

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: 120423

Date ISDS Prepared/Updated: October 10, 2017

I. BASIC INFORMATION

A. Basic Project Data

Country: Tunisia	Project ID: P164625	
	Additional Project ID <i>(if any)</i> :	
Project Name: Tunisia-Italy Power Interconnector - Project Preparation TA		
Task Team Leader: Moez Cherif		
Estimated Appraisal Date: October 23, 2017	Estimated Board Date: December 20, 2017	
Managing Unit: GEE05	Lending Instrument: IPF	
Sector: Energy		
Theme:		
Environmental Category: A		
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>
Is this a transferred project	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

B. Project Objectives:

The PDO is to support the Government of Tunisia in evaluating the feasibility of the proposed Tunisia-Italy Interconnector.

C. Project Description:

The proposed Project (preliminary estimated cost: US\$ 12.80 million) will comprise the following components:

- a) **Component 1: Preparation Studies (preliminary estimated cost: US\$ 9.65 million):** this component would consist of the following three studies:

- **Terrestrial and Marine Survey Study.** The purpose of the terrestrial and marine feasibility study is to determine the optimal site locations for: (i) the area converter station; (ii) the DC cable route from the landing point of the marine cable on the coast to the converter station on land; (iii) and the AC cable route from the converter station to the grid node. The study will
 - identify the territorial and environmental characteristics of the line's passageway and area to prepare for the subsequent permitting process;
 - look at any archeological, landscape, hydro, geological, and environmental implications; and
 - complete sea-bed route, geotechnical, archeological, and environmental surveys and reports.

Based on the public consultation, marine survey, and technical analysis, potential routes and landing points of the Elmed interconnector will be determined. The Terrestrial and Marine Survey Study needs to be carried out in close collaboration with the ESIA Consultants. Both studies need to be prepared by independent consultants, but in close collaboration and in parallel. The ESIA study will start two months after the start of the Survey Study. The ESIA Consultants will have an important say in the selection of all the project sites. The environmental and social impacts on the project sites, the archeology, landscape, terrestrial route and the sea-bed are the responsibility of the ESIA Consultants.

- **Network Study.** The study will be performed based on ENTSO-E Guidelines and will determine the electrical project scheme (monopolar/bipolar grid node connection and networks reinforcements), the feasible technology and rated power of the link; the performance required to the DC system; social economic welfare and other indicators; the implications of the project on the transmission capacity and congestion at the Northern Italian border; the maximum amount of renewable energy to be integrated into the Tunisian network. This component is aimed at verifying the security of the two systems when the Elmed line is operational, studying the system behavior during contingencies and grid component switching, and evaluating the system reliability and resilience. It will also confirm and identify any network reinforcements that may be required for the safe operation of the Italian and Tunisian grids.
- **Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP).** The study will prepare an assessment of the environmental and social impacts of the Elmed Interconnector and recommend measures to reduce, mitigate, and address these impacts in Tunisia on the marine route and in Italy. The ESIA Consultants will closely collaborate with the Survey Study Consultant with regard to site selection of all project sites and line routes, since an adequate site selection significantly reduces the environmental and social impacts of the project. The environmental assessment will include and assess the impacts on terrestrial and marine biodiversity at the project sites, pollution, broader ecosystem impacts, and water/pollution from construction. The Environmental and Social Management Plan (ESMP) will develop effective mitigation measures for identified environmental and social impacts and risks, as well the management expected health and safety risks during construction and operation. The ESMP will recommend that the Contractors prepare and implement their own Construction ESMP (CESMP) and a comprehensive Health & Safety Plan. The ESMP will also describe the responsibilities of Contractors, Supervising Engineers,

the project developer and other stakeholders with regards to environmental and social management, as well as health and safety during construction and operation and the experienced staff with international experience which need to be recruited for this purpose. The ESIA Consultant will also be responsible for obtaining the environmental permits in Tunisia and Italy.

The Resettlement Action Plan (RAP) and social assessment will assess the potential social impacts of the project, including land acquisition required for the project and the resettlement that may result. In addition, the social assessment will assess the loss of livelihoods and identify interventions to mitigate the impact. This social assessment will examine the potential gender risks that the project may pose, particularly with respect to resettlement and loss of livelihoods.

