

# INTEGRATED SAFEGUARDS DATA SHEET

## CONCEPT STAGE

**Report No.:** ISDSC8904

**Date ISDS Prepared/Updated:** 22-Apr-2015

**Date ISDS Approved/Disclosed:** 27-Apr-2015

### I. BASIC INFORMATION

#### A. Basic Project Data

Country:	Nigeria	Project ID:	P146330
Project Name:	NG-Electricity Transmission Project (P146330)		
Task Team Leader(s):	Erik Magnus Fernstrom,Rahul Kitchlu		
Estimated Appraisal Date:	30-Sep-2015	Estimated Board Date:	30-Oct-2015
Managing Unit:	GEEDR	Lending Instrument:	Investment Project Financing
Sector(s):	Transmission and Distribution of Electricity (80%), General energy sector (20%)		
Theme(s):	Infrastructure services for private sector development (100%)		
Financing (In USD Million)			
Total Project Cost:	350.00	Total Bank Financing:	350.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			350.00
Total			350.00
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

#### B. Project Objectives

The project development objective is to improve the capacity and efficiency of the transmission network and increase electricity services.

#### C. Project Description

A. Concept

The proposed Nigeria Electricity Transmission and Access Project (NETAP) would channel concessional public financing to critical parts of the supply chain which are unlikely to be fully financed from private sources. It complements private investments and investments from the FNG's own resources. The proposed project would support transmission network investments as well as access investments. As new generation investments are coming on line, transmission is increasingly the critical link of the energy value chain and the potential limiting factor of investment underpinning the success of the entire reform program. The proposed NETAP will also finance specific programs to increase quantity, quality and access to the electricity network, particularly in the Northern areas of the country where economic activities have long suffered from the lack of affordable energy supply. Finally, the proposed NETAP will also provide targeted technical assistance and capacity building support to the FGN agencies to support the implementation of the Project.

#### B. Description of Project Components

Component 1: Transmission Network Improvement (IBRD US\$650 million) component 1 would finance selected investments highlighted in the TCN Investment Plan, as follows:

Sub-Component 1(a): Transmission Network Rehabilitation (IBRD US\$200 million). This subcomponent would finance a subset of refurbishment and replacement sub-projects included in Package 1 of the TCN Investment Plan. These investments are needed for refurbishing existing facilities, to restore the network to its rated capacity, and to reduce high ATC&C losses associated with the transmission network.

Sub-Component 1(b): Transmission Network Expansion Investments (IBRD US\$200 million). Sub-Component 1(b) would finance a subset of new capacity expansion sub-projects identified under Package 2 of the Investment Plan. Package 2 of the TCN Investment Plan outlines investments needed for new transmission and sub-transmission lines, sub-stations, as well as associated equipment and costs of implementation, such as: retaining owner's engineers, in order to expand the grid capacity to 10,000 MW. IBRD support would finance investments grouped by geographic locations to reduce interdependence and increase efficiency in implementation. Target zones may include North-West zone including the Kaduna-Kano Axis and the South-West zone including the Lagos network. Support would be geared towards underpinning key potential 'growth poles' in the country to spur access enhancement as well as growth of commerce, job creation, and shared prosperity. The exact geographic locations to be financed by IBRD support have not yet been determined.

Sub-Component 1(c): Transmission Network Expansion Partnerships (IBRD US\$200 million). Sub-Component 1(c) would support a subset of new capacity expansion sub-projects identified under Package 2 of the Investment Plan. The project team, in cooperation with IFC and MIGA, will carry out an assessment during project preparation to identify the optimal use of WBG instruments to finance these greenfield transmission sub-projects. The assessment will review the possibility of various public private partnership (PPP) arrangements, including build, own, operate, and transfer (BOOT) type arrangements to leverage the use of public funds. Financing supplied under Sub-Component 1(c) could be used as TCN's equity or debt participation in such arrangement or used to provide guarantees to assist with securitization of private capital mobilization.

Sub-Component 1(d): Efficient Network Management (IBRD US\$50 million). Complementary to the TSP investments under Sub-Components 1(a), 1(b), and 1(c), Sub-Component 1(d) would support improvements to efficient management of the increased national grid infrastructure. Support would

be provided for a subset of investments identified in the TCN Investment Plan for the SO and the MO, such as: integrated operation of the power system, restoration and expansion of the SCADA system, and telecommunication equipment.

Component 2: Capacity Building and Technical Assistance (IDA US\$50 million): This Component will support much needed capacity building and technical assistance activities at key sector institutions and other relevant stakeholders in order to ensure that the implementation of reform program is successfully carried out. The support provided under this Component will not only assist in implementation of the investments identified under NETAP, but will benefit the sector as a whole with the overall goal of scaling-up energy access in Nigeria. Capacity building and TA activities will be identified during project preparation to be complimentary to ongoing support from other donors.

