS8 Cultural Heritage

Not Applicable since only the Operational Policy OP4.03 of the World Bank Group applies.

ESS9 Financial Intermediaries

Not relevant.

B. Other Relevant Project Risks

No

C. Reliance on Borrower's policy, legal and institutional framework, relevant to the Project's specific ES risks and impacts. This is relevant only for components that apply the ESSs.

Is this project being prepared for use of Borrower Framework? (yes/no)

Explanation: No

D. Common Approach (yes/no). This is relevant only for components that apply the ESSs.

Provide outline of Common Approach, identifying key substantive and procedural aspects.

The E&S aspects of this project also comply the E&S framework of the European Bank for Reconstruction and Development (EBRD) and Japan International Cooperation Agency (JICA), which are largely consistent with the WB's Environmental and Social Framework.

E. Legal Operational Policies that Apply (to the Project)

OP 7.50 Projects on International Waterways — No

Explanation:

OP 7.60 Projects in Disputed Areas — No

Explanation:

III. CLIENT's ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP)

Instruction to Staff: The ESAP sets out material measures and actions, any specific documents or plans, as well as the timing for each of these. The ESAP should include action items that directly correlate to a specific PS requirement gap that the client needs to address to comply with the PSs. The ESAP also includes the client's Management Programs and any other E&S documents as described and presented in the ESRS.

Provide a summary of the actions required under the ESAP

	Description	Anticipated Completion Date
PS1 Assessment and Management of Environmental and Social Risks and Impacts		
1	Based on the findings of the ESIA, the Company will prepare or update the site-specific ESMPs for solar field and associated facilities. The ESMP will be part of the contractual documents and will be aligned with PS1, and the corporate ESMS (Environmental and Social Management System)	Condition of Disbursement

2	The Company and their contractors will implement the Environmental and Social Management System (ESMS) developed in accordance with the general requirements of PS1 and in line with the objectives of ISO14001 (certification is not required). The ESMS identify, manage and control risks related to Project activities and its requirements will be applicable to any project sub-contractors.	Prior to Construction
3	The Company will: (a) Develop or updated a Construction Environmental & Social Management Plan (CESMP) for the project site consistent with the site-specific ESIA, PS and national requirements. The CESMP will consist of a suite of sub-plans, which will include but not be limited to waste management; pollution prevention; water management; hazardous materials; biodiversity management; emergency response; community health, safety & security; road safety & traffic; worker accommodation; Influx management; cultural heritage (including chance finds); environmental monitoring; stakeholder engagement (including grievance management); contractor management. (b) Require their EPC contractors to develop, implement and maintain their own ESMPs and associated procedures aligned with project requirements and their scope of work.	Prior to Construction Prior to Construction
4	The Company will: (a) Develop or update an Operations Environment & Social Management Plan (OESMP) for the project site, which are consistent with the site specific ESIAs, IFC PS and national requirements. The OESMP will consist of a suite of sub-plans, which will include but not be limited to: waste management; pollution prevention;	Prior to Commercial Operations

	water management; hazardous materials; emergency response; community health, safety & security; biodiversity management; environmental monitoring; stakeholder engagement (including grievance management). (b) Require its O&M contractors develop, implement and maintain their own ESHS MPs and associated procedures aligned with project requirements and their scope of work.	Prior to Commercial Operations
5	The Company and their contractors will develop or update an Occupational Health & Safety (OHS) MS aligned (but not necessarily accredited) with OHSAS18001 / ISO 45001 and of a scale appropriate to their scope of work. The OHS MSs will identify, manage and control risks related to Project activities and its requirements will be applicable to any project sub-contractors.	Prior to Construction
6	The Company will: (a) Develop or updated its OHS Management Plan for the project site, aligned with PS 2 and national requirements, which will outline minimum health & safety requirements for the project. (b) Ensure that their EPC & O&M contractors develop OHS Management Plans and set of sub-plans / procedures to ensure that all applicable health and safety legislation and relevant sections of IFC PS2 and the WBG General EHS Guidelines are met.	Prior to Construction Prior to Commercial Operations
7	Develop and include EHS and labor provisions and compliance conditions in their EPC and O&M contracts which will provide contractors and third part service Project Management Consultant (PMC) providers (including security agencies) with clear guidelines on labor performance.	Prior to Construction