In terms of citizen engagement, the ESIA will use the findings from the public consultations and the technical studies to develop a report that will include an archeological study, a landscape study, a geological study, and environmental documentations. Environmental/ social assessments and documentations will be carried out in line with Italian laws, Tunisian laws and World Bank Performance Standards under OP 4.03 and policies¹, and will assess the potential impacts on the sea-bed, in Tunisia and Italy. Due to the public private partnership (PPP) nature of the interconnector, the ESIA will be prepared in accordance with the Bank's Performance Standards, in addition to relevant Tunisian, Italian and European guidelines.

b) Component 2: Transaction Advisory (preliminary estimated cost: US\$ 2.45 million). Making a decision on the commercial, regulatory, and financial structure of the Elmed interconnector and identifying the agreements necessary for its implementation will require comprehensive support that will be accommodated through this component. Specifically, this component will include advisory work to the Government of Tunisia and to the implementing sponsor through Elmed Etudes throughout the following tasks:

- additional economic analysis to assess the impact of higher renewable energy targets and more integration of Maghreb electricity systems on the interconnector;
- agreeing on the commercial and regulatory structure;
- putting the agreed structure in place through establishing the project vehicle and drafting any necessary regulations, contracts, codes, etc regulating access to and use of the line;
- supporting the transaction design, including ownership and governance arrangements for the line, approach to procurement, environmental and social management and framework for providing access to the link and charging for its use;
- developing the financial model assessing the viability of the project vehicle;
- negotiating and securing the necessary financing for the Elmed Interconnector, including assessing equity from the sponsors, and liaising with private providers and other DFIs.

¹ The analysis and the consultations to be carried in conjunction with the safeguards documents should have a gap analysis of the three legal frameworks, and inform which ones should be applied.

- c) **Component 3: Project management (preliminary estimated cost: US\$ 0.70 million).** This component will cover project management costs of Elmed Etudes, excluding any wages of either Elmed Etudes, STEG or Terna. This will include the following types of tasks:
- Preparation of technical specifications for several procurement packages, including environmental, social and technical assessment in order to define the hypothesis line route and internal landing points (i.e., studies undertaken for Component 1). This information will be used as data input for the technical specifications of the packages.
 - Technical assessment of the tender proposal during the World Bank procurement phase.
 - Technical monitoring of the actions and approval of final reports.
 - Participation and organization of co-ordination meetings.
 - At the end of the first part of networks studies (undertaken in Component 1), a list of network reinforcements, not yet planned by STEG and Terna could be defined. In this case, a pre-feasibility assessment would be necessary in order to assess if the electrical scheme identified by the network study is feasible and coordinate its timely realization with the overall project.
 - Technical consultations with the supplier of HVDC system.
 - Finally, support to communication efforts would be available as part of project management (i.e. capacity to handle communications, stakeholder dialogue, possible opposition, the media, etc.).

D. Project location and salient physical characteristics relevant to the analysis of environmental and social risks and impacts (if known):

The physical infrastructure that is being supported by the proposed TA project is a 192 km, 600 MW undersea high-voltage direct current (HVDC) interconnector between Italy and Tunisia. The Elmed Interconnector will enable trade in electricity between Tunisia and Italy. The interconnector consists of a 192km of undersea cable through the Mediterranean Sea between Italy and Tunisia, a 5km underground cable in Tunisia, and a 32km underground cable in Italy. In addition to the HVDC interconnector, the project consists of two HVDC converter stations. One of the stations is located at El Haouaria, in the Cap Bon area of Tunisia. The other station is in Partanna in Sicily, Italy.

The Elmed interconnector requires significant reinforcements to the power systems in both Tunisia and Italy. These include the construction of a new 80-km double-circuit 400 kV link between the converter station at El Haouaria and the bulk transmission system of Tunisia at a new 400 kV substation at Mornaguia. On the Italian side, additional reinforcements are also anticipated, notably the construction of the new double circuit 400 kV Chiaromonte – Ciminna line. This latter reinforcement is currently under development.

