

**INTEGRATED SAFEGUARDS DATA SHEET
RESTRUCTURING STAGE**

Note: This ISDS will be considered effective only upon approval of the project restructuring

Report No.: ISDSR15150

Date ISDS Prepared/Updated: 11-Sep-2015

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Uzbekistan	Project ID:	P146328
Project Name:	Pap-Angren Railway (P146328)		
Task Team Leader(s):	Jacques Bure		
Estimated Appraisal Date:	14-Oct-2014	Estimated Board Date:	13-Feb-2015
Managing Unit:	GTI03	Lending Instrument:	Investment Project Financing
Sector:	Railways (90%), Other domestic and international trade (10%)		
Theme:	Trade facilitation and market access (100%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (in USD Million)			
Total Project Cost:	1633.75	Total Bank Financing:	195.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			1088.75
International Bank for Reconstruction and Development			195.00
China Export Import Bank			350.00
Total			1633.75
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

2. Current Project Development Objectives

3. Project Description

The proposed project will support UTY to build a single 124 km track rail link between Angren and Pap including a 19.2 km rail tunnel through the Kamchik Pass. It will also support the reconstruction by UzEnergo (UZE) of Obihayot power substation and the construction of power distribution lines from Obi-hayot power substation to traction power substations (TPS) at Koshminar and Pap, and from power transmission line Angren - Obi-hayot to TPS Sardala to secure reliable power supply for the new railway line. The government and UTY will provide the bulk of the financing for the project. The Bank will finance the signaling, electrification of the railway line, electric power distribution line, track maintenance equipment, and technical assistance to UTY.

Component 1. Rail Main Infrastructure (estimated total cost US\$1,396.77million): UTY is responsible for the construction of the new railway line main infrastructure including ballast, rail, bridges and a 19.2 km long tunnel. The construction work was initiated in June 2013 and commissioning is planned by July 2016. The proposed loan is not financing this portion of the project.

Component 2. Rail Electrification, Signaling, Track Maintenance and Railway video surveillance system (estimated total cost US\$267.5 million, of which IBRD US\$152 million): This component will finance four investments to equip and maintain the new railway line as follows:

- Signaling and Communications (estimated cost US\$46 million). The component will finance a microprocessor based train control system with fiber optic-based communications. The system would be controlled from UTY's existing dispatching center in Tashkent. UTY will carry out the related civil works (buildings, cable ducts and cable laying).
- Electrification (estimated cost US\$30 million). The component will finance (a) construction of three traction substations and (b) a SCADA system for optimizing energy use. UTY will construct the catenary structure and install the cabling.
- Track Maintenance Equipment (estimated cost US\$36 million). Track maintenance equipment will be used to maintain the new Pap-Angren line and will consist of cranes, rods, emergency and security trucks, and other machinery and maintenance equipment.
- Railway video surveillance and broadcasting system (estimated cost US\$20 million): The component will finance surveillance system, and the broadcasting on any telecommunication channels to inform railway users.

A US\$20 million contingency is added to this component and embedded in the financing of the project.

Component 3. Power Distribution Line (estimated total cost US\$36.86million of which IBRD US\$35 million): This component will finance three investments to bring energy to the new railway line as follows:

- Dismantling of overhead power lines: (estimated IBRD financing US\$2.6 million), including the removal of Angren-Obihayot 220kV power line of total 8.8 km length, of which 6 km in Tashkent region and 2.8 km in Namangan region.
- Equipment for the installation of new power lines (estimated IBRD financing US\$13.3 million), including the procurement of concrete structures for 110-220kV power lines, respective materials and communication equipment, protection relay, metering and controlling instruments, general power equipment and others.
- Construction works and commissioning of new power lines (estimated IBRD financing US\$17.6 million). The sub-component will finance the reconstruction of the 220 kV substation Obi-hayot and the construction of 15 km and 48.8 km of 110kV power distribution lines to connect Obi-hayot power substation with TPSs Koshminar and Pap, and 5 km of 220kV power distribution line to

connect 220 kV power transmission line Angren - Obi-hayot with TPS Sardala

- Other capital costs associated with construction works (estimated IBRD financing US 1.5 million).

Component 4. Technical Assistance to UTY for railway construction and long-term plan (estimated total cost US\$6.7 million, which will be financed by IBRD): This component will finance technical assistance to be provided to UTY. It will provide UTY with options on how to better meet current and future transportation needs, maintain its market share in freight and passenger transportation and increase efficiency of its operations during the period of 20-25 years.

