
Non-Technical Summary

*UZBEKENERGO, UZBEKENERGO SUBSTATION
MODERNIZATION (MURUNTAU SUB-STATION)*

July 2018

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1. PROJECT DESCRIPTION

Background Information

The Muruntau sub-station Project (UzbekEnergo Substation Modernisation project) was approved on the governmental level by the Presidential Decree no. PP 3465 of 9 January 2018 as part of *The Programme on the guaranteed supply of electricity for the new-built manufacturing facilities of State-Owned Enterprise (SOE) "Navoi Mining and Smelting Complex" (Navoi MSC) and development of the North - Western part of power systems in Uzbekistan for 2020 - 2026:*).

As a result of implementation of the investment Program, the capacity of the Navoi MSC industrial plants will increase from 400 MW to 703 MW by 2026.

JSC "Energosetproject" has established a development scheme in the North-Western section of the power systems of the Republic of Uzbekistan for 2020 - 2026, considering future demands of "Navoi MSC" and potential developments of the Republic of Karakalpakstan, Bukhara and Navoi regions.

SOE "Navoi MSC" and JSC "Uzbekenergo" should develop the detailed schedule of investment project implementation by "Navoi MSC" in accordance with the timeline for the project implementation approved by the Decree. These timelines are summarised below:

Table 1: Project Implementation Schedule

Investment Component	Timeline
The construction of the 500/ 220 kV transmission line from Navoi Thermal Power Station to switching point 220 kV "Besopan".	2019-2025
Construction of Muruntau substation 500/220 kV with three transformers (167kV capacity each).	
Construction of the substation 500 kV in Navoi Thermal Power Station.	
Upgrade of the 220 kV line at Navoi Thermal Power Station that is switching Besopan to 500 kV with the use of distribution substation 500 kV in Muruntau substation.	

Site settings

Muruntau Substation

The Muruntau sub-station is proposed to be located in a short distance from the A379 Road connecting Navoi and Zarafshan. There are no settlements, or obvious sensitive receptors nearby. The nearest settlement is approximately 12 km from the proposed location in the vicinity of Muruntau Gold Mine.

Overall, the site setting is expected to comprise relatively poor habitat from an ecological perspective, characterized by semi-arid land. The nearest State Reserve (strict protected areas aligned to IUCN Category I protected areas) is located approximately 150km North-East from the project area; where the nearest National Park Zaamin is located over 250km South-East from the project area. The nearest State Conservation Areas (Zakazniks) - which provide only a limited level of protection - are: Sarmysh, Akmay and Kushrabam, and they are located approximately within 20km, 35km and 50km from the proposed transmission line routing.

Executive Agency: JSC Uzbekenergo (UE)

UE is a 100% state-owned holding company for power generation, transmission, and distribution in Uzbekistan. It was established in August 2001 after a public sector reorganisation and is the legal successor of the former Ministry of Energy and Electrification. UE is a joint-stock company that provides a centralised power supply to the economy and population of the Republic, as well as heat supply to industrial and municipal consumers in several cities of the Republic.

Project Design and Construction

JSC "Sredazenergosetproject" is appointed by the Presidential Decree no. PP 3465 of 9 January 2018 as the general contractor for the pre-project development and project documentation preparation.

Project Implementation Unit (PIU)

A Project Implementation Unit has been established within Uzbekenergo to supervise implementation of the Project. The PIU will be responsible for ensuring that project activities are being assessed from an environmental point of view and that environmental management plan (EMP) developed as a part of local EIA process is adequately implemented. The PIU will be also responsible for development of an Environmental, Health and Safety and Social Management Plan (EHSSMP) for the Project that is required by the EBRD (see recommendation below) and for reporting on the Environmental and Social Action Plan (ESAP) implementation to the Bank

2. WHAT ARE THE POTENTIAL IMPACTS AND BENEFITS?

Environmental Impact Assessment

As part of the continued Project development and detailed engineering design, the Project will be subject to an Environmental Impact Assessment, in line with Uzbekistan Regulation - the Law on Environmental Expertise and the Regulation on State Environmental Expertise (SEE), approved by Decree No.491 of the Cabinet of Ministers on 31 December 2001 and amended in 2005 and 2009.

Notwithstanding the above, site inspections and review of design proposals have indicated the key environmental & social risks and benefits as below.