E. Borrower's Institutional Capacity for Effective ESMS:

The project is expected to be implemented by Société Tunisienne de l'Electricité et du Gaz (STEG), in close collaboration with the Italian power network owner and operator TERNA.

STEG and TERNA will identify staff with expertise in environmental and social safeguards management, as well as on health and safety, who will contribute to the supervision of all studies that are supported by the TA project, including the Environmental and Social Impact Assessment (ESIA) of the interconnector.

Beyond this TA project, it is expected that the governments of Tunisia and Italy will form a public-private partnership (PPP) to develop the Elmed Interconnector; the PPP entity will be responsible for developing an environmental and social management system “ESMS” and for identifying, assessing and managing environmental and social risks and impacts associated with the Private Sector Activity², all in accordance with the World Bank Performance Standards.

F. Environmental and Social Safeguards Specialists on the Team:

Mohamed Adnene Bezzaouia, Environmental Safeguards Specialist

Antoine Lema, Social Safeguards Specialist

Robert Robelus, Environmental Safeguards Consultant

II. PERFORMANCE STANDARDS THAT MIGHT APPLY

Performance Standards <i>(please explain why)</i>	Yes	No	TBD
PS 1: Assessment and Management of Environmental and Social Risks and Impacts	X		
<p>The studies that are supported by the project aim to enable the development of the Elmed interconnector, which is expected to be a category A project consistent with submarine HVDC links across seas. The interconnector could have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. For the marine part, during installation, maintenance and repair work and removal phase, these environmental impacts may concern seabed disturbance with impacts on marine biodiversity, damage/disturbance of organisms, re-suspension of contaminants, visual disturbance, noise (vessels, laying machinery) and emissions and wastes from vessels. During operational phase, the impacts may be related to the introduction of artificial hard substrate, to the electromagnetic fields and to thermal radiations. For the terrestrial part that will be buried, during installation, operation, maintenance and repair work and removal phases, the environmental impacts may concern terrestrial habitat alteration, and forest fires. Other impacts are related to the management of hazardous wastes and occupational and community Health and Safety. All these impacts may affect an area broader than the sites or facilities subject to physical works especially in coastal and marine areas.</p> <p>A Stakeholder Engagement Plan (SEP) will be prepared prior to appraisal of the TA project to describe the consultation plans during the preparation of the ESIA. During its implementation, Elmed Etudes is responsible to retain independent environmental and social assessment experts not affiliated with the project to carry out the ESIA for the interconnector. Elmed Etudes will consult project-affected groups and local nongovernmental organizations (NGOs) about the project's environmental and social aspects and takes their views into account. Elmed Etudes will initiate such consultations as early as possible.</p> <p>Relevant environmental guidelines can be found in the documents referred to in the footnotes below</p>			
<p>³⁴⁵⁶ Before appraisal, the Bank will disclose an Environmental & Social Review Summary (ESRS),</p>			