Component 5. Technical Assistance to UTY for improving railway logistics in the Ferghana Valley and Angren region (estimated total cost US\$1.00 million, which will be financed by IBRD): This component will finance technical assistance to be provided to UTY. It will support UTY in introducing sound logistics arrangements to allow the Pap-Angren railway link to reach its full operational potential.

Component 6. Implementation support (estimated total cost US\$0.3 million, which will be financed by IBRD): This component will finance implementation support to UTY and UZE.

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

The railway start/end points are cities of Angren and Pap. Angren is located in Tashkent oblast and has population of 127,000. The city used to be a center of Uzbek coal industry. Pap is a rayon center with population of 25,000, located in the North-West of Fergana Valley. Within Angren, the project will use the right of way of the existing railroad and new construction "greenfield" section of the project will start from the coal mining area to the East of Angren. The Northern section of the railway (i.e. section between Angren and tunnel portal at km 36) will go along Akhangaran water reservoir and will cross/overpass (bridge or embankment) at least one of the reservoir's small bays. The alignment runs through Akhangaran river canyon/ravine with very diverse and rough topographic profile. The tunnel will start at km 36 and end at km 57 nearby the river Sansalak-Sai. Between km 63 and km 85 the road will go along Gulistan, Altynkan and Chadak villages and the territory of Almalyk ore mining works (non-ferrous metals). Within the Southern section (i.e. section between Chadak and Pap) the railroad will go through agricultural land. Starting km 95, the rail road will enter agricultural non-arable (currently classified as pastures). The last 20 km of the railroad alignment before entering Pap will be through agricultural arable land.

5. Environmental and Social Safeguards Specialists

Alexei Slenzak (GENDR)

Angela Nyawira Khaminwa (GSURR)

Ekaterina Romanova (GSURR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The EIA (Statement on Environmental Impacts in Uzbekistan) for railway and tunnel was prepared by the Design institute Boshtransloiha. Following the recommendations of the State Expert Review and the Bank, the EIA was updated. The Client has also prepared the EMF: independent consulting company "AL MAR

		<p>CONSULTING" LLC was hired. The advanced draft of the EIA and EMF acceptable to the Government of Uzbekistan and the World Bank were publicly disclosed and consulted upon with interested stakeholders. The EIA and EMF cover the following issues: (a) management of radioactivity risk, (b) mitigation of negative environmental impacts in sensitive areas (i.e. pollution of rivers and streams, water protection zones), (c) management of borrow pits and sites for waste material, (d) management of geological risks and emergency situations. Site-specific EIAs and EMPs are being and will be prepared by the contractors for specific sections of the alignment. These EMPs will be disclosed at specific project locations and public consultations organized (for sites in the proximity of villages) prior to works start. The EIA for transmission line will be prepared by Boshtransloiha. Based on this EIA, the EMP for transmission line will be prepared, disclosed and consulted upon. An Environmental Audit of works carried out previously is being undertaken. Previous visits to ongoing construction sites by the team's environmental specialist indicated that there were no significant/irreversible impacts that would require a suspension of the works, but did identify some needed improvements. The Environmental Audit will review progress in these areas and provide specific recommendations for remedial measures in an Environmental Action Plan. Both Environmental Audit and Environmental Action Plan will be included in the final EMF and disclosed by the Client.</p>
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	<p>OP 4.11 was triggered. The alignment goes through the historic/cultural heritage site "Settlement Chilhudzhra" (IV century BC – IV century AC) nearby Pap. This historic site was identified during archaeological surveys in 2012. Limited archaeological works on this site were done in 2013 and the site was registered in the National Registry of Historic Monuments. The works on the alignment in the fall of 2013 resulted in some damage to the site. The alignment makes a cut through the central section of the historic site. The dimensions of the cut are 50 m (width) x 120 m (length). Approximately 10 % of the historic area was damaged. When this became known, UTY was required</p>