8	The Company will (a) Establish an EHS&S Management Structure including an overall organizational chart detailing the Environmental, Social, Health and Safety teams, structure and relationship at the corporate and project site levels, including PMC, Contractors and sub-Contractors. At a corporate level, the client will appoint a qualified E&S and OHS representative to be the lenders focal point throughout the duration of the construction & operational phases of the project. (b) At a site level, appoint a suitably qualified stakeholder liaison manager. (c) Appoint through PMC suitably qualified project E&S and OHS manager, and human resource management support.	Prior to Construction
9	The Company will require their PMC, EPC & O&M Contractors (including their sub-contractors) to appoint a suitably qualified environmental and OHS team to manage their scope of work. The team will have adequate qualifications & experience including the knowledge of international requirements & best practice.	Prior to Construction / Commercial Operations
10	The Company will hire independent environmental & social consultants (IESC) acceptable to all lenders involved in the project. The scope of the IESC shall include review and approval of key E&S and OHS Company and contractor deliverables (CESMP, OESMP, ESMPs etc.), and monitor efficiency of E&S management	Prior to Construction

	plans implementation quarterly during construction phase and annually in the first three years of the operations.	
11	The Company will ensure they have adequate proof of the voluntary return of land to the project by Project-Affected People	Condition of Disbursement
PS 2 Labor and Working Conditions		
12	The Company will develop and implement project specific Labor Management Procedures (LMP), aligned with local labor codes, IFC PS2 and International Labor Organization (ILO) requirements, for the Project which will contain an enforceable code of conduct applicable to all workers. These procedures must be made available to all employees in their language(s).	Within 90 days of Financial Agreement signature Throughout the project implementation
13	The Company will: (a) Supplement existing, publicly available, local workforce statistical data, by undertaking further stakeholder engagement to determine likely local & regional workforce availability, gender & skill levels to guide workforce planning. The Company will prepare a Local Recruitment & Employment Plan (LEP) for the project site, aligned with local labor codes, IFC PS2 and ILO requirements which outlines the projects local recruitment strategy and processes. The LEPs will outline the project's commitment to encourage & maximize local workers, vulnerable persons and women in the workforce including retention and promotion. It will include a tiered recruitment strategy aiming to maximize local, regional & national employment and will include a focus on preventing and responding to gender-based violence/sexual exploitation and abuse/sexual harassment (GBV/SEA/SH) for women	Condition of Disbursement Condition of Disbursement

	construction workers, and in local communities affected by the project.	
14	The Company will ensure that all employee contracts are consistent with local labor codes, ILO and IFC PS2 requirements. All employees shall be provided a copy of their contracts (in a language they understand). All construction phase worker contracts shall clearly describe the short-term nature of the project and provide an indication of likely employment duration. Ensure all workers have contracts and background checks including references from most recent employers.	Prior to Construction
15	The Company will: (a) Define and implement a confidential grievance reporting, referral and support systems for workers - Worker Grievance Mechanism (WGM) - in accordance with IFC PS2. The WGM is to include specific considerations related to GBV/SEA/SH grievances. This should include multiple entry points to raise and address allegations including options to report anonymously if preferred. The WGM should be extended to all third-party workers performing activities for the project as required. WGM to be operated and management by the PMC during construction. During operations, the O&M contractors will establish and operate a WGM aligned with the Companies' MS (including training / awareness actions outlined below). (b) Provide specific trainings to key staff involved in the management of grievances (HR personal, grievance officers, senior management etc.) explaining the WGM and resolution process. Particular emphasis on	Prior to Construction Training will be provided during site induction

	identifying and appropriately managing harassment and bullying and GBV/SEA/SH (c) Provide general awareness to employees via. the site induction and ongoing toolbox talks on harassment and bullying. Engage with women employees on their concerns regarding transportation and safety. Deliver periodic mandatory training on GBV/SEA/SH to all workers, including contractors, subcontractors and core suppliers, as well as relevant consultants and clients. (d) Conduct mapping of local formal services (healthcare, counselling) and informal resources to support those who have experienced harassment.	Trainings will be provided during site induction Prior to Construction
16	The EPC Contractors will develop or update a Workers Accommodation plan for each site in line with "Worker's accommodation: Process and Standards" Guidance Note by IFC and EBRD. Consideration of the need for workers accommodation must take account of the Covid-19 pandemic and the potential impact of the construction workforce on the local communities. Conduct safety audits to identify settings affected by the project that might increase the risk of GBV/SEA/SH. For example, consider whether adequate measures have been put in place to manage interaction points with communities such as truck stops. Provide safe, secure and separate living spaces for male and female construction workers; including adequate lighting and segregated wash facilities	Prior to Construction
17	The Company will require its contractors to develop and implement an 'Training Needs Analysis' and 'Training & Competency Plan' to ensure that all workers are appropriately trained,	Prior to Construction

