

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 16-Feb-2015

Report No.: [REDACTED]

1. Basic Project Data

Country: Zambia	Project ID: P146636
Project Name: Zambia-Global Partnership on Output Based Aid (GPOBA)-Electricity Access for Low-income Households	
Task Team Leader: Raihan Elahi	
Estimated Appraisal Date: N/A	Estimated Board Date: N/A
Managing Unit: GEEDR	Lending Instrument: Grant from the Global Partnership for Output-Based Aid (GPOBA), a Bank managed multi-donor trust fund.
Sector: General energy sector (100%)	
Theme: Urban services and housing for the poor (70%); Other rural development (30%)	
SPF Amount (US\$m):	0
GEF Amount (US\$m.):	0
PCF Amount (US\$m.):	0
Other financing amounts by source:	
Borrower	0.00
Global Partnership on Output-based Aid (US\$m)	4.95
Environmental Category: B - Partial Assessment	
Simplified Processing	Simple <input checked="" type="checkbox"/> Repeater <input type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

2. Project Objectives

The objective of this grant-supported project is to increase access to grid-based electricity services in urban and peri-urban areas of Zambia through the use of an Output-Based Aid (OBA) approach. The project builds upon the Connection Fee Subsidy Program under the on-going Increased Access to Electricity Services (IAES) project.

3. Project Description

The project grant will support the provision of subsidies to facilitate new electricity connections and support installation of Ready-Boards including wiring and other ancillary activities to approximately 22,000 low-income households and 5,000 Micro and Small Enterprises (MSEs) in urban and peri-urban areas of Zambia. The subsidies will be disbursed against two outputs, (i) connecting a household or a MSE to the national power grid, and (ii) provision of Ready-Boards. Two types of connections will be supported for each household or MSE, including installation of three compact fluorescent lamps (CFLs) for each eligible household and MSE as follows:

- **Standard Connection and three CFLs:** This type of connection will include provision of drop-wire from a supply line to the meter box, a single-phase pre-payment meter, circuit breaker and lightning arrester. The total charge for this type of connection is estimated at US\$203 for connecting households and MSEs located up to 30 meters from an existing electricity pole. The GPOBA subsidy will finance US\$175 (or about 86 percent of the costs) for each standard connection. Additional costs for connections beyond 30 meters will be borne by households.

- **Enhanced Connection and three CFLs:** This type of connection includes the Standard Connection package described above plus installation of a Ready Board at an estimated cost of US\$256 for connecting households and MSEs located up to 30 meters from an existing electricity pole. The GPOBA subsidy will finance US\$210 (or about 82 percent of the costs) for each enhanced connection. Additional costs for connections beyond 30 meters are borne by the households.

The project will be implemented by the Zambia Electricity Supply Corporation Limited (ZESCO).

4. Project Location and salient physical characteristics relevant to the safeguard analysis

The project will focus on households in low-income settlements in urban and peri-urban areas throughout Zambia, locally known as "compounds" or "townships". The subsidy will be offered to all residents of the target areas that meet the following criteria: low-income area, high population density, and local distribution network capacity. This approach offers clear benefits in reducing political and intra-community tensions as well as risk of favoritism in selecting beneficiaries. The grant will support subsidies for single phase connections and installation of a Ready-Board for enhanced connections, which are of interest to households without electricity and in need of basic electricity services.

5. Environmental and Social Safeguards Specialists

Kisa Mfalila (GENDR)

Kristine Schwebach (GURDR)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
<p>The project grant will partially subsidize the cost of connecting low-income households and MSEs to the national grid and will entail minor civil works. The potential negative environmental and social impacts are predicted to be minor, typically related to minor construction work such as generation of dust, noise, minimal construction related waste, and safety and health of construction workers. The anticipated impacts will be site-specific, minimal, and can be mitigated through the use of good engineering and construction practices (good housekeeping) set out in the Environmental and Social Management Framework (ESMF) and in line with ZESCO's standard operating principles.</p>		

Overall, the increased number of households and MSEs connections to the national grid, will likely lead to significant positive environmental and social impacts particularly in meeting the energy needs of the poor in the urban and peri-urban areas of Zambia. By reducing demand on forest wood for fuel, the project activities will directly contribute to the conservation of local environmental resources and improved indoor air quality. Additional positive social impacts will likely include increased access to reliable social services such as improved health and education facilities, agriculture processing, employment creation opportunities, and overall increased well-being of the poor.

Natural Habitats (OP/BP 4.04)

The project will be implemented within urban and peri-urban areas which are presently inhabited by communities and where electrical grid already exists. The project will, therefore, have no impacts on critical natural habitats

Forests (OP/BP 4.36)

The project will be implemented in the urban and peri-urban areas which are presently inhabited by communities and where the electrical grid already exists. The project will, therefore, not be implemented in forested areas, nor does the project involve forestry.

Pest Management (OP 4.09)

The project will not involve the use of pesticides.

Physical Cultural Resources (OP/BP 4.11)

The project is not expected to impede on any known physical cultural resources, and does not involve any significant excavations or movement of earth.

Indigenous Peoples (OP/BP 4.10)

There are no Indigenous Peoples in the project area.

Involuntary Resettlement (OP/BP 4.12)

The project will not involve any land acquisition or restriction of access to legally designated parks and protected areas.

Safety of Dams (OP/BP 4.37)

The project does not involve or rely on the construction of dams or reconstruction of existing dams.

Projects on International Waterways (OP/BP 7.50)

The project does not involve the use or pollution of international waterways.

Projects in Disputed Areas (OP/BP 7.60)

The project is not located in a disputed area.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. *Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:*

The project grant will partially subsidize the cost of new connections to the national grid for low-income households and MSEs, and therefore will not generate large-scale, adverse or irreversible environmental impacts. The impacts likely to occur are typical construction related such as dust, noise, minimal construction related waste, and safety and health of construction workers, which will be minimal and managed through good engineering and construction practices set out in the Environmental and Social Management Framework (ESMF)

Overall, the increased number of households and MSEs connections to the national grid, will likely lead to positive environmental and social impacts toward meeting the energy needs of the poor in the urban and peri-urban areas of Zambia. By reducing demand on forest wood for fuel, the project activities will directly contribute to the conservation of local natural resources such as forests. In addition, the project investments are expected to have overall positive social impacts. The increased access to reliable power services will potentially facilitate improvements in social services such as health and education facilities, agriculture processing, employment creation opportunities, etc.

An Environmental and Social Management Framework (ESMF) for this project has been prepared and will be disclosed prior to appraisal.

2. *Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:*

The possibility of households and MSEs connecting to electricity may potentially lead to improved environmental outcomes over time on indicators such as reduced deforestation due to less use of charcoal for fuel. Indirectly, the project would in a long term reduce the amount of time that Zambian families spend on gathering firewood for cooking, thus leading to a time savings of as much as 2-3 hours/day during the working hours of households which can be invested in other income generating or social activities, and also in reducing the health impacts emanating from burning firewood for cooking.

3. *Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.*

Project alternatives are not considered for this project as the project will be connecting low-income households in urban and peri-urban areas of Zambia through the use of targeted subsidies.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

An Environmental and Social Management Framework (ESMF) has been prepared. Capacity for implementing the mitigation measures proposed in the instruments currently exists within ZESCO including a well-established environmental and social management unit which is staffed with experienced environmental and social personnel already exists within ZESCO. The team has a track record of implementing World Bank projects and is familiar with the provