



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Madagascar	EASTERN AND SOUTHERN AFRICA	P178701	
Project Name	Digital and Energy Connectivity for Inclusion in Madagascar (DECIM)		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Energy & Extractives	Investment Project Financing	12/5/2022	2/22/2023
Borrower(s)	Implementing Agency(ies)		
Ministère de l’Economie et des Finances (MEF)	Ministre de l’Energie et des Hydrocarbures (MEH), Ministre du Développement Numérique, de la Transformation Digitale, des Postes et des Télécommunicat		

Proposed Development Objective

The Project Development Objective is to expand access to renewable energy and digital services, and increase inclusion

Financing (in USD Million)	Amount
Total Project Cost	250.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

This project proposes a set of interventions to expand access to renewable energy and digital services, and increase inclusion among underserved communities. The proposed project aims to maximize the positive impact on the poor,



thereby supporting more equitable growth, and to boost resilience to future crises, with spillover benefits to mitigate climate change and promote adaptation.

The rationale for focusing on both energy and ICT sectors is because energy is an enabler of ICT and vice versa. Access to good-quality communication services can enable electric utilities and private energy service providers to carry out their core activities more efficiently (e.g., leveraging digital financial services and Pay-As-You-Go (PAYGO) solutions to facilitate financial access to energy solutions such as solar home systems. Conversely, access to energy is necessary for mobile network providers to deploy and maintain their infrastructure and for individuals to charge their communication devices and thus fundamental to connecting individuals and businesses to the digital economy. Therefore, adopting a coordinated approach to exploit synergies in the mutual deployment of energy and ICT holds potential for improving access to both services.

The project structure envisages five components:

-- Component 1, on expanding energy and digital access, aims to mobilize significant private capital to improve access to energy and ICT in underserved areas, thereby supporting efforts to improve service delivery and bridge the urban-rural divide. Interventions may include: (i) the hybridization of part of the 115 isolated grids currently operated by JIRAMA; (ii) installation of a renewable power generation source (likely solar PV) and a battery backup at the selected sites and upgrading the distribution network; (iii) the deployment of smart grid technologies; (iv) TA to support data analytics; (v) private sector deployment of mobile broadband infrastructure and services; (vi) capital subsidy to private sector for the digital infrastructure such as the small cell towers with energy sources green energy solutions like the solar or wind power and battery storage and also co-deployment of mini grids to power both towers and local communities simultaneously, and (vii) the roll-out of mini-grids with local LV networks and powered by appropriate renewable energy resources (solar photovoltaic in combination with battery or hydro-electric), implemented through private sector led approaches.

-- Component 2, on enhancing Energy and Digital Inclusion, aims to accelerate uptake by addressing demand-side barriers that hamper digital and energy access, so as to increase digital inclusion of underserved communities, while maximizing synergies between the two sectors. The project may finance (i) an affordable ICT devices bundled with off-grid electricity solutions; (ii) the expansion of the Off-grid Market Development Fund (OMDF) outside of main and isolated grid areas; (iii) digital literacy courses that will be provided for the general population complemented by a national awareness-raising campaign about digital services; (iv) provision of Off-grid solar and broadband connectivity services for public institutions in unconnected/underserved municipalities including schools, health centers, post offices, and other public service points; (v) the expansion of last-mile connectivity for community access points;

-- Component 3, on supporting the Enabling Environment for Digital and Energy, will finance both the support for the adoption and implementation of fast-tracked, deep reforms in the digital sector and the support for advancing the energy reform program, including technical assistance to JIRAMA to assist the utility's path towards financial and operational performance improvement. Interventions may include several TA activities (i) to support the revision of the legal and regulatory framework, to strengthen the regulator and the FDTIC, etc.; (ii) on the energy sector, technical support for the Ministry of Energy and for the JIRAMA; and (iii) to enable environment for enhanced climate change adaptation and mitigation, emphasis on investments in climate-smart infrastructure and capacity building that help increase response capacity and reduce Madagascar's climate footprint.



