

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC14718

Date ISDS Prepared/Updated: 27-Aug-2015

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Uganda	Project ID:	P133305
Project Name:	Uganda Grid Expansion and Reinforcement Project (GERP) (P133305)		
Task Team Leader(s):	Zayra Luz Gabriela Romo Mercado, Mbuso Gwafila		
Estimated Appraisal Date:	14-Dec-2015	Estimated Board Date:	17-Mar-2016
Managing Unit:	GEE01	Lending Instrument:	Investment Project Financing
Sector(s):	Transmission and Distribution of Electricity (100%)		
Theme(s):	Rural services and infrastructure (100%)		
Financing (In USD Million)			
Total Project Cost:	115.00	Total Bank Financing:	100.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			15.00
International Development Association (IDA)			100.00
Total			115.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The Project Development Objective (PDO) is to increase transmission capacity of Uganda interconnected system.

C. Project Description

The proposed Grid Expansion and Reinforcement Project (GERP) will finance a strategic section of Uganda Grid Investment Plan, focusing on the priority to extend the national transmission system and to interconnect three isolated systems in Lira, Gulu, Nebbi and Arua, and will provide financing

for rehabilitation of the existing transmission infrastructure to maintain its current performance.

The project will allow further expansion and strengthen the reliability of power supply in the interconnected system. The project will support the most common economic activities in the areas of agribusiness and small and medium enterprises, as well as to create the conditions for expanding electricity services to new households. At the same time, the project will serve as a basis for interconnecting the Uganda national power system to Democratic Republic of Congo.

The project's main components, to be discussed with the government, are the following:

Component 1. Construction of the transmission line. (Estimated cost \$85 million)

The objective of this component is to increase transmission capacity of the system and to interconnect isolated systems of Lira, Gulu, Nebbi and Arua to the national transmission system through the construction of a 132kV transmission line with an approximate length of 350 km. The project will also finance the extension of the existing Lira substation, and four new substations of 132/33kV at Gulu, Olwiyo, Nebbi and Arua. The line will enable the interconnection of future renewable based power plants that are planned in the West Nile area to the integrated power system and will facilitate the full utilization of existing generation plants in the isolated systems. Based on a benchmarking analysis, the estimated cost is around \$85 million, and this will be confirmed based on the feasibility study that is currently under preparation (See Annex 2).

Component 2. Rehabilitation of existing transmission infrastructure. (Estimated cost \$10 million)

The objective of this component is to rehabilitate and upgrade some of the key substations. It will also provide automation, control and monitoring equipment required to enhance the controllability, monitoring and operational flexibility of the transmission network. This component is being complemented by other sources of funding currently under implementation.

Component 3. Technical assistance. (Estimated cost \$5 million)

This component aims at supporting project implementation and review of the financial situation of UETCL. Upon review of UETCL's requirements for technical assistance, this component will support the implementing agency through consultancy contracts related to: (i) engineering/safeguard supervision and monitoring consultant for implementation support for the proposed transmission line, and (ii) review of the financial situation of the power sector through the UETCL. For the latter activity, it is proposed to hire a Financial Advisor to perform a thorough financial analysis of the UETCL. The Adviser will assess the company's ability to undertake its capital investment program, the availability to undertake Power Purchase Agreement (PPA) commitments, and will develop a financing plan intended to optimize the company's resources and financing options.

Project readiness.

Technical aspects. A feasibility study, financed under a Bank project ESDP, is being carried out in order to define the technical specifications, cost estimates of the project, the synchronization requirements with the existing grid, the preliminary line routing, and bidding documents.

Safeguards studies: A consultant has already been hired by UETCL under the ESDP project to carry out the environmental and social impact assessment (ESIA) and the resettlement action plan (RAP).

These studies will identify potential environmental and social impacts of the project and devise mitigation and monitoring measures and have commenced with the production and review of the inception and scoping reports.

Based on field reconnaissance survey findings by the safeguards specialists, it was recommended that the project be categorized as EA Category “B” given the likely low impact of the project on the natural environment and low density settlement patterns within project route. Even though the transmission line will in a limited manner traverse parts of swamps/wetlands, forests, river Nile and Murchison Falls National Park, no major ecosystems and protected/conservation areas will be adversely affected by the proposed T-line; the impacts are localized, reversible and easily mitigated. The impact of the T-Line on sections of Murchison Falls National Park which overlap to the northern-side of the road between Anaka – Karuma road Junction and River Nile crossing in Pakwach, may be considered minor for reasons advanced below. The T-Line section from Anaka – Karuma road junction going onwards to Pakwach – Nebbi has been restricted to the Northern side of the road, with the assumption that the MFNP boundary stopped at the road. However, using the ibat-ific tool (Integrated Biodiversity Assessment Tool), some small strip of the park overlaps to the northern side of the road. The section of the T-Line towards river Nile in which some wildlife animals (elephants, hippos, antelopes, bush-pigs, etc.) were seen watering and grazing, is outside the boundaries of MFNP. From the on ground observations and practical point of view, the northern side of the road is inhabited by the locals (appearing to be community owned-land/ encroached). Therefore likely impact of the T-Line on the small strip of MFNP may be considered minor. However, UETCL has been asked to consult Uganda Wildlife Authority during the ESIA process to ascertain and assess the likely impact, if any, of the proposed T-Line on the fringes of MFNP. The line alignment has also avoided physical displacement of PAPs as much as possible. In conclusion, the likely environmental and social aspects identified above are localized and can be readily mitigated.

