

SBF Project Implementation Monitoring Report

Tajikistan: Nurek Hydropower Rehabilitation Project Phase I

1. Project Information

Project ID:	000018	Investment Number:	L0018A
Member:	Tajikistan	Region:	Central asia
Sector:	Energy	Sub-sector:	Large hydropower generation
AiIB Financing Type:	Loan: 60 USD million	Co-financier(s):	WB-led (IDA)
E&S category:	B	Borrower:	Republic of Tajikistan
Red Flags Assigned:	1	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Barki Tojik (BT), Open Joint Stock Holding Company		
Project Team Leader:	Igor Popkov		
Project Team Members:	Chongwu Sun, Senior Environment Consultant; Somnath Basu, Principal Social Development Specialist; Yunlong Liu, Procurement Specialist; Liu Yang, Counsel - Investment Operations; Shonell Robinson, FM Specialist; Shodi Nazarov, FM Consultant; Haiyan Wang, Senior Finance Officer.		
Completed Site Visits by AiIB:	Mar, 2019		
Planned Site Visits by AiIB:	subject to COVID19 development		

2. Project Summary and Objectives

The objectives of the Project are to rehabilitate and restore the generating capacity of three units of the Nurek hydropower plant, improve their efficiency, and strengthen the safety of the Nurek dam.

Components: 1) Power Plant Rehabilitation Component, 2) Dam Safety Component.

Total Project Cost (Phase I): US\$350 million

Financing plan: IDA US\$225.7 million and AiIB US\$60 million (joint co-financing); EaDB US\$40 million (parallel co-financing).

3. Key Dates

Approval:	Jun. 15, 2017	Signing:	Aug. 1, 2017
Effective:	Apr. 30, 2018	Restructured (if any):	
Orig. Closing:	Dec. 31, 2023	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

a) Committed:	60	b) Cancellation (if any):	
c) Disbursed:	17.1	d) Most recent disbursement: (amount / date)	1.1, Sep. 17, 2020
e) Undisbursed:	42.9	f) Disbursement Ratio(%) ¹ :	28.5

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

The progress towards achievement of project objectives is satisfactory and there are no material factors that may delay achievement of objectives by the project closing date. The progress on implementation is being monitored by BT, the Nurek HPP PIU, and Stucky – the project management consultant.

Component s	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Power Plant Rehabilitation	28% (\$17.0m)	No issue	Component 1.1 Replacement and refurbishment of mechanical, electrical, and electromechanical equipment. Subcomponent – Electrical equipment. Power Plant Equipment Contract was awarded to ANDRITZ HYDRO GMBH (Germany and Austria)/ANDRITZ HYDRO CORPORATION (USA) and signed on July 21, 2018. The signed contract price for the Phase I is EUR120,938,466. More details can be found on the following link:

n (design, model testing and installation of turbines) (US\$45 M)			http://projects.worldbank.org/procurement/noticeoverview?lang=en&id=OP00055522 The rehabilitation of the Generating Unit 1 is underway. Most of the equipment is being replaced with new equipment, with the exception of the Turbine Inlet Valve which is to be rehabilitated. The implementation is substantially on schedule. Subcomponent – Hydromechanical equipment. The Contract was awarded to Sinohydro (China) and signed in March 2020. Component 1.2. Replacement of six autotransformers: 100% financed by the Eurasian Development Bank. The contract was awarded to Tojikgidroelektromontaj and currently is under preparation. The contractor has commenced the activities and submitted for BT review and approval the design documents.
Component 2: Dam Safety (civil works) (US\$15 M)	0	No issue	Dam Safety Component consists the following parts: 1) Dam monitoring instrumentation, geodetic instrumentation and geotechnical investigations. The bidding documents were issued in May 2019. Tojikgidroelektromontaj and Barqi Tojik signed the contract on 10/03/2020. 2) Miscellaneous civil works for improvement of dam safety (rehabilitation of spillway tunnels, spillway outlet works, slope stability of the left bank, replacement of Nurek Bridge, etc). Finalization of the scope of work is expected to be finalized by March 31, 2021. http://projects.worldbank.org/procurement/noticeoverview?lang=en&id=OP00072542

Financial Management:

The project audit report was submitted on October 1, 2020 and deemed to be acceptable. The Auditor's issued an unqualified opinion on the financial statements, which also reconcile with the records of the Bank.