-- Component 4, on project management and implementation support, will finance operating and staff costs of the planned project implementation unit (PIU) and the recruitment of expert consultants in key areas, etc.

-- Component 5 provides for a Contingent Emergency Response Component (CERC).

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

Madagascar's infrastructure access to electricity and digital is among the lowest in Sub-Saharan Africa and in the world. Topography plays a part of the country's challenge, with much of the population living in isolation along thin coastlines and on rugged highlands. On the energy sector, only about 15 percent of the population is connected to the electricity grid, compared with an average 47 percent for Sub-Saharan Africa, which places the country in the list of the top 20 access-deficit countries in the world. Some areas in the country are currently experiencing a decline in the level of electrification as population growth is outpacing the annual increase in electrification. Even in larger and better-connected urban centers, electricity service quality is poor, severely impairing key export-oriented industries. On the digital sector, the Government of Madagascar (GoM) has put ICT at the heart of its 2018 development strategy, "Madagascar's Emergence Initiative". The strategy identifies the development of ICT as one of its six priority sectors for economic growth and digital transformation indeed holds great promise for Madagascar. However, despite progress in recent years, Madagascar ranks relatively low in terms of connectivity and accessibility of broadband services. Internet usage is rapidly progressing, reaching some 22 percent of the population in 2021, up from just 5.1 percent in 2016. Nevertheless, this penetration rate remains one of the lowest in the world and is notably well below the regional average for Sub-Saharan Africa.

This proposed Digital and Energy Connectivity for Inclusion aims to expand access to energy and digital services and increase inclusion. It has a national scope and probably will cover all the 22 regions but with a focus to the unserved rural areas. Madagascar has a population of 28.1 million people (2021 Third General Population and Housing Census). Digital exclusion is primarily an issue of poverty and socioeconomic factors. Women, the elderly, those who live in rural areas, those who have lower levels of income or education and other vulnerable groups, including persons with disabilities are less likely to adopt mobile internet because the above-mentioned demand-side barriers are starker for them. Access to broadband Internet is mainly in urban areas, and there is a very large digital divide between Antananarivo, the capital, and the rest of the country. The exact locations of physical infrastructures are not identified, the potential risks and impacts are not known. It is expected that activities will mostly occur within the modified habitats on urban and rural areas.

D. 2. Borrower's Institutional Capacity

No final decisions on the implementation arrangements, and location of the PIU, have been made to date, but this will be investigated further during the project preparation phase. The potential implementing agencies could be housed within the the Ministry of Energy and Hydrocarbons (MEH) and the Ministry of Digital Development, Digital Transformation, Posts and Telecommunications (MDTPT). The preferred choice of the project team is, at least during the early stages of the project, to work with the existing PIU) for the Madagascar - Least-Cost Electricity Access Development (P163870) or called LEAD project. As the PIU was established in 2019, the Ministry of Energy is familiar with implementing World Bank projects under the safeguard policies such as the ongoing Madagascar LEAD project and the Electricity Sec Operations & Governance Improvement Project (P151785). Nevertheless, although this Ministry has experiences in coordinating a number of Bank-financed projects and has built capacity in assessing and



implementing environmental and social safeguard requirements as well, its capacity in monitoring E&S measures in compliance with the ESF remains uncertain and will be considered low. The MEH has led implementation of previous bank-financed projects including the LEAD project (P163870) and ESGIP (P151785). Both projects were implemented under safeguards policies, and it is anticipated that capacity-building will be required on the ESF. The overall safeguards rating for the LEAD project is Satisfactory and ESGIP Moderately Unsatisfactory. Issues on the latter project include delays in providing closure reports on ESMPs and on the complaints mechanism as well as lack of prior notification to the Bank of modifications to project design (transmission line routing) with consequent changes to E&S impacts including land-take and RAP implementation. On digital side, the Ministry of Digital Development has not yet implemented any WB funded projects. However, the Ministry of Energy and the Ministry of Digital Development have no experience working under the new Environmental and Social Framework (ESF); therefore it would be necessary to improve the procedures and processes of environmental and social risk management not only within the PIUs but also with the local level partners, private or public, institutions, and stakeholders.