What are the Potential Impacts?

Potential impacts include issues such as management of waste, handling of potentially hazardous materials during construction, and management of noise and dust emissions during construction. However, these risks are considered to be short-term (associated with construction) and relatively routine for Projects of this nature. Good International Industry Practice will be applied to manage these risks.

In terms of social risks, these include potential impacts on Right of Way. These risks will be minimised through the careful planning and supervision of the Project.

The land requirement for the new transmission line that is an associated facility to the Project is currently unknown, however it is not anticipated that physical resettlement will be required for the purpose of construction of associated facilities, however, there might be cases when the farmers will lose part of their grazing or farmland areas due to the location of the towers or tower access road. In these cases, there will be a provision of sufficient compensation and (if relevant) livelihood restoration assistance, any livelihood restoration impacts will be mitigated.

The new transmission line also has the potential to impact bird migration corridors. This will be confirmed by a bird survey to be undertaken during the EIA process. Potentially sensitive areas will be avoided, and adoption of various biodiversity mitigation measures are expected to be implemented as part of the project, such as a horizontal profile for the wires and use of bird diverters and deflectors, hanging conductors which are widely used and accepted as good international practice for reducing bird mortality resulting from transmission lines.

What are the Project Benefits?

The key Project benefit is the support to further economic development and decarbonisation of the Uzbekistan energy system. The Project is required as result of increased energy demands, which if not addressed, will potentially constrain economic development in the Region. It should also be recognised that the Project will support the power evacuation of Navoi Thermal Power Plant - a modern Combined-cycle Gas Turbine plant representing modern and relatively clean power generation within Uzbekistan.

What are the Key Management and Control Action Areas?

An Environmental and Social Action Plan (ESAP) was developed for the JSC Uzbekenergo in order to align the Project performance with the EBRD performance requirements. That will ensure adequate measures are implemented to avoid or minimise environmental and social impacts of the proposed investment. Recommendations in the ESAP include:

- The project, including Muruntau sub-station and associated overhead transmission lines, should be subject to public hearings. All involved parties, including project-affected groups and local nongovernmental organizations (NGOs) should be consulted about the project's environmental and social aspects and their views should be taken into account when finalising the project design.
- An Environmental, Health and Safety and Social Management Plan (EHSSMP) for the Project and associated facilities will be developed to take into consideration all recommendations from the local EIA/OVOS process, public consultation and ESAP.
- The following specific procedures related to the environmental protection should be included in the EHSSMP for the Project:
 - Construction of Right of Way - use of existing utility and transport corridors for transmission and distribution and existing roads and tracks for access roads, wherever possible; avoid land clearance.
 - Chance Find Procedure for archaeological finds.
 - Storage and handling provision of hazardous materials (including asbestos containing materials)- storage and pollution incidents prevention.

- Storage and handling of Waste.
 - Soil erosion and sediment control from materials sourcing areas and site preparation activities.
 - Dust and other emission control mechanisms (e.g. from vehicle traffic, land clearing activities and materials stockpiles).
 - Noise management/ controls from heavy equipment and truck traffic.
 - Management of Construction waste generation.
 - Potential for hazardous materials and oil spills associated with heavy equipment operation and fuelling activities.
 - Evaluate Electric and Magnetic Fields exposure.
- The following provisions relating to the community health and safety during construction should be incorporated into the EHSSMP:
 - On site and off -site emergency planning for the sites with bulk storage of heavy fuel oil;
 - Provision of road signs and hazard signs during the construction stage;
 - Provide sufficient notice to communities about the construction work; and
 - Develop specific routes to ensure impact on community rights of way is minimised.
 - As a part of EHSSMP develop a Site-Specific Labour Management Procedure that will apply to all construction workers for Muruntau sub-station project, including external sub-contractors. The procedure should define terms of employment and specific working conditions on site.
 - Resettlement and Livelihood Restoration (RLR) Framework for the Project will be approved by PIU and its implementation will commence during the design development process for the transmission line between Navoi TP and Besopan switching point. That will ensure that any potential economic displacement is minimised, adequate consultation with potentially affected land users/ land owners are carried out and (if needed) adequate compensation is provided.
 - EBRD will be notified about the proposed mitigation measures relating to the identified avian risks for construction of the new transmission line. Mitigation measures will be implemented after agreement with the EBRD, according to the specific risks identified.
 - To ensure EHSS risks are minimise during Project operation, formalised, EHSS management systems, aligned to the international standards (for example ISO 14001 and ISO 45001 standards), should be implemented as a minimum at the entity involved in the operation of the Murunta Sub-station Project.