² Please see the definition of Private Sector Activity in OP 4.03

³ WBG EHS Guidelines: General and Electric Power Transmission and Distribution

⁴ WBG EHS Guidelines for Ports, Harbors and Terminal

Performance Standards <i>(please explain why)</i>	Yes	No	TBD
incorporating a Stakeholders Engagement Plan (SEP), as well as any relevant safeguards instruments like TORs of relevant studies.			
PS 2: Labor and Working Conditions	X		
The ESIA will specify labor conditions and Health and Safety aspects to be applied during construction and operation of the interconnector by all sub-contractors, contractors, and developers.			
PS 3: Resource Efficiency and Pollution Prevention	X		
Pollution prevention and other environmental management responsibilities will be part of the ESIA and will be implemented by the Developer, the Contractors, sub-contractors of the interconnector if it goes ahead. The client will refer to EHS Guidelines or other internationally recognized sources, as appropriate, when evaluating and selecting resource efficiency and pollution prevention and control techniques for the project.			
PS 4: Community Health, Safety, and Security	X		
The ESIA will evaluate the risks and impacts to the health and safety of the Affected Communities during the interconnector life-cycle and will establish preventive and control measures consistent with good international industry practice (GIIP), such as in the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) or other internationally recognized sources. The ESIA will identify risks and impacts, including any potential non-local labor influx, workers camp management and propose mitigation measures that are commensurate with their nature and magnitude. These measures will favor the avoidance of risks and impacts over minimization.			
PS 5: Land Acquisition and Involuntary Resettlement	X		
As the interconnector project is expected to induce land acquisition in Tunisia and Italy for the terrestrial portion of the interconnector, the project will help the client to prepare a resettlement action plan (RAP) including consultations with various stakeholders in both countries, a social impact assessment and costed mitigation measures, in parallel with the environmental impact assessment.			
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	X		
The ESIA will determine how PS6 is to be applied to the interconnector in case it determined that it will affect or modify, natural and critical marine and terrestrial habitats. The ESIA will consider direct and indirect project-related impacts on biodiversity and ecosystem services and identify any significant residual impacts, as well as cumulative impacts. This process will consider relevant threats to biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation, invasive alien species, hydrological changes, nutrient loading, and pollution. It will also take into account the differing values attached to biodiversity and ecosystem services by Affected Communities and, where appropriate, other stakeholders. The ESIA will consider project-related impacts across the potentially affected landscape or seascape.			
PS 7: Indigenous Peoples		X	
There are no indigenous people in the project area.			
PS 8: Cultural Heritage			X
The ESIA will identify and protect cultural heritage if relevant by ensuring that			

⁵ Convention for the Protection of the Marine Environment of the North-East Atlantic (the “OSPAR Convention”) reports on environmental impacts of submarine cables
https://qsr2010.ospar.org/media/assessments/p00437_Cables.pdf

⁶ Convention for the protection of the Mediterranean Sea against pollution (Barcelona Convention)

Performance Standards <i>(please explain why)</i>	Yes	No	TBD
internationally recognized practices for the protection, field-based study, and documentation of cultural heritage are implemented. Where the risk and identification process determines that there is a chance of impacts to cultural heritage, the client will retain competent professionals to assist in the identification and protection of cultural heritage.			

OP 7.50 Projects on International Waterways is not triggered: The Project supports a number of TA studies for the feasibility stage of the Elmed interconnector. The route of the planned interconnector crosses the Mediterranean Sea between Tunisia and Sicily, which is divided between the two countries in accordance with the Italy–Tunisia Delimitation Agreement of 1971. The Elmed interconnector, which will be laid at the bottom of the sea, will not be using any water and is not expected to cause pollution to the sea route. The Bank will ensure that the borrower respects the relevant international environmental treaties and agreements, including the 1995 Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean (Barcelona Convention).

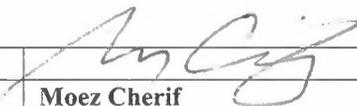
OP 7.60 Projects in Disputed Areas is not triggered.

III. SAFEGUARD PREPARATION PLAN

- A. Target date for the Quality Enhancement Review (QER), at which time the TORs for the ESIA and RAP would be disclosed and the PAD-stage ISDS would be prepared: No QER is envisaged; a Decision Meeting is scheduled for October 18, 2017
- B. For Category C or Category FI projects that do not require an ESRS, the target date for preparing the PAD-stage ISDS: N/A
- C. Time frame for launching and completing the safeguard-related studies that may be needed.
The specific studies and their timing⁷ should be specified in the PAD-stage ISDS: Due to the TA nature of this project, safeguard-related studies will not be prepared before appraisal. Before appraisal, the Bank will disclose an Environmental & Social Review Summary (ESRS), incorporating a Stakeholders Engagement Plan (SEP), as well as any relevant safeguards instruments like TORs of relevant studies.

⁷ Reminder: The Bank's Access to Information Policy requires that safeguard-related documents be disclosed before appraisal (i) at the Bank's website and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

IV. APPROVALS

<i>Signed and submitted by:</i>		Oct-11-17
Task Team Leader:	Moez Cherif	Date
<i>Approved by:</i>		Oct 11-17
Regional Safeguards Coordinator:	Nina Chee 	Date
Comments:		
Practice Manager:	Erik Fernstrom 	Date
Comments:		Oct 11-17