The detailed assessment of the actual needs and existing gaps in implementing the ESF will be conducted and agreed by Appraisal, as to ensure the borrower’s capacity to manage environmental and social risks is adequate. Any capacity gaps/strengthening measures for the implementation of the Environmental and Social Standards (ESSs) at both ministries will be conducted in Environmental and Social Management Framework (ESMF) and reflected in the Environmental and Social Commitment Plan (ESCP). A proposal for an institutional strengthening program will be part of the ESMF.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

The Environmental Risk Rating has been determined as “Substantial” mainly due to key environmental risks and impacts stemming from Component 1, that are associated with occupational health and safety, waste management, and environmental pollution. Community health and safety risks are also associated with all interventions requiring face-to-face interactions in all Components of the project, particularly those involving heavy machinery use, earth movement and excavations, work at heights, etc. Moreover, such interactions can lead to the transmission of communicable diseases such as COVID-19. Regarding Component 1, environmental pollution risks are associated with transportation, installation, storage, operation, and disposal of solar panels. The civil works construction of local small-medium-infrastructure are associated with community health and safety concerns and other OHS related issues with the use of vehicles, construction equipment, and machinery to direct and indirect contracted workers. However, substantial impacts are expected such as: activities associated with ESS2 related to OHS for different types of workers, ESS3 related environmental pollution, ESS4 related community health and safety, as well as ESS6 related biodiversity loss, clearing of habitats, and potential damage to ecologically sensitive areas, natural and/or critical habitats, and ESS8 related potential damage to cultural heritage, not yet reported. In addition, it is noted a low institutional capacity of the Ministries stemming from the unfamiliarity with the new Environmental and Social Framework and the key environmental risks and impacts related to: (i) solid waste from the construction phase, (ii) management of waste of electrical and electronic equipment (WEEE) and hazardous waste including end-of-life batteries, (iii) community health and safety risk, (vi) noise and vibration caused by generators, and (vi) downstream impacts likely to be generated by TA activities. However, preliminary screening of the project shows that it does not include activities

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associated with potentially significant and irreversible negative environmental risks and impacts through the implementation of established mitigation measures.

Social Risk Rating

Substantial

The social risk rating (SRR) for this project is considered to be substantial. The project activities will largely benefit the population as it aims to increase access to reliable and affordable energy and digital infrastructure and increase inclusion among underserved communities. Project interventions may include (i) hybridization of isolated grids and installation of a renewable power generation source (likely solar PV) and a battery backup; (ii) deployment of mobile broadband infrastructure and services as well as capital subsidy to private sector for the digital infrastructure such as the small cell towers; (iii) an affordable ICT devices and provision of off grids solar and broadband connectivity services for public institutions; and (iv) several TA activities to strengthen the analysis and institutions . However, potential social risk identified at this stage relates to potential economic and physical displacement resulting from the component 1 (the installation of renewable off grids) and e-waste management with associated potential civil works leading to safety and health hazards for workers and communities. Other main risks that may induce by the project activities are (i) the gaps between digitally included and excluded people are possibly widening for some groups such as poor or low-income household members, people with disabilities, elderly, people with lower education or no digital literacy, and herders living in remote areas. However, these can be mitigated through a robust and inclusive stakeholder engagement process which will be developed by the project and the TA interventions under component 3 which will help the vulnerable groups to ensure their equitable participation and that design training programs suit their needs; (ii) risks related to health and safety of workers to be hired by the project or the private operators; and (iii) labor influx risks including sexual exploitation and abuse/sexual harassment (SEA/SH) and exposure to COVID-19 induced by the civil works but also due to the hiring of construction workers under component 1. Moreover, based on the available information at this stage, it is not certain that the future Project Implementation Unit (PIU) will have environmental and social risk management capacity especially on the ESF, but the project will ensure that the PIU will have environmental and social safeguard specialists and implement ongoing capacity building trainings for project staff.

Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating

Substantial

Based on the information available at this stage, due to the medium labor influx induced by the civil works, but large scale of project implementation area (in all regions of Madagascar), because of unavailability of adequate services to support GBV case, the existence of GBV/SEAH-related factors linked to cultures and traditions in some areas of intervention, and the needs to create new GBV skills within the project implementation agency the risk associated with SEA/SH (Sexual Exploitation and Abuse/Sexual Harassment) is assessed as substantial

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

ESS1 is relevant. The anticipated environmental and social impacts, related to Component 1 that will finance subprojects on the hybridization of isolated grids, installation of a renewable power generation source, upgrading the distribution network and subsidy for the construction of digital infrastructures such as the cell towers, might cause a series of direct environmental and social risks and will likely generate adverse site-specific risks and impacts such as:

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(i) increased environmental pollution with solid, liquid and electronic waste generation, (ii) noise generated from the use of construction machinery and vehicle movements as well as from electric stations, (iii) occupational health and safety risks for workers including risk of accidents and propagation of the COVID-19 at the workplace and surrounding communities during civil works operational phases, (iv) the scope of civil work envisaged is likely to be small-medium and temporary but could involve small-scale land acquisition and temporary disruption socio-economic activity; (v) impacts lack of experience in implementing ESF; (vi) SEA/SH risks that may arise from the labor influx, the direct contact of workers and community beneficiaries, but also in the context of the project gender-sensitive approach which may bring changes in household power dynamics or social cohesion in communities.

During preparation, the project will apply the ESF, WBG EHS General Guidelines, and WBG EHS Guidelines for Electric Power Transmission and Distribution Climate Change Screening Tool and Risk Hazard Assessment (RHA) to better identify and assess the potential expected risks in rural and urban areas. Solar batteries and panels management guidelines will also be applied. A geographical prioritization exercise will be carried out during project preparation and will allow selecting specific areas with high poverty and vulnerability, the potential for impact, and viability of implementation. Although the specific location of subproject activities are not yet known, it is expected that activities will mostly occur within the modified habitats on urban and rural areas. In fact, following the environmental and social profile and the anthropic pressures on the natural resources in the rural and urban habited zones, these zones are mainly composed of agriculture parcel, savanna, and rupicola forests, feeder roads. The project could also cause clearing of habitats, and potential damage to ecologically sensitive areas, natural and/or critical habitats if the required measures are not adopted.

In addition, social risks are also associated to the various technical assistances (component 2 and 3) to enhance the Energy and Digital Inclusion and create an enabling environment for digital and energy development including possible case of elite capture in digital access and some downstream impacts on social exclusion related to larger digital divide within communities. To avoid and manage the risk of discrimination under this standard, the project will be designed around the principle of energy and digital inclusion for target groups under the component 2 with a focus on low income and rural households, women, the elderly and disabled who constitute vulnerable populations. Risks on the security and confidentiality of data collected, related to the provision of energy and broadband connectivity services for schools, health centers, government offices and other public service points under the component 2, may occur. The Republic of Madagascar has a clear legal framework governing digitalization: mainly law 2014- 006 on the dematerialization of administrative procedures, law 2014- 038 on personal data protection, and law 2014-006 related to the fight against cybercriminality.

Most of these risks and impacts are expected to be small to medium scale, temporary by nature, and mitigated by applying the provisions of the Environmental and Social Management Framework that the project will elaborate during the preparation and will include the adapted measures tailored to relevant risks and impacts, including GBV and SEA/SH, cumulative impacts, project susceptibility to natural / climate related hazards and emergency preparedness.

In line with ESF requirements, the Borrower will develop by appraisal (i) the Environmental and Social commitment plan (ESCP) which could be adjusted during the project life keeping with the evolution of environmental and social risk and impact; (ii) an inclusive stakeholder engagement plan (SEP) that will list the training sessions to be included in the capacity-building programs ; (iii) an Environmental and Social Management Framework (ESMF) given that the exact locations of the activities are not yet well identified, The ESMF will include: (i) Resource Efficiency & Pollution Prevention and Management Plan, water pollution, air pollution and others; (ii) Chance Finds Procedures; (iii) Environmental and Social Impact Assessment; (iv) Occupational Health and Safety Plan (including for COVID-19); (v) Community Health Plan (including for COVID 19) and an Electrical and Electronic Waste Management Plan (EEWMP)



(iv) a Labor Management Procedures (LMP) which will be used to manage labor related risks.; (v) a Resettlement Framework (RF) to capture the scope of mitigation measure retaliated to involuntary resettlement; and (vii) an accessible grievance mechanism (GM).