3. Engagement with Stakeholders

The project, including Muruntau sub-station and associated overhead transmission lines, will be subject to public hearings. All involved parties, including project-affected groups and local nongovernmental organizations (NGOs) should be consulted about the project's environmental and social aspects and their views should be taken into account when finalising the project design.

A stakeholder engagement plan (SEP) has been developed for the project with the objective of identifying key stakeholders and ensuring that, where

relevant, they are informed in a timely manner of the project development, and impact.

The plan also identifies an additional grievance mechanism to be used by stakeholders for dealing with complaints, concerns, queries, suggestions etc. It will be reviewed and updated on a regular basis. If activities change or new activities relating to stakeholder engagement commence, the SEP will be brought up to date. The SEP will also be reviewed periodically during project implementation and updated as necessary.

Stakeholders could be individuals and organisations that may be directly or indirectly affected by the project either in a positive or negative way, who wish to express their views. The definition applied to identify key stakeholders is:

'any stakeholders with significant influence on or significantly impacted by, the work and where these interests and influence must be recognised if the work is to be successful'.

Key stakeholders have been identified from the following categories: international; governmental (state / regional and local); advisory non-government; services / suppliers; clients; institutions (universities, think tanks, etc.); the industrial sector (vehicle suppliers, electricity suppliers), internal stakeholders (employees); general communities (locally affected people); public groups (female and disabled users of the service, local residents); and the media.

If there are questions, queries, complaints or grievances regarding the project, a grievance mechanism has been developed to address these issues and a grievance form will be used to record this information. How to use this grievance form is provided below.

What will be the procedure for grievances?

A grievance mechanism will be adopted in which the grievance form presented below will be used as required to handle grievances from the public. The mechanism will be as follows:

- Grievance received;
- Grievance recorded in a register;
- For an immediate action to satisfy the complaint, the complainant will be informed of corrective action;
- Implement corrective action, record the date and close the case;
- For a long term corrective action, the complainant will be informed of proposed action; and
- Implement corrective action, record the date and close the case.

A grievance should be recorded by the complainant using the grievance form below, ensuring that contact details are provided with the preferred method and language of communication. A clear description should be provided of the incident or grievance. Any verbal grievances will also be logged and responded to in accordance with the requirements above.

A grievance form is attached to this NTS, as well to the stand-alone SEP (Stakeholder Engagement Plan) and will be available in the Uzbekenergo offices in Tashkent, in the offices of local authority 'Hokimiyat', and on the companies' and the Presidential Portal websites.

How do I find out more information?

The contact details for the relevant person at the district heating companies for this project are:

Tashkent (Head) Office

6 Khorezmskaya Street, Tashkent, 100000, Uzbekistan

Name and contact details:

Mr. Anvar Kasymkhodzhaev - PIU Head, NGMK (UE Uzelectroset) Project

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6 Istiklol Street, Tashkent, 100000, Uzbekistan

Public Grievance Form

Reference No:	
Full Name	
<p>Note: <i>you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent</i></p>	<input type="checkbox"/> I wish to raise my grievance anonymously <input type="checkbox"/> I request not to disclose my identity without my consent
<p>Contact Information</p> <p>Please mark how you wish to be contacted (mail, telephone, e-mail).</p>	<input type="checkbox"/> By Post: Please provide mailing address: _____ _____ _____ <input type="checkbox"/> By Telephone: _____ <input type="checkbox"/> By E-mail: _____
<p>Language</p> <p>Please mark your preferred language for communication</p>	<input type="checkbox"/> Uzbek <input type="checkbox"/> Russian <input type="checkbox"/> Other
<p>Description of Incident or Grievance:</p>	<p>What happened? Where did it happen? Who did it happen to? What is the result of the problem?</p>
<p>Date of Incident/Grievance</p>	<input type="checkbox"/> One time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
<p>What would you like to see happen to resolve the problem?</p>	