		The Bank required from the UTY to stop the works to prevent further damage and prepare the Action Plan for Physical Cultural Resources. Such Plan was prepared and consulted upon/agreed with authorities responsible for protection of historic and cultural heritage. The site Chilkhudzhra will be surveyed by specialists in archeology according to legislation of Uzbekistan. If the survey indicates the need for any additional protection measures for other historic sites, these will be put in place before any additional works are carried out that could impact these sites. The Action Plan requires that the alignment should avoid going through historic and cultural sites as much as possible.
Indigenous Peoples OP/ BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	<p>As in the original project, the restructured project requires land acquisition (both residential and agricultural land) and resettlement.</p> <p>The Borrower has prepared a Resettlement Action Plan (in Russian and English) which was publicly disclosed in January 2015. The Resettlement Action Plan covers 33 households and 50 farmers (farm land). The Resettlement Action Plan is under implementation.</p> <p>A Resettlement Policy Framework (in Russian and English) was also prepared and publicly disclosed in January 2015. The Resettlement Policy Framework provides direction for addressing any additional involuntary resettlement identified during project implementation. To date, no additional involuntary resettlement requiring a new Resettlement Action Plan has been identified.</p> <p>In addition, under the original project, a Resettlement Audit and Social Action Plan (RASAP) was prepared to cover the gaps in the resettlement carried out by the Borrower under their own legislation prior to approval and adoption of the RAP (disclosed January 2015). There were shortcomings in implementation of the RASAP specifically regarding payment of compensation for structures at replacement cost and mitigation measures for livelihood impacts. These shortcomings have been addressed through an addendum to the RASAP (disclosed September 11, 2015) and the preparation of a Livelihood Restoration Plan (disclosed September 11, 2015).</p>
	No	

Safety of Dams OP/BP		
Projects on International Waterways OP/BP 7.50	No	The team has extensively discussed with the Uzbekistan Railway Company (UTY) the applicability of OP 7.50 for the Project regarding (i) water abstraction from a tributary of an international waterway being planned and/or occurred, and (ii) pollution or other downstream impacts on a tributary of an international waterway due to river channelization/straightening associated with the project activities. The UTY formally confirmed that no abstraction of water from the Akhangaran and Chadak Rivers (tributaries of Syrdarya River that has a status of international waterway) is planned or necessary. The sources of water supply for all proposed construction activities of the Project are reported to be existing wells (stations Sardala, Razezd 2, Razezd 3 and Razezd 4), water tanks (stations Razezd 1 and Temirjulobod), and existing piped town water supply (stations Angren, Uglesborochnaja and Pap). With this information provided, it is concluded that the policy on international waterways OP7.50 is not triggered. Also, the channelization/straightening activities envisaged under the Project would not trigger OP 7.50. The EMF and project documents reflect this accordingly. The team will work closely with the Client to monitor and supervise the issue.
Projects in Disputed Areas OP/BP 7.60	No	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the Restructured project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>The proposed alignment of the railway goes through diverse plain and mountainous terrain and both environmental (Environmental Assessment, OP 4.01) and social (Involuntary Resettlement, OP 4.12) safeguard policies will be triggered. Scale of potential environmental and social (resettlement) impacts is significant and this project should be classified as Environmental Category A.</p> <p>The alignment goes through the historic/cultural heritage site “Settlement Chilhudzhra” (IV century BC – IV century AC) nearby Pap and OP 4.11 will be triggered. This historic site was identified during archaeological surveys. Limited archaeological works on this site were done in 2013 and the site was registered in the National Registry of Historic Monuments. The works on the alignment in the fall of 2013 resulted in some damage to the site. The alignment makes a cut through the central section of the historic site. The dimensions of the cut are 50 m (width) x 120 m (length). Approximately 10 % of the historic area was damaged.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>

Long-term impacts associated with future activities include potential pollution from railway, tunnel, and associated infrastructure operation and maintenance. Also, pollution due to emergencies and/or accidents on the railroad may cause spills of oil and oil products, chemicals or other types of negative impacts. Potential radioactive hazard in the area of the tunnel has been identified during project preparation, but sampling suggests that there is no excess of radiation levels in the tunnel/shafts so far.

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

Four alternative alignments were considered at initial stage of alignment identification and two alignments were considered at pre-feasibility stage. The tunnel fall/decline in both options is 20/1000. Option A (preferred option) is 123 km long and has two tunnels (19.1 km and 0.2 km) with the range of tunnel altitudes between 1320 m and 1485 m. Option B is 146 km long, has 14 tunnels with total length of 19.5 km with the range of tunnel altitudes between 1799 m and 1895 m. Option A was selected to minimize overall project costs and environmental and social risks associated with project activities.

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 Environmental Impact Assessment (EIA) for construction of the railway line and the tunnel was prepared by the Borrower. There were 18 agencies/institutes/organizations that contributed to preparation of the EIA. The EIA was updated taking into account comments from both the State Expert Review and the Bank. The Environmental Management Framework (EMF) was prepared by an independent entity ("AL MAR CONSULTING" LLC) and covers other components and activities in the project not included in the EIA for the railway line and tunnel (e.g. borrow pits, river channeling works, bridges and overpasses, power supply). All of these works will require preparation of stand-alone EIAs under Uzbekistan law, and the EMF provides further guidance for ensuring that these EIAs and site-specific EMPs also fulfill the requirements of OP 4.01. An Environmental Audit and Environmental Action Plan covering works undertaken previously will be included in the final version of the EMF. Supervision engineering company (Deutsche Bahn International) was mobilized and checks environmental performance of the tunnel contractor and compliance with the action plan for radioactivity control on a regular basis.