Areas where “Use of Borrower Framework” is being considered:

The Borrower’s E&S Framework is not being considered for this project, either in whole or in part.

ESS10 Stakeholder Engagement and Information Disclosure

ESS10 is relevant. The project will involve multiple stakeholders with diverse interest and influence on project activities. At this stage, stakeholders identified for the project would include, but are not limited to: (i) the Ministry of Energy, (ii) the Ministry of Digital Development, (iii) the Ministry of Economy and Finance and (iii) other relevant Sectoral Ministries; (iv) key public institutions under component 2 (the JIRAMA, the Communication Technology Regulatory Authority called ARTEC, the Universal Access Fund -FDTIC, etc.) ; (v) several private sector organizations and digital companies involved in the subsidy mechanism under component 1; (vi) firms and/or contractors that might be hired for the civil works and diversifies studies; and (vii) the large project’s direct and indirect beneficiaries including those directly and indirectly affected by project impacts, and also those linked to civil works.

The Borrower will develop a Stakeholder Engagement Plan (SEP) consistent with ESS 10. The SEP will: (i) provide an overview of project stakeholders; (ii) establish a systematic approach for consultation and their engagement in the project’s preparation and implementation; and (iii) provide guidelines regarding the maintenance of a constructive relationship with them through a participatory approach that takes into account their concerns and views. The SEP must mainly focus on project’s direct and indirect beneficiaries, their needs and the communication/consultation approach necessary to ensure that (i) project benefits are delivered inclusively and with consideration for the vulnerable and marginalized; and (ii) potentially affected people are meaningfully consulted on project impacts and mitigation measures. Different strategies for consulting stakeholders will be developed for rural zones where there will be new greenfield transmission corridors or off-grid solutions, versus urban or peri-urban zones where there will be an extensive coverage of telecom services. The SEP will include an inclusive communication plan to be developed on the usefulness of digital technology with special consideration to bridge the digital divide between rural and urban areas will be applied by the project. The SEP will also ensure that respective provisions on gender equality and the mitigation of gender-based violence will be implemented; to avoid potential adverse impacts but also to ensure strong participation of women in the development of the country’s digital sector. To minimize the risk of leaving certain vulnerable groups behind, the SEP will describe the measures that will be used to remove obstacles to participation, and how the views of differently affected groups will be captured. The SEP development process may include consultations with the organization of persons with disabilities (OPDs) during project preparation and throughout project implementation to respond to the actual situation and needs of persons with disabilities. The SEP will also describe activities that involve Civil society Organization to reinforce aspect related to citizen engagement the energy and digital sectors. At appraisal stage, the SEP needs to demonstrate how potential beneficiaries are able to impact on project design and provide a roadmap for development of operational SEPs post-appraisal once project activities and locations are better defined.

Moreover, the SEP will include mechanisms to communicate on environmental and social risks associated with the project as well as get feedback on these risks from concerned stakeholders. It will follow a precautionary approach in the context of the COVID19 pandemic and will propose engagement methods that minimize the risk of transmission of the virus in line with the World bank “Technical Note: Public Consultations and Stakeholder Engagement in WB



supported operations when there are constraints on conducting public meetings”. The SEP will also include a grievance mechanism (GM) to ensure complaints and concerns of stakeholders are adequately managed. A SEP will be developed during early preparation by the borrower and disclosed both in-country and on the World Bank’s website prior to appraisal.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The ESS2 is relevant. The project is likely to engage various types of workers, including (i) direct project workers mainly will be hired to constitute the PIU, (ii) civil servants working for the line Ministries, (iii) contracted workers such as the construction companies to install the off grids and renewable energy sources as well as technical consultants firms for preparatory studies and supporting the project in some TA interventions; (iv) primary supply workers such as people employed by Borrower’s primary suppliers including the solar panel and IT equipment suppliers and the construction materials suppliers (Component 1); and (v) community workers that the project may use to implement the component 2 for the Digital literacy and awareness.