	licensed / permitted & competent to undertake all tasks required of them within their role.	
18	The Company will develop and implement an 'E&S Supplier & Vendor Management Plan' for primary suppliers. The client will undertake supplier/vendor E&S risk assessments for primary suppliers and review potential supplier/vendor labor issues and risks including child labor, forced labor, working conditions etc. Include assessment of forced labor, gender and safety risks in bidding process for contractors.	Prior to Construction
PS 3 Resource Efficiency and Pollution Prevention		
19	The Company will conduct or update an Alternatives Analysis for water use taking into account environmental, social and technical considerations and subsequently prepare or update a Water Management Plan for each site that will provide the best option for water supply during construction and operational phases in ways to avoid or minimize significant negative impacts on water supply for local community, farmers and headers	Prior to Construction
20	The Company and their contractors will develop or update site-specific Waste Management Plans and procedures for the construction and operational phases for the project for safe handling, transport, and disposal of solid, liquid and hazardous material aligned with local legal requirements, IFC PS3 and WBG EHS general guidelines. It will contain a waste inventory and will undertake an assessment of disposal & treatment facilities / options.	Prior to Construction
PS 4 Community Health, Safety and Security		
21	The Company will:	

	(a) Update site specific Stakeholder Engagement Plans (SEPs) (including community grievance mechanisms {CGMs}) prior to commencement of the construction phase and periodically as required throughout the Project duration. The SEPs will be fully aligned with the IFC PS requirements including safe, confidential, and accessible grievance mechanisms for local communities. (b) Ensure that their contractors implement site-specific Community Health and Safety Management Plans (CHSMPs) and Emergency Preparedness and Response Plans (EPRPs) developed and adopted as part of the OESMP. (c) Inform local stakeholders about the construction program, the major construction activities, and expected increase in traffic around the site. (d) Consult with local stakeholders and authorities regarding the numbers of workers that will be on site during the construction period, the potential for employment, worker accommodation, and worker welfare and health.	Prior to Construction
22	The Company will develop or update Security MPs / Codes of Conduct for site security personnel which will be in line with the requirements of PS2, PS4 and the Voluntary Principles of Security & Human Rights. The EPC's security forces management plans will mirror that of the Company.	Prior to Construction

PS 5 Land Acquisition and Involuntary Resettlement		
23	The Company will finalize and describe the measures to be taken by responsible government agencies to allocate replacement land plots and to compensate affected persons. If these measures do not meet the relevant requirements of this Performance Standard, the Company will develop a Resettlement Action Plan (RAP) to complement government actions. This may include additional compensation for lost assets, and additional efforts to restore lost livelihoods where applicable.	Prior to Construction
PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources		
24	The Company will develop or update a construction-phase Biodiversity Management Plan (BMP) that demonstrates no net loss of Natural Habitat and associated threatened species (including the Central Asian Tortoise), with appropriate mitigation measures to preserve the integrity of topsoil and existing natural vegetation on-site and restoration of natural vegetation in areas disturbed during construction.	Prior to Construction
25	The Company will develop or update an operational-phase BMP that includes long-term management of Natural Habitat on-site and control of invasive alien species. The BMP should also include a monitoring plan for the operational phase, including monitoring of bird and tortoise fatalities and to determine no net loss of Natural Habitats.	Prior to Commercial Operations Date
26	If the Company install any new, or makes modifications to, existing overhead transmission	Prior to Operations

	lines, it will install and maintain bird flight deflectors for the life of the project	
PS 7 Indigenous Peoples		
	NA	
PS 8 Cultural Heritage		
27	The Company will develop or update and implement project specific Chance Find Procedures, aligned with local cultural heritage laws and regulations and IFC PS8	Within 90 days of Financial Agreement signature

IV. BORROWER'S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

	DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED	TIMELINE for DELIVERABLES
ESS1 Assessment and Management of Environmental and Social Risks and Impacts		
	NA	
ESS10 Stakeholder Engagement and Information Disclosure		
	NA	
ESS2 Labor and Working Conditions		
	NA	
ESS3 Resource Efficiency and Pollution Prevention and Management		
	NA	
ESS4 Community Health and Safety		
	NA	
ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement		
	NA	
ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources		
	NA	

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities		
	NA	
ESS8 Cultural Heritage		
	NA	
ESS9 Financial Intermediaries		
	NA	

V. WORLD BANK ES OVERSIGHT

Corporate advice/oversight will be provided by an Environmental and Social Standards Adviser (ESSA) during project preparation — No

VI. CONTACT POINTS

World Bank

Contact:Ferhat Esen

Title: Senior Energy Specialist

Telephone No: +43 (0)1 2170 797

Email: fesen@worldbank.org

Borrower/Client/Recipient

Ministry of Economy and Finance

Implementing Agency(ies)

VII. FOR MORE INFORMATION CONTACT

The World Bank1818 H Street, NWWashington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

Private Sector Entity Name
Address
Telephone
Email

VIII. APPROVAL

Task Team Leader(s): Ferhat Esen (IECEE), Bahodir Amonov (IECEE), Shashank Shanker (MIGIG)

Environmental and Social Standards Advisor (ESSA): Sunrita Sarkar, Acting Regional Safeguards Advisor (ECADE)

Practice Manager: Stephanie Gil (IECEE)