

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC3268

**Date ISDS Prepared/Updated:** 03-May-2013

**Date ISDS Approved/Disclosed:** 05-May-2013

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Myanmar	<b>Project ID:</b>	P143988
<b>Project Name:</b>	Electric Power Project (P143988)		
<b>Task Team Leader:</b>	Dejan R. Ostojic		
<b>Estimated Appraisal Date:</b>	15-Jul-2013	<b>Estimated Board Date:</b>	26-Sep-2013
<b>Managing Unit:</b>	EASTS	<b>Lending Instrument:</b>	Specific Investment Loan
<b>Sector(s):</b>	Thermal Power Generation (100%)		
<b>Theme(s):</b>	Rural services and infrastructure (100%)		
<b>Financing (In USD Million)</b>			
Total Project Cost:	140.00	Total Bank Financing:	140.00
Total Cofinancing:		Financing Gap:	0.00
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			140.00
Total			140.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

### C. Project Description

Myanmar is facing large electricity shortages (about 20% of current demand) and high risk of blackouts. The expansion of existing Gas Turbine (GT) stations through the installation of Combined Cycle Gas Turbines (CCGTs) has been identified as the fastest way to increase efficiency of gas utilization, increase generating capacity and reduce emissions. Myanmar Electric Power Enterprise

(MEPE) operates ten GTs and proposed four of them for the possible replacement of old and low-efficiency GTs, including Thaton GT station which is currently considered the leading candidate for possible IDA support.

For the proposed Project, the following activities / components are envisaged:

- The main component of the proposed project is the expansion of the existing 51 MW (total installed capacity of 3 units) Thaton Gas Turbine (GT) station with a 120 MW Combined Cycle Gas Turbine (CCGT) plant, consisting of two gas turbines and one steam turbine.
- The CCGT plant will be implemented through a “supply and installation” contract including engineering and project management services, supply of equipment, construction supervision, testing, and commissioning. The contract may also include implementation of the environmental and social management plan during the construction phase, insurance and maintenance support.
- The project would include technical assistance in some of the following areas: (i) power market reform and development of necessary secondary legislation and power sector regulations; (ii) wholesale power market financial modeling and fiscal impact assessments to provide practical feedback to policy makers and help define an optimal trajectory for the power market reforms; (iii) electricity tariffs and energy pricing policy to support financial viability of the power sector, as well as reduce investment risks in power generation projects; (iv) environmental and social protection policies and guidelines for investments in the power sector; (v) implementation support, including for safeguards; and (vi) development and implementation on National Electrification Program. The details of the scope of the TA activities will be agreed with the government during project preparation, in consultation with other development partners to ensure a coordinated approach in TA and capacity building support.

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

The Thaton GT station is located in a rural area approximately 5 km northeast of the township of Thaton. Thaton township is the administrative center for Thaton District, which is within Mon State of Myanmar.

Physically the land is a relatively flat coastal plain. Flooding of the site is not reported as an issue; open drains carry away excess water to the surrounding fields in the rainy season. Land use surrounding the GT station is agricultural with the exception of a tyre factory adjacent to the east side of the site. A national road runs along the Project site at short distance (some 1,500m) and is an important contributor to local noise levels. The closest habitation is some 500m from the site perimeter fence. Both the proposed and the current plant operations do not use water e.g. for cooling purposes and there are no perennial streams or rivers running through the site or close to the immediate perimeter. All activities related to modernization and expansion will take place within the power plant compound (‘brownfield development’) which is situated on government owned land. This site has been in use for power generation since 1975 when the first two gas turbines were commissioned at the Thatong GT station. Further characteristics of the surrounding area will be analyzed based on the zone of influence to be determined as part of the Environmental and Social Assessment (ESA) which has recently started as part of project preparation based upon a terms of reference agreed upon with the client.

An initial socio-economic baseline survey has been carried out. An additional survey under the ESA is currently being undertaken to provide more details on socioeconomic condition of the study area. There are three villages surrounding the proposed project site. Occasional noise is heard in the evening but people could not also distinguish clearly whether the noise all comes from the existing

turbine or the passing vehicles. The two immediate villages include Than Ban, and Kyar Pan. Both villages lie about 1.5 km from the project site. Than Ban has a total household population of 100 households (400 persons) while Kyar Pan, 330 households (1500 persons). Another village, Nyaun Wyne, is located 2 km away from the project site, It is comprised of 252 households with varied ethnic groups composed of Keren (1138 persons); Burmese (180 persons) and Pao (158 persons). Gender aspects will be covered in the ESIA with particular focus on the effect of electricity access on women and female-headed households.