Risks identified under ESS2 include (i) OHS induced by civil works under component 1 but also workers may work on Solar grids and IT equipment installation and could face risk relating to exposure to electromagnetic fields stemming from proximity to transmitting antennas emitting radio waves and microwaves and general hazards of working with electrical equipment; (ii) exposure to COVID19 during the implementation of all project activities; (iii) risks associated with terms and conditions of employment and the protection of the labor force; (iv) risks of GBV/SEA/SH in the workplace and (v) risks of forced and child labor related to solar panel industry.

The Republic of Madagascar has a clear legal framework governing the right of workers (the law 2003-044 of July 28, 2004, which established the Labor Code). This code preserves the worker's essential interests (trade union rights, employment contract, health and safety, intimidation, sexual harassment). Various laws and regulations supplement the Labor Code, mainly the Law n ° 66-003 of July 2nd, 1966, on the General Theory of Obligations to provide a system in which to raise workers’ concerns.

During project preparation, the project design and the ESMF will be further developed to support and enable the better control of OHS risks while promoting employee well-being and a safer work environment. Mitigation measures to manage potential risks of GBV and SEA/SH will be included as part of the ESMF and the LMP, as well as in the bidding documents, direct workers and contractors’ contracts, into OHS plans and C-ESMP to be developed by contractors in case. The ESMF, the LMP and the procurement contracts will also include measures to prevent procurement of solar equipment that has used child / forced labor in its manufacturing.

In addition, the borrower will develop (i) Labor Management Procedures (LMP) including a worker’s Grievance Mechanism (GM) which could address all workers complaints and the sample of the code of conduct to be signed by all project workers to prevent and address potential harassment, child labor, gender discrimination or GBV/SEA issues, intimidation and/or exploitation during the implementation of all activities financed under this project. As a standalone document, the LMP will be prepared and disclosed prior the appraisal.

ESS3 Resource Efficiency and Pollution Prevention and Management



ESS3 is relevant. The proposed construction/upgrading and installation of digital infrastructure of the component 1 in relation to the civil works, potential adverse risks and impacts related to waste management, environmental pollution, water usage, and GHG and air pollutants emissions are foreseen from construction activities. Also, as the project will provide support to enable a digital Environnement, potential e-waste from ICT and electronic equipment may occur.

Inadequate solid waste management of construction wastes and municipal wastes from the worker camps may leave an environmental footprint. In addition, environmental pollution risks are associated with transportation, installation, storage, operation, and disposal of solar panels and batteries from activities. Water usage is expected during the construction and operation of the off-grid connections and mini-grids. Modest quantities of GHG and air pollutants emissions may be produced during the construction phase, but overall GHG and air pollutants emissions are expected to decrease as a result of improved grid connections.

End-of-life batteries and electronic equipment that may be replaced will have to be disposed of in a manner that follows specific guidelines as articulated in the Electrical and Electronic Waste Management Plan (EEWMP) acceptable by the Association. The EEWMP will include a separation and collection procedure for different types of e-waste, a recycling process for the reuse of spare parts, the establishment of storage centers for collection for a group of regional and local offices and their disposal in close cooperation with the Ministry of Environment at the national level. The plan will also integrate a comprehensive and clear monitoring and reporting system. Management of non-hazardous and hazardous waste (liquid and solid) from the construction phase, management of waste of electrical and electronic equipment (WEEE) is being considered for the entire project life cycle and reflected in the ESMF and subsequent instruments accordingly, as well as project susceptibility to climate related hazards should be assessed (landslide, flooding, extreme weather conditions). In addition, it should be prepared a Resource Efficiency & Pollution Prevention and Management Plan including water pollution, air pollution and others. The use of water, energy and raw materials will be assessed considering the mitigation hierarchy and efficient use for both construction and operation phase, and will be reflected in the ESMF and subsequent instruments accordingly.