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

The proposed Lira-Gulu-Nebbi-Arua 132 kV transmission line will transmit power from the existing Lira substation via the proposed new 132/33kV substations in Gulu, Olwiyo and Nebbi and Arua. The transmission line will cover a total distance of about 350km and is expected to improve power supply in the project area which covers six districts namely; Lira, Oyam, Kole, Gulu, Nebbi and Arua. In order to meet the set objectives, the proposed project activities will include the following: Construction of a transmission line (approximately 350km) from Lira substation to the proposed new substations in Gulu, Nebbi, Olwiyo and Arua respectively; Construction of four new substations in Gulu, Olwiyo, Nebbi and Arua respectively and installation of accessories; expansion of Lira substation; acquisition and clearing of right of way for the line; Acquisition of land for the construction of access roads; and Construction of workers camps and storages facilities as necessary. The above highlighted project aspects will most likely have adverse environmental and social impacts that need to be further assessed and appropriate mitigation measures proposed. In addition, the current location of the Lira substation does not have sufficient space for extension given this is surrounded by households and community centers. This has implications on additional land acquisition and requires innovative considerations in order to avoid a major displacement and relocation of households already living in that area. The project may also traverse environmentally sensitive areas such as wetlands, forests, national/game parks, and in addition affect an area broader than the sites subject to physical works in terms of land acquisition and its likely impacts that include displacement and loss of livelihoods. Further this project area location has significant variations in land tenure systems amidst post conflict environment that will require detailed analysis.

From the field reconnaissance survey undertaken by the project Safeguards Specialists, the following summary observations is deemed useful information:

- Even though the transmission line will in a limited manner traverse parts of swamps/wetlands, forests, river Nile and Murchison Falls National Park, no major ecosystems and protected/conservation areas would be adversely affected by the proposed T-line. There are only four areas on which minor impacts are expected but they could be mitigated at this early stage of the project preparation. These include: i) Anaka – Karuma section with fringes of Murchison Falls National Park, ii) Koch Awing Air-field, that will require clearance from Civil Aviation Authority, iii) Short sections of about 6 Forest Reserves that will require conditional clearance by National Forest Authority; and Crested Crane Birds at River Nile crossing that will require appropriate T-Line alignment/design to mitigate bird-collision impact.
- The project will involve establishment of new substations in Gulu, Olwiyo, Nebbi and Arua towns, and the extension of the existing substation in Lira. The proposed sites for the new substations were found to be open spaces without any structures and/or nearby settlements. The Lira substation will be the only site requiring both land acquisition and possibly physical relocation of some people/settlements in the neighborhood. At the other sites, the project may require only land acquisition without affecting/displacing any settlements. The T-line alignment has therefore avoided physical displacement of PAPs as much as possible. The entire right of way is 350km long for 30 meters wide. However, the Uganda Electricity Transmission Company Limited (UETCL) will acquire 5 meters permanently within the centerline of the transmission line for the tower footprint and 12.5 meters easement corridor on either side of the T-line. This therefore leads to a reduction on the land to be permanently acquired and budget for compensation.

In conclusion, the likely environmental and social aspects identified above are localized and can be readily mitigated. Therefore, Environmental Assessment Category “B” is suggested for this project.

E. Borrowers Institutional Capacity for Safeguard Policies

It is worth noting that through implementation of Electricity Sector Development Project (ESDP), UETCL has had substantial safeguards capacity developed over time. The ESDP project has a safeguards specialist, UETCL has an established Environment section under the projects implementation department. The section has six Environmental personnel and several Sociologists on short and long term employment handling RAP implementation of different projects other social issues. This will be assessed as part of the ESIA study. However, the implementation and supervision of the safeguards by UETCL has also had some weaknesses that must be reviewed and addressed to bridge the gaps that have been identified during the implementation of ESDP. Going forward, the Bank will undertake a capacity assessment for both environmental and social safeguards of Uganda Electricity Transmission (UETCL) to undertake implementation of the proposed project.