Overall, it is not anticipated that any of these villages will be adversely affected by the project. No land acquisition and no involuntary resettlement, loss of productive assets, loss of communal properties, or cultural heritage is foreseen. The majority of the inhabitants are ethnic minorities of varied types who have lived in the area for over 10 years. In Than Ban, the majority are Keren (90%), while there is almost an even distribution among Keren (45%) and Pao (40%) in the village of Kyar Pan. In Nyaun 80% belong to the Keren group.

### **E. Borrowers Institutional Capacity for Safeguard Policies**

A lack of legal requirements and limited institutional capacity for ensuring effective safeguard preparation and implementation in infrastructure projects is one of major hurdles for international financial institutions and responsible investors in Myanmar. While this issue is not limited to the energy sector, new and large energy and power projects will be among the first to experience this bottleneck. Addressing this constraint will require concerted efforts among several government agencies to introduce and start implementing appropriate social and environmental protection policies. A longer term initiative to build institutional capacity and provide adequate training is needed. Initiatives to improve safeguard capacity should build upon the lessons learned from other countries in the region and should ideally involve other key donors in Myanmar (e.g. ADB and JICA). For the Project, identification of specific options for safeguard capacity building at the central level such as within MOE, MOEP and MOECF will be limited to the extent that they are (directly or indirectly) involved in project implementation and regulatory oversight and will be based on an institutional development plan for this purpose.

In addition to safeguards capacity building at the central level, the Project will also include activities under its TA component to bring in international expertise to support project beneficiaries and implementing agencies with project implementation and the strengthen oversight during the operational phase of the project interventions. These efforts include the improvement of operational standards of the gas-fired power plant, particularly in the field of integrating good health, safety and environmental practices in daily operations.

### **F. Environmental and Social Safeguards Specialists on the Team**

Knut Opsal (EASER)

Frank Van Woerden (EASER)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	Yes	The proposed project has been proposed as a category B project because all the physical work will take place within the footprint of the existing brownfield location. The project will

		substantially increase existing power generation capacity and will have positive impacts by reducing emissions and noise levels, while improving reliability and quality of electricity supply in Thaton. The project will have minimum or negligible negative impacts on the environment. Many of the impacts are related to the existing operations. The project proposes to prepare an Environment Impact Assessment (EIA) and Environment Management Plan (EMP) to mitigate any potential impacts during construction and operation. Lack of institutional capacity for environmental and social protection will be addressed through the technical assistance component under the project. This will included support to develop and implement an Environment Management System (EMS) to address environmental, health and safety considerations of existing operations.
Natural Habitats OP/BP 4.04	No	The Project site is in at an industrial (brownfield) site with that land use purpose for at least the last 30 years.
Forests OP/BP 4.36	No	The Project site is in at an industrial (brownfield) site with that land use purpose for at least the last 30 years.
Pest Management OP 4.09	No	No cooling water use for power generation or other activities that would require the use of pesticides.
Physical Cultural Resources OP/ BP 4.11	No	All construction and project activities will be within existing site. The Project site is in an industrial (brownfield) site with that land use purpose for at least the last 30 years.
Indigenous Peoples OP/BP 4.10	TBD	An initial screening for the presence of ethnic minorities in the project influence area that are covered by the Bank's definition of ethnic minorities has been undertaken . Additional screening is required. An internationally recognized expert will be hired to help determine if ethnic minorities are present within the project's area of influence.
Involuntary Resettlement OP/BP 4.12	No	The ongoing socio-economic study has confirmed that there will be no displacement of households, land acquisition, loss of business establishments, productive assets, cultural heritage or livelihood.

Safety of Dams OP/BP 4.37	No	No relevant dams or impoundment structures present at the project site.
Projects on International Waterways OP/BP 7.50	No	The Project site is not adjacent to any significant surface water, nor does the site have drainage to any surface water, and the intended investments would not result in particular wastewater discharges or use of cooling water.
Projects in Disputed Areas OP/BP 7.60	No	The project is not in a disputed area and is wholly within the borders of Myanmar.

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS: 10-Jun-2013**

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

Tentative schedule of Environmental and Social Assessment (ESA) for project preparation:

Field surveys	March 4 – 15
Public consultations on the TORs	March 13 -15
Inception report with field survey results	April 2
Draft environmental and social assessment and other reports	May 8, 2013
Consultations on draft reports	May 20-21
Integration of comments from WB and client	May 24
FINAL environmental and social assessment report and other reports	June 10

### IV. APPROVALS

Task Team Leader:	Name: Dejan R. Ostojic	
<b><i>Approved By:</i></b>		
Regional Safeguards Coordinator:	Name:	Date:
Sector Manager:	Name: Julia M. Fraser (SM)	Date: 05-May-2013

<sup>1</sup> 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.