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

The project is national in scope. The NETAP Project will finance both ‘brownfield’ transmission network rehabilitation sub-projects as well as new ‘greenfield’ transmission network capacity and efficiency enhancement sub-projects. In addition, the proposed NETAP will also finance specific programs to increase access to the electricity network as well as diversification of the generation mix (solar IPP development). The locations of the electric distribution and transmission rehabilitation investments are given in the description of Component 2 above. The exact routing of greenfield transmission network lines is not known at this time.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

The Borrower, Nigeria has adequate institutional and legal framework that would ensure satisfactory compliance with World Bank safeguard Policies. In particular the Bank's involvement in the energy sector has been significant, including the Nigeria Electricity and Generation Improvement Project (NEGIP) and Additional Financing, Power Sector Guarantees Project (PSGP) that includes the entire WBG. The safeguard performances of the projects have been satisfactory as the client has shown sufficient capacity and goodwill in implementing these above referenced projects.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Amos Abu (GENDR)

Paula F. Lytle (GSURR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	Environmental Assessment OP/BP 4.01 is triggered as the NETAP Project will finance a range of activities that could result in adverse environmental and social impacts. These activities include both ‘brownfield’ transmission network rehabilitation sub-projects as well as new ‘greenfield’ transmission network capacity and efficiency enhancement sub-projects. In addition, the proposed NETAP will finance specific programs that will also include needed refurbishing and replacement of existing facilities. In particular, the refurbishing of existing stations may lead to hazardous wastes generation that

		needs to be properly managed. An ESMF will be prepared, consulted upon and disclosed before appraisal. ESIA's for specific subprojects may also be prepared, consulted upon and disclosed before appraisal.
Natural Habitats OP/BP 4.04	Yes	The project is not expected to impact natural habitats. However, some of the proposed activities that would be funded by the project such as transmission lines might pass through natural habitats, thus triggering World Bank's OP/BP 4.04. To mitigate the potentially significant adverse environmental and social impacts to acceptable level, the Environmental and Social Management Framework (ESMF) will have dedicated sections and annexures on protection of natural habitats including procedures and processes for creating biodiversity offsets as might be required.
Forests OP/BP 4.36	Yes	The project is not expected to have substantial impacts on forests in Nigeria. However, some of the proposed activities that would be funded by the project such as transmission lines might pass through forests thus triggering World Bank's OP/BP 4.36. Measures to mitigate the potentially significant adverse environmental and social impacts will be included in the ESMF. This will be followed by the preparation of site specific Environmental and Social Impact Assessment (ESIA) and an Environmental and Social Management Plan (ESMP) with dedicated sections and annexures on protection of forests including the creation of biodiversity offsets as might be required.
Pest Management OP 4.09	No	This project will not finance the procurement and/or use of pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	Some of the project activities would involve excavation and social and cultural artifact could be impacted. For this reason, the ESMF and subsequent site specific ESIA's and ESMPs will have a section dedicated to chance find procedures.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area..
Involuntary Resettlement OP/BP 4.12	Yes	NETAP will finance Transmission Network Expansion and new transmission and sub-transmission lines as well as sub-stations. The location of transmission sub-stations and the transmission lines would involve land acquisition. There are no unprecedented or substantial

		involuntary resettlement of people is envisaged at this point. The exact routing of the transmission lines is not known at this time. The proponent will prepare a Resettlement Policy Framework (RPF) depicting the processes and procedures that would be followed in preparing Resettlement Action Plans (RAPs) when the specific locations of the proposed project locations are known. The RPF will be prepared, consulted upon and disclosed prior to appraisal.
Safety of Dams OP/BP 4.37	No	The implementation of the project will not entail the construction of new dam neither will any of the project activities rely on the performance of an existing dam or a dam under construction (DUC) that draw directly from a reservoir controlled by an existing dam or a DUC; diversion dams or hydraulic structures downstream from an existing dam or a DUC where failure of the upstream dam could cause extensive damage to or failure of the new Bank-funded structure.
Projects on International Waterways OP/BP 7.50	No	This project will not involve extraction of water from any international waterways (any river, canal, lake or similar body of water that forms a boundary between or any river or body of surface water that flows through two or more states, whether Bank members or not). In addition, the SCPZ will not impact any tributary or other body of surface water that is a component of any waterway described above.
Projects in Disputed Areas OP/BP 7.60	No	The project will not be located in disputed areas as defined by OP/BP 7.60.

### III. SAFEGUARD PREPARATION PLAN

#### A. Tentative target date for preparing the PAD Stage ISDS: 26-Feb-2015

#### B. Time frame for launching and completing the safeguard-related studies that may be needed.

##### The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:

The framework approach will be applied in this project as the scope and exact locations of all project activities, including the routing of new transmission lines and ancillary sub-stations are not known enough at this time. Accordingly, an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) will be prepared and disclosed prior to appraisal, depicting the procedures and process that would be followed in preparing site specific safeguard instruments (RAPs and ESIs and/or ESMPs) as soon as the exact locations and scope of sub-project activities are known. However, for any activities whose locations are known prior to appraisal, site specific ESIs, ESMPs and RAPs will be prepared as appropriate and disclosed prior to appraisal.

The framework documents of Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) will be prepared by June 2015. Subsequently site specific

<sup>1</sup> 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.

safeguards instrument such as ESIAs, Environmental and Social Management Plans (ESMPs) and Resettlement Action Plans (RAPs) for project defined in advance of appraisal will prepared prior to appraisal. All the above referenced documents (ESMF, RPF, ESIAs, ESMPs, RAPs) will be disclosed prior to Appraisal and 120 days in advance of the date for Board approval.

#### IV. APPROVALS

Task Team Leader(s):	Name: Erik Magnus Fernstrom,Rahul Kitchlu	
<b><i>Approved By:</i></b>		
Regional Safeguards Advisor:	Name: Alexandra C. Bezeredi (RSA)	Date: 22-Apr-2015
Practice Manager/ Manager:	Name: Meike van Ginneken (PMGR)	Date: 27-Apr-2015