ESS4 Community Health and Safety

ESS4 is relevant. Project activities could involve pollution from the construction of grids and installation of renewable energy source, the transport of materials and installation of ITC equipment to expand broadband network to rural areas which can lead to potential community health and safety issues. Key issues identified include traffic and road safety, exposure to dust, noise and vibration caused by construction works of some energy and digital infrastructures. Risks and impacts on community health and safety will be addressed as part of the ESMF, and subsequent instruments accordingly, including but not limited to accessibility to project sites, worker safety, electrical protection, surrounding environment, security aspects and fire risks and emergency preparedness during construction and operation phases. The component 2 and 3 related to capacity building activities may expose the community to potential safety concerns such as the propagation of covid-19 and SEA/SH risks especially when there will be direct contact between workers and beneficiaries during the digital literacy courses that the project will finance under the component 2. GBV risk screening has classified the SEA/SH risk as substantial which is mainly linked to labor influx in targeted regions, unavailability of adequate services to support SEA/SH case, the existence of SEAH-related factors linked to cultures and traditions in the areas of intervention, and the need to create new GBV skills within the project implementation unit.



The ESMF and LMP will then include COVID-19 mitigation measures and to mitigate risks related to Sexual Exploitation and Abuse/Harassments, worker Codes of Conduct will need to be developed, and included in the LMP, and integrated bidding documents for civil works and other contractors. Appropriate measures will be taken to address COVID related issues and minimize spreading of the disease, such as physical distancing, use of facial mask as required, hand washing system or hand sanitizer, number of employees limited to minimum as required. The ESMF will also assess all community health and safety risks to mitigate dust, noise, and vibration that are associated with potential adverse impacts on community health and safety issues and proposed appropriate mitigation measures and if needed. Site specific ESIA/ESMP will be developed by the Borrower. The project will also elaborate a SEA/SH Prevention and Response Action Plan which will be annexed to the ESMF and mentioned in the ESCP. A SEAH/SH specialist shall be hired as part of the PIU.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is relevant. In component 1, project activities may finance the hybridization of isolated grids, the installation of renewable energy, upgrading the distribution network, construction of cell towers through the subsidy for private sector, which may associated with permanent or temporary physical and economic displacement resulting from land acquisition. Also, the installation of renewable energy source such as the solar panel array could require portion of lands. The exact locations and the specific types of activities are not yet known. Therefore, a Resettlement Framework (RF) compliant with the national legal and regulatory framework and ESS 5 will be developed for the project. The RF will include an estimate of the expected scale and scope of the expected resettlement and will also detail the principles that will be used during the implementation phase of the project where site specific Resettlement Plans (RPs) will be prepared in case for each component of civil works of the project. The RF will be elaborated, reviewed, consulted upon, and disclosed, both in the country and on the World Bank's web site prior to appraisal.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS6 is relevant for the project. As the exact locations of physical infrastructure are not identified, the potential risks and impacts relevant to ESS6 are not known. In fact, following the environmental and social profile and the anthropic pressures on the natural resources in the rural and urban habited zones, these zones are mainly composed of agriculture parcel, savanna, and rupicola forests, roads and feeder roads. The project could also cause clearing of habitats, and potential damage to ecologically sensitive areas, natural and/or critical habitats if the required measures are not adopted. Environmental and social assessment will evaluate direct, indirect and cumulative impacts associated with the project implementation and operation phases. The ESMF will then provide guidance on screening and mitigation hierarchy to define measures (including exclusion of activities) to minimize impacts on environmental sensitive receptors, critical habitats and the biodiversity that they support. If risks and impacts related to ESS6 are to be identified during the project design stage with specific routes, identified risks and relevant mitigation measures will be addressed in the ESMF, area-based ESIA, and ESMPs through field surveys and in consultations with relevant stakeholders.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities



ESS7 is not relevant for the project. There are no Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities that meet the criteria of IP/SSHAUTLCs, per the requirements of this Standard, in the project area.

