

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC2376

Date ISDS Prepared/Updated: 18-Sep-2014

Date ISDS Approved/Disclosed: 01-Oct-2014

I. BASIC INFORMATION

A. Basic Project Data

Country:	Tajikistan	Project ID:	P133449
Project Name:	Communal Services Development Fund (P133449)		
Task Team Leader:	Toshiaki Keicho		
Estimated Appraisal Date:	17-Nov-2014	Estimated Board Date:	17-Mar-2015
Managing Unit:	GSURR	Lending Instrument:	Specific Investment Loan
Sector(s):	Sub-national government administration (40%), Water supply (30%), Wastewater Collection and Transportation (15%), Solid waste management (15%)		
Theme(s):	Urban services and housing for the poor (50%), Municipal finance (50%)		
Financing (In USD Million)			
Total Project Cost:	50.00	Total Bank Financing:	30.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			2.00
International Development Association (IDA)			30.00
European Bank for Reconstruction and Development			15.00
Municipalities of Borrowing Country			3.00
Total			50.00
Environmental Category:	F - Financial Intermediary Assessment		
Is this a Repeater project?	No		

B. Project Objectives

7. The PDO of the proposed project is to improve basic communal services in participating towns and rural areas. This will be achieved through i) mobilizing and harmonizing available financing aimed at developing communal services infrastructure; and ii) enhancing the institutional

capacity of municipalities and local utilities responsible for providing these services. The Project aims to establish a fund-based mechanism (Communal Serviced Development Fund - CSDF) to channel funds to service providers based on certain eligibility criteria, focusing initially on basic infrastructure and services such as water supply, sanitation, and solid waste management (the project may eventually include, to a limited extent, other selected municipal functions).

8. Project beneficiaries: Direct beneficiaries are participating municipalities and service providers that will qualify for financing and technical assistance under CSDF. The primary beneficiaries are the inhabitants of participating towns in Tajikistan. Women and children (especially girls) will also be the primary beneficiaries, given that the project will: i) reduce the burden of fetching, storing and managing water for household use; ii) improve access to sanitation facilities in residential areas, schools and commercial areas; iii) provide secure and better managed solid waste dumps; and iv) carry out a gender and vulnerability survey that will enable project interventions to better address gender-specific issues.

C. Project Description

The Proposed Project will consist of the following components:

Component A: Institutional Development

The project will finance the institutional development of central and local government institutions. Within this component, two sub-components will respectively focus on the following activities:

Sub-component A1: Establishing the Communal Services Development Fund. This sub-component will finance the establishment of the Communal Services Development Fund. It will focus on the central government's capacity to manage and operate the CSDF.

Sub-Component A2: Institutional Development at the national and municipal level. This sub-component would provide TA and consultancy services for the following:

- Local capacity building: finance TA and training for improving O&M of participating service providers, meeting sub-project objectives and improving performance.
- National Level institutional strengthening: finance and support implementation of recommendations and or action plans of the Municipal and Communal Services Development Strategy (MCSDS) being prepared under the on-going MIDP-Additional Financing

Component B: Physical Investments in Participating Localities

The project will finance demand-driven investments in participating towns and rural areas. The selection process will be designed to ensure that municipalities that meet the selection criteria are representative and have a high probability of successfully generating and implementing useful development schemes that could be replicable and transferable to other municipalities and or utilities. The following first level selection criteria would be applied:

- (a) Demonstrated willingness to reform and improve performance.
- (b) Basic financial and administrative capacity to implement development programs proposed. Interested Municipalities/Utilities will submit a request to the CSDF stating its willingness to undergo a Municipal/Utility Audit. The Audit will be carried out per the CSDF Operational Manual. The objective of the audit is to arrive at a fair assessment of the overall performance and investment execution capacity of the participating service providers.
- (c) Municipalities/Utilities meeting agreed upon performance criteria to qualify for funding.

- (d) Geographical distribution (at least one municipality per region)

This component will finance the following sub-components through the Communal Services Development Fund rules-based framework:

Sub-Component B1: Urban Investment Grant Window: This sub-component will finance the following sub-projects water supply, sanitation, solid waste management and a limited list of eligible municipal/communal services.

Sub-Component B2: Rural Investment Grant Window: (Some donors have a strong interest in having CSDF include a rural investment window)

Sub-Component B3: Urban Loan/Credit Window: This sub-component would provide loans or credits to utilities that are eligible to borrow. Investments to be financed under this window would be mainly for revenue generating public services and other investments of high priority and with cost saving potential. Sub-projects would therefore have to demonstrate either revenue generation or cost savings to qualify.

