



Note to Task Team: The following sections are system generated and changes must be made in Data Sheet(s). *Delete this note when finalizing the document.*

Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 20-Jul-2023 | Report No: PID151



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies) Moldova, Moldova	Operation ID P500560	Operation Name Sustainable Transition to Energy Efficiency in Moldova [STEEM]	
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 16-Apr-2024	Estimated Approval Date 30-May-2024	Practice Area (Lead) Energy & Extractives
Financing Instrument Investment Project Financing (IPF)	Borrower(s) Ministry of Energy	Implementing Agency Moldova Project Implementation Unit (MPIU)	

Proposed Development Objective(s)

To mitigate energy security and affordability risks through energy efficiency investments for public buildings and sustainable heating technologies

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?

Is this project Private Capital Enabling (PCE)?

SUMMARY

Total Operation Cost	50.00
Total Financing	50.00
of which IBRD/IDA	50.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	50.00
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Environmental and Social Risk Classification

Moderate

Concept Review Decision

The review did authorize the preparation to continue

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Other Decision (as needed)

B. Introduction and Context

Country Context

Sectoral and Institutional Context

Relationship to CPF

C. Proposed Development Objective(s)

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To mitigate energy security and affordability risks through energy efficiency investments for public buildings and sustainable heating technologies

Key Results (From PCN)

D. Concept Description



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Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

No

Projects in Disputed Area OP 7.60

No

Summary of Screening of Environmental and Social Risks and Impacts

Note to Task Team: This summary section is downloaded from the PCN data sheet and is editable. It should match the text provided by E&S specialist. If it is revised after the initial download the task team must manually update the summary in this section. *Delete this note when finalizing the document.*

The environmental risk of the project is assessed as Moderate. Overall, the project is likely to generate some environmental impacts related to the energy efficiency (EE) investments, but also to bring positive impacts in terms of energy conservation and reduction of GHG emissions and air pollution. The environmental impacts related to the project activities, mainly under Phase 1 and Phase 2, are expected to be predictable, temporary, low in magnitude, and site specific without likelihood of impacts beyond the actual footprint of the project, reversible, and manageable in a predictable manner through the implementation of cost-effective mitigation measures in line with the national laws as well as the use of the World Bank Environmental & Social Standards (ESS), Environmental, Health, and Safety Guidelines (EHSG) and Good International Industrial Practices (GIIP). However, considering the project description and the planned activities primarily associated with small-scale EE civil works, key environmental issues will be related to (a) waste management including hazardous waste (potentially of asbestos containing material) during construction works; (b) occupational health and safety of workers; (c) community health and safety of residential population, staff and personnel as well as visitors during construction works; (d) disruption of regular activities as a result of construction noise pollution; (e) traffic disruption in residential areas (depending upon specific location), transport and traffic safety at construction sites; (f) old electrical appliances; etc. Other proposed project activities under Phase 2 involve the rehabilitation of district heating networks by replacement of old pipes with new pre-insulated ones, and conversion of old gas-fired heat-only boilers with smaller size but more energy-efficient biomass-fired boilers, and will require low to medium scale civil works for rehabilitation of the existing premises. These will also generate moderate environmental risks and impacts such as soil and air pollution; generation of noise and construction wastes, labor safety, etc. and will be addressed with good engineering and construction practices as well as by preparing and implementing adequate mitigation measures and applying best housekeeping practices. During the project operational phase expected environmental risks and impacts will be associated with noise, vibration some local air pollution, solid waste and wastewater generated mainly by the biochemical processes for converting biomass materials to fuel; housing and roof-



top solar projects will generate some minor quantities of electronic and hazardous waste. However, it is expected that the proposed energy efficiency and conservation activities will contribute to GHGs emission reduction. The social risk of the project is assessed as moderate. Social risks associated with the rehabilitation of public sector buildings and commercial buildings as well as private residences (multi-family apartments and single-family homes) are likely to be low magnitude with no great potential for harming people and located away from sensitive areas. Civil works are temporary and isolated to specific compound, household and apartment refurbishments. Extension and rehabilitation of existing pipelines for the district heating network in Chisinau and Balti is expected to involve some minor disruption to traffic and road access but does not require land acquisition. The rehabilitation of public buildings may involve very minor temporary disruption to services and on-site relocation (hot water turned off for a number of hours) and does not pose any significant community health and safety concerns for building inhabitants. Significant resources and time will be required to manage community and beneficiary engagement to ensure that participation of vulnerable households is maximized and historical concerns about quality of district services (versus private natural gas connections) are resolved particularly for refurbishment of multi-family apartments. Failure to achieve agreement may be compounded by lack of awareness of the potential benefits of energy efficiency, lack of information about how to implement the measures, and limited information on options for financing the various materials and appliances. Engagement with Home Owner Associations is required to achieve a consensus to proceed with investment and to find solutions for including poor apartment owners (women-headed, the elderly, persons with disabilities). Provision of financial alternatives should be considered for those with low repayment capacity in order to maximize participation and prevent exclusion and conflict. The project is exploring new models for utility companies to finance the high up-front investment costs and include them in regular utility payments with any increase in tariffs offset by energy cost savings. Further assessment is required to understand the impact of a scale up in transition to biomass energy generation on agricultural resources in order to ensure that commercial production of energy plants does not displace food supplies. The project is unlikely to involve large-scale labor forces. Small groups of qualified technicians are required for installing thermal insulation, high-quality energy efficient windows, and advanced equipment. Civil works should be isolated and safe separation controls provided for workforces and affected stakeholders. Forced labor in the global supply chain is an indirect risk associated with the solar panels and components procured and deployed for renewable energy generation under the project, specifically production of the key raw material polysilicon, which may be linked to work camps in third countries. Further assessment and applicable provisions and Forced Labor Performance Declarations will be included in procurement documentation for suppliers bidding for these components in order to mitigate this risk. While the risk of sexual exploitation and abuse/sexual harassment (SEA/SH) associated with project activities is assessed as low, preventative measures are required including labor codes of conduct and a grievance mechanism with measures for referral to specialized service providers.

Note: To view the Environmental and Social Risks and Impacts, refer to the Concept Stage ESRS Document. *Delete this note when finalizing the document.*

CONTACT POINT

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APPROVAL

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