ESS8 Cultural Heritage

ESS8 is relevant to the project. Although small and medium civil works are not expected to have direct physical impacts on heritage monuments, indirect impacts due to the movement of construction machinery and the presence of labor could affect these areas. In addition, the exact locations of the physical infrastructure are not identified, so the potential risks and impacts are not known. For that reason, the ESMF and ESMP will include a provision to screen and assess cultural heritage values for proposed project locations, measures to avoid and mitigate harm and Chance Finds Procedures. The Borrower will adopt and implement the Chance Finds procedure which will be described in the ESMF. In the event of a Chance Find or the observation of a cultural practice, the Project will follow the guidelines detailed in the ESMF and contact the relevant government agencies that is entrusted with the protection of cultural heritage in Madagascar to assist to preserve such finds.

ESS9 Financial Intermediaries

ESS9 is not relevant to the Project. The Project does not involve financial intermediaries.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

N/A

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

Actions to be completed prior to Appraisal:

- Preparation, consultation and disclosure of Environmental and Social Commitment Plan (ESCP)
- Preparation, consultation and disclosure of Environmental and Social Management Framework (ESMF) including (i) Resource Efficiency & Pollution Prevention and Management Plan, water pollution, air pollution and others; (ii)



Chance Finds Procedures; (iii) Environmental and Social Impact Assessment; (iv) Occupational Health and Safety Plan (including for COVID-19); (v) Community Health Plan (including for COVID 19); and (vi) Electrical and Electronic Waste Management Plan (EEWMP)

- Preparation, consultation and disclosure of Labor Management Procedures (LMP)
- Preparation, consultation and disclosure of Resettlement Framework (RF)
- Preparation, consultation and disclosure of Stakeholder Engagement Plan (SEP),
- Development of Grievance Mechanism (GM) to be included in the SEP and in the LMP
- Development of GBV/ SEA/SH Action Plan included in the ESMF

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

Environmental and Social Management Framework (ESMF) including (i) Resource Efficiency & Pollution Prevention and Management Plan, water pollution, air pollution and others; (ii) Chance Finds Procedures; (iii) Environmental and Social Impact Assessment; (iv) Occupational Health and Safety Plan (including for COVID-19); (v) Community Health Plan (including for COVID 19); and (vi) Electrical and Electronic Waste Management Plan (EEWMP) , Labor Management Procedures (LMP), Resettlement Framework (RF), Stakeholder Engagement Plan (SEP), Grievance Mechanism (GM), GBV/SEA/SH Action Plan will be finalized and implemented as a requirement under the ESCP.

Capacity building on ESF for relevant stakeholders will be included in the ESCP.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

20-Sept-2022

IV. CONTACT POINTS

World Bank

Contact:	Justin Marie Bienvenu Beleoken Sanguen	Title:	Senior Energy Specialist
Telephone No:	5339+6227 / 257-222-06227	Email:	jbeleokensanguen@worldbank.org
Contact:	Lara Born	Title:	Senior Energy Specialist
Telephone No:	+1-202-458-7676	Email:	lborn@worldbank.org
Contact:	Timothy John Charles Kelly	Title:	Lead Digital Development Specialist
Telephone No:	5358+6050 / 251-011-5176050	Email:	tkelly@worldbank.org

Borrower/Client/Recipient

Borrower: Ministère de l’Economie et des Finances (MEF)

Implementing Agency(ies)

Implementing Agency: Ministre de l’Energie et des Hydrocarbures (MEH)

Public Disclosure



Implementing Agency: **Ministre du Développement Numérique, de la Transformation Digitale, des Postes et des Télécommunicat**

V. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

VI. APPROVAL

Task Team Leader(s): **Lara Born, Justin Marie Bienvenu Beleoken Sanguen, Timothy John Charles Kelly**

Safeguards Advisor ESSA **Maria Do Socorro Alves Da Cunha (SAESSA) Cleared on 14-Jul-2022 at 10:24:7 GMT-04:00**