

**MINISTRY OF ENERGY AND COAL INDUSTRY OF UKRAINE
(MECIU)**

Second Power Transmission Project (PTP – 2)

**ENVIRONMENTAL MANAGEMENT FRAMEWORK
(Component 3 “Institutional Strengthening of MoECI”)**

June 2014

INTRODUCTION

This Environmental Management Framework (EMF) has been prepared for the **Second Power Transmission Project (PTP2)**, which will be financed by the World Bank Loan. Component 3 “**Institutional Strengthening of MoECI**” (US\$2.5 million IBRD) will finance technical assistance to MoECI on (a) procurement, financial management and project management; (b) development of feasibility studies for future projects in the energy sector, and financing of training, and (c) carry out analytical work related to implementing Energy Sector Reforms based on action plans (Annex 8-1 of the PAD) designed and agreed with MoECI and other stakeholders. Environmental safeguard policies of the Bank are being applied to both investment and technical assistance projects or project components.

Objective

This EMF is designed to ensure that sustainable environmental management principles and practices are integral part of the technical assistance to be financed by the **PTP-2**. The EMF aims to establish a process to implement key principles of environmental sustainability in future projects, for which feasibility studies will be prepared under the TA (Component 3), identify and assess potential environmental and social impacts and incorporate measures that ensure compliance with both GoU and the World Bank safeguards and maximize environmental benefits. Specifically, under the **PTP-2** financed feasibility studies, environmental sustainability, protection of human health and ecosystems will be an objective.

World Bank Safeguard Policies

The Integrated Safeguards Data Sheets (ISDS) prepared for the **PTP-2** classified the project as Category “B”, triggering the WB safeguard policy for environmental assessment.

Environmental Assessment (OP 4.01). The potential environmental impacts resulting from the technical assistance activities (e.g. for the development of feasibility studies for future projects in the energy sector and carrying out analytical work related to implementing Energy Sector Reforms based on action plans, etc.) in the PTP-2 trigger this safeguard policy. Potential impacts are anticipated to be positive rather than negative in nature and any potential adverse impacts will be prevented or reduced through appropriate screening procedures and technical assistance. This EMF ensures that principles and approaches of environmental and social sustainability are applied in the process of implementation of the technical assistance to satisfy this safeguard policy.

The Process of Integration of Environmental and Social Aspects

To ensure that technical assistance activities financed under the **PTP-2** reflect sound principles of environmental management and social sustainability, the project would aim to integrate - to maximum extent possible - principles and approaches towards environmental and social sustainability into formulation of the technical assistance/feasibility studies TORs, tasks of the expert teams, work of specialists and representatives of energy (transmission/generation) companies and other actors broadly. For this purpose, the Project Implementation Unit (PIU) within the MoECI will contract environmental/social expertise in order to ensure these environmental and social sustainability aspects are integrated. The process will have two stages. During the first stage, the TORs for specific TA tasks/feasibility studies will be reviewed and, if necessary, modified to ensure their compliance with principles of environmental sustainability, pollution prevention and

minimization of human health risks. In addition to ensure social sustainability, the TORs will also be reviewed to ensure all interested stakeholders will have the opportunity participate in planning and decision-making processes. In case of non-compliance with above principles, the TORs will have to be revised. Later on the draft TA outputs (feasibility studies, recommendations, action plans, investment programs, etc.) will be reviewed and, if needed, revised to ensure that the above integration of environmental and social sustainability aspect has in fact been done effectively.

Capacity Building for Environmental Screening, Assessment and Management

The **PTP-2** will provide national expertise to deliver capacity building and training to PIU management and staff to build capacity for effective environmental management under the project, including environmental screening, assessment, and mitigation of potential negative impacts that may result from implementation of TA (feasibility studies, recommendations, action plans, investment programs, etc.). Such capacity building will be provided to the PIU staff and specialists of the MoECI and will include participatory training on the specific environmental issues and mitigation measures identified by the screening.

Disclosure and Consultations

Draft EMF will be published prior to project appraisal for comments and consultation, to be incorporated in a final EMF which also will be published.

Disclosure and consultation procedures will apply to feasibility studies for investment projects and other documents which outline options for potential investments entailing environmental impacts. For these documents public consultations will be organized in order to make an inventory of potential environmental issues of public interest which should be taken into account during preparation of feasibility studies or documents mentioned above.

Implementation Arrangements

Implementation of the EMF will be done by the PIU established within the MoECI. The PIU has overall responsibility for implementation of the **PTP-2** and will ensure that the EMF is fully integrated into implementation of the project. In order to ensure integration of potential environmental and social sustainability aspects into the expected project outputs, the PIU will contract environmental and social expertise to undertake review of the TORs and draft TA outputs with regard to their compliance with principles of environmental and social sustainability. The PIU on behalf of the MoECI will be responsible to conduct the screening process, disclosure of documents, training and other activities related to maximizing environmental benefits of the project.