The Action Plan for Physical Cultural Resources was prepared and consulted upon/agreed with authorities responsible for protection of historic and cultural heritage. In order to document the historic and cultural assets the site will be surveyed by specialists in archeology according to legislation of Uzbekistan (the UTY will contract an organization with appropriate archaeological expertise).

The Borrower has established the PIU within the UTY. The PIU will have designated safeguards specialist to monitor the environmental performance of the project. Also, the UTY hired external experts to help monitor environmental performance of the contractors.

On involuntary resettlement the Borrower prepared three resettlement instruments under the original project. First, a Resettlement Audit and Social Action Plan (RASAP) details measures required to bridge the gap in the resettlement carried out by the Borrower under their own legislation prior to approval and adoption of the RAP. (Covers 191 households in two districts – Pap and Akhangaran.) The RASAP was finalized and publicly disclosed in January 2015 and its implementation was an effectiveness condition of the original project.

During the implementation of the RASAP gaps emerged, specifically payment of compensation of

structures at less than replacement cost and livelihood impacts that had affected more people than originally identified. In order to meet these gaps, an addendum has been added to the RASAP. The RASAP addendum specifies additional measures to be provided to affected households to ensure compensation of structures at replacement cost. The RASAP with addendum was disclosed on September 11, 2015. In addition, a stand-alone Livelihood Restoration Plan (LRP) has been prepared. The LRP details measures that will be provided to all the affected people who suffered negative impacts on their livelihoods as a result of the resettlement. The LRP was disclosed on September 11, 2015.

The restructured project will require the implementation of the revised RASAP during the implementation of the project by replacing the effectiveness condition related to the RASAP with a dated covenant in the Legal Agreement. This will allow sufficient time to implement the measures in the revised RASAP. In addition, a covenant in the Legal Agreement will require the Borrower to carry out the Project in accordance with the LRP.

The Borrower has also prepared a Resettlement Action Plan (in Russian and English) which was publicly disclosed in January 2015. The Resettlement Action Plan covers 33 households and 50 farmers (farm land).

A Resettlement Policy Framework (in Russian and English) was also prepared and publicly disclosed in January 2015. The Resettlement Policy Framework provides direction for addressing any additional involuntary resettlement identified during project implementation.

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

Key project stakeholders are the population of Uzbekistan broadly, who will benefit from the railway, residents of the areas nearby the railway,

The EIA and EMF were disclosed on September 15, 2014 and will be consulted upon with interested stakeholders. Site-specific EIAs and EMPs will be disclosed and consulted upon with potentially affected communities.

The Action Plan for Physical Cultural Resources was prepared by the Institute of Archeology of the National Academy of Science.

The draft RAP and RPF were subject to several rounds of consultations in September, October, and December 2014. Stakeholders involved in the consultations included impacted households (male and female members) and local authorities (hokimiyat).

The preparation of the RASAP addendum involved consultations with affected people (consultations undertaken in August 24 & 25, 2015 in Pap raion and August 29, 2015 in Akhangaran raion). The RASAP was disclosed on September 11, 2015.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	11-Aug-2014
Date of submission to InfoShop	08-Sep-2014

For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	29-Sep-2014
"In country" Disclosure	
Uzbekistan	05-Sep-2014
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	20-Aug-2014
Date of submission to InfoShop	15-Sep-2014
"In country" Disclosure	
Uzbekistan	15-Sep-2014
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [] No [] NA []
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [] No [] NA []
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [] No [] NA []
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [] No [] NA []
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [] No [] NA []
Is physical displacement/relocation expected?	Yes [] No [] TBD []
Provided estimated number of people to be affected	
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes [] No [] TBD []
Provided estimated number of people to be affected	
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [] No [] NA []

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 [] No [] NA []
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [] No [] NA []
Have costs related to safeguard policy measures been included in the project cost?	Yes [] No [] NA []
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [] No [] NA []
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [] No [] NA []

III. APPROVALS

Task Team Leader(s):	Name: Jacques Bure	
<i>Approved By</i>		
Safeguards Advisor:	Name: Agnes I. Kiss (SA)	Date: 11-Sep-2015
Practice Manager/ Manager:	Name: Juan Gaviria (PMGR)	Date: 11-Sep-2015