Sub-Component B4: Technical Assistance Window: This sub-component will finance i) Sub-project preparation support: feasibility studies and required financial, environmental and social assessments; preparation of final designs and bidding documents; and implementation support for sub-project financed under Component B; ii) institutional capacity building, iii) training, and iv) technical studies. Funds under this window could potentially be available to more cities than those who will undertake investments.

Component C: Project Management, Monitoring and Evaluation:

This component will support the project management unit (PMU) until such time as the roles and responsibilities of financing sub-projects under CSDF are fully transferred to the Fund Management unit in the host institution. The component will finance the PMU's incremental operating costs to carry out its project management responsibilities. It will finance hardware and software which will be transferred to the CSDF when the Fund becomes fully operational. The PMU will report to the Ministry of Economy.

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

The project will be implemented in participating municipalities that will be geographically dispersed and will be selected during the project design based on agreed criteria.

E. Borrowers Institutional Capacity for Safeguard Policies

The project implementation arrangements for the proposed CSDF project will be further determined and discussed with counterparts as project preparation proceeds. Respectively the borrower EA capacities will be assessed at that time.

F. Environmental and Social Safeguards Specialists on the Team

Roxanne Hakim (GSURR)

Arcadii Capcelea (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	<p>The proposed project would support mostly water supply, sanitation, solid waste management, as well as other demand driven economically and socially justifiable local investments in municipal services delivery, which might generate environmental and social impacts. While the environmental issues associated with their implementation in most cases will be minor, short-lived, and primarily limited to the project sites (except for movement of equipment and materials to/from the site), it is possible they might be also significant and would affect the environment and health of population. These issues are primarily: dust, noise, water pollution, disposal of waste material and/or older equipment, some traffic disruption (depending upon specific location), worker safety (e.g. welding operations) etc. All these impacts can be addressed with good engineering and construction practices as well as with preparing and implementing adequate mitigation measures. The project will also bring positive social impacts as the proposed activities would improve social conditions for the population and would contribute to improving local population livelihoods.</p> <p>To address potential environmental and social issues the borrower will prepare an Environmental and Social Management Framework (ESMF) which would guide the EA process, providing: (a) the national and WB EA rules and procedures; (b) potential environmental and social impacts associated with the proposed investments; (c) guidelines on conducting sub projects EIA including mitigation measures and monitoring activities for different types of activities; roles and responsibilities in EA process and in supervision and reporting; (d) EMP and EMP Checklist to be applied within the EA process; and (e) capacity building activities to ensure an efficient ESMF implementation. Based on the ESMF for each proposed sub project it will be prepared an EMP and/or an EMP Checklist that will be disclosed in consulted in the selected municipalities as well as submitted to the State</p>

		Ecological Expertise for its approval. Before appraisal the ESMF will be disclosed and consulted in the country and in selected participating municipalities.
Natural Habitats OP/BP 4.04	No	No, as the project will be implemented within the municipality and rural settlement boundaries.
Forests OP/BP 4.36	No	No, as the project will be implemented within the municipality and rural settlement boundaries.
Pest Management OP 4.09	No	N/A
Physical Cultural Resources OP/BP 4.11	Yes	It is possible that this OP is triggered, depending on the sub-project location. ESMF should address this issue if triggered.
Indigenous Peoples OP/BP 4.10	No	N/A
Involuntary Resettlement OP/BP 4.12	Yes	The proposed sub-projects may have some resettlement impacts but it is expected that these will be mitigated and not very large. A Resettlement Policy Framework will hence be developed at this stage as exact project impacts will only be known at implementation stage. As sub-projects are screened and approved, Resettlement Action Plans will be developed and approved. The project will also conduct a gender and vulnerability study to identify poor and vulnerable sub-groups that the sub-projects should benefit. This study will also inform the screening and selection criteria for sub-projects to ensure that they benefit the targeted sub-groups.
Safety of Dams OP/BP 4.37	No	N/A
Projects on International Waterways OP/BP 7.50	Yes	AOP 7.50 is triggered because some water supply and wastewater sub-projects are likely to be on international rivers. While most of the water supply investments are expected to involve rehabilitation, and/or minor expansion of existing networks within the original boundaries and design parameters of the schemes, the team indicated that new small scale water supply schemes should not be excluded. Therefore, riparians will need to be notified: in a general way about the overall

		program at this time, and on a sub-project basis as needed during project implementation.
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 13-Mar-2014

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

Before Appraisal the draft ESMF will be disclosed and consulted in the country and in selected participating municipalities.

IV. APPROVALS

Task Team Leader:	Name: Toshiaki Keicho	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Agnes I. Kiss (RSA)	Date: 10-Sep-2014
Practice Manager/ Manager:	Name: Sumila Gulyani (PMGR)	Date: 01-Oct-2014

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.