The external auditors however noted that the system in place is not adequate for the proper recording of transactions and the preparation of financial statements. Thus, it is recommended that an automated accounting system is implemented.

There is however a delay in submitting the BT audit report for the period ended December 31, 2019, due to COVID-19. No other FM project related issues are noted.

6. Status of the Grievance Redress Mechanism (GRM)

The Stakeholders Engagement Plan includes a GRM, which is based on BT's existing GRM with adjustments to ensure that there are uptake points at the local level (through local BT offices and local authorities). The GRM includes uptake points at BT in Dushanbe, local BT offices, local authorities, and the Project Management Consultant. Complainants will be able to make complaints in writing, email, or in person. The GRM references the coordination of registration and response of complaints between local and central levels with local BT offices playing a key part. Information on the GRM will be made available through local-level disclosure of the Stakeholders Engagement Plan and outreach during the consultations.

The GRM system at BT will allow generating the data on percentage of registered grievances received and responded to within stipulated service standards. BT and its regional branches will register all the grievances received from various individuals and other stakeholders. The reports to be submitted to the Lenders will include gender-disaggregated data on grievances to allow tracking percent of grievances from females.

7. Results Monitoring

The progress towards achievement of the PDO is Satisfactory. As of August 31, 2020, there are no material factors that may delay achievement of the PDO by the Project closing date. The impact of COVID-19 on the Project schedule is being closely monitored and the Project will be restructured in due course in case the achievement of PDO is not realistic by the closing date. The overall implementation progress is Satisfactory. The progress on implementation is being monitored by BT, the Nurek HPP PIU, and Stucky – the project management consultant (PMC) of BT.

Baseline Year: Dec. 31, 2016 End Target Year: Dec. 31, 2022

Project Objective Indicators	Year	Target	Actual	Others, if any
Indicator #1: Generation capacity of energy constructed or rehabilitated under the Project (MW)	Dec. 31, 2022	1005	NA for 2019	
Indicator #2: Estimated annual electricity generation of three units included in the scope of the Project (GWh)	Dec. 31, 2022	At least 3,783GWh	NA for 2019	
Indicator #3: Estimated increase of winter electricity generation of rehabilitated units due to efficiency improvements	Dec. 31, 2022	At least 33GWh	NA for 2019	
Indicator #4: Improved dam safety against	Dec. 31, 2022	Yes	NA for 2019	

hydrological and geological risks				
Indicator #5: People provided with improved electricity service	Dec. 31, 2022	8,276,000	NA for 2019	
Female beneficiaries	Dec. 31, 2022	49.3%	NA for 2019	

Intermediate Result Indicators	Year	Target	Actual	Others, if any
Indicator #1: Cumulative number of generating units rehabilitated	Dec. 31, 2019	Design for generating units is completed and manufacturing commenced	Completed	
Indicator #2: Cumulative number of auto-transformers replaced	Dec. 31, 2019	The supply of auto-transformers is underway	in progress	
Indicator #3: Enhanced hydrological safety	Dec. 31, 2019	Once in 10,000 years flood	NA	
Indicator #4: Upgrade of the dam monitoring instrumentation completed	Dec. 31, 2019	The supply and installation of the dam monitoring instrumentation commenced	in progress	
Indicator #5: Civil, electrical and mechanical works for improvement of the dam safety completed	Dec. 31, 2019	The dam safety improvement works are in progress	in progress	
Indicator #6: Update of Emergency Preparedness Plan (EPP) and preparation of O&M plans completed	Dec. 31, 2019	Final updated EPP and O&M plans are effective and implemented	Yes	
Indicator #7: Percent of registered Project-related grievances (disaggregated by gender) responded to within stipulated service standards for response times	Dec. 31, 2019	100%	not received	

Remarks: Since physical project implementation has just started and some contracts are still under procurement stage, no result has been generated.