In addition, UETCL’s collaborative function with other relevant Government Agencies shall be assessed and recommendations made to improve coordination as appropriate, especially with the National Environment Management Authority, the Chief Government Valuer’s Office in the Ministry of Lands Housing and Urban Development, National Forestry Authority, Uganda Wildlife Authority and the respective District Local Governments of Lira, Gulu, Oyam, Kole, Nebbi and Arua.

F. Environmental and Social Safeguards Specialists on the Team

Constance Nekessa-Ouma (GSURR)

Herbert Oule (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

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Safeguard Policies	Triggered?	Explanation (Optional)
<p>Environmental Assessment OP/BP 4.01</p>	<p>Yes</p>	<p>Triggered because the project will likely have some environmental and social impacts. Even though the transmission line will in a limited manner traverse parts of swamps/wetlands, forests, river Nile and Murchison Falls National Park, no major ecosystems and protected/conservation areas would be adversely affected by the proposed T-line. There are only four areas on which minor impacts are expected but they could be mitigated at this early stage of the project preparation. These include: i) Anaka – Karuma section with fringes of Murchison Falls National Park, ii) Koch Aving Air-field, that will require clearance from Civil Aviation Authority, iii) Short sections of about 6 Forest Reserves that will require conditional clearance by National Forest Authority; and Crested Crane Birds at River Nile crossing that will require appropriate T-Line alignment/design to mitigate bird-collision impact. It may also have environmental, health and safety impacts on the surrounding communities and the general public during construction and operation. In conclusion, the likely environmental and social aspects identified above are localized and can be readily mitigated. Therefore, Environmental Assessment Category "B" is suggested for this project. The Client will prepare an Environmental and Social Impact Assessment report, which will include analysis of alternatives and the specific and broader environmental and social impacts associated with construction of new T-Lines, Substations as well as access roads and other supporting facilities and expansion of existing substations. Environmental and Social Management Plans (ESMPs) for each sub-component, notably the T-Line, Sub-stations shall be prepared as part of the ESIA. The ESIA shall be prepared in a consultative manner and disclosed both in-country and at infoshop before Project Appraisal. Before commencement of the Construction activities, the Contractor shall be required to develop a Contractor’s ESMP to guide actual implementation of the required mitigation measures and this shall incorporate conditions of approval granted by the</p>

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		Environment Agency-NEMA and any other relevant Regulatory Agency.
Natural Habitats OP/BP 4.04	Yes	This Policy is triggered because the project is most likely to pass through and affect natural habitats such as wetlands, forests, game parks/reserves, and rivers. Assessment of the likely impacts on the various natural habitats shall be included in the ESIA and ESMPs of the Project.
Forests OP/BP 4.36	Yes	This Policy is triggered because the project may pass through and affect forest areas. Assessment of the likely impacts on the various forests shall be included in the ESIA and ESMPs of the Project.
Pest Management OP 4.09	No	N/A. This is because the project does not envisage procurement and/or use of pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	Triggered because of the project associated civil and earth works that may encounter both known and unknown PCRs. PCRs survey and assessment shall be undertaken as part of the ESIA and a PCRs Management Plan and Chance Finds Procedure shall be prepared.
Indigenous Peoples OP/BP 4.10	No	The listed Project areas of Lira, Gulu, Oyam, Kole, Nebbi and Arua are not inhabited by Indigenous Peoples as per OP 4.10.
Involuntary Resettlement OP/BP 4.12	Yes	The proposed project will support development of a new T-Line and will involve acquisition of the transmission corridor over a distance of 350km. Similarly, the new substations and one that will have an extension require land which may already be occupied by people and their livelihoods' activities. The need for land will likely lead to displacement of people and disruption and loss of livelihoods. The Client will prepare a Resettlement Action Plan in consultation with the PAPs and responsible Lead Agencies and disclose the report before project appraisal.
Safety of Dams OP/BP 4.37	No	The Project does not involve construction of dam facilities nor relies on dams.
Projects on International Waterways OP/BP 7.50	No	This is because the project will not involve development of international waterways.
Projects in Disputed Areas OP/BP 7.60	No	There are no known areas under dispute in the project area.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 20-Nov-2015

¹ 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.

**B. Time frame for launching and completing the safeguard-related studies that may be needed.
The specific studies and their timing¹ should be specified in the PAD-stage ISDS:**

ESIA and RAP studies were launched in November 2014 and will be completed and disclosed by November 20, 2015.

IV. APPROVALS

Task Team Leader(s):	Name: Zayra Luz Gabriela Romo Mercado, Mbuso Gwafila	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 04-Nov-2015
Practice Manager/ Manager:	Name: Lucio Monari (PMGR)	Date: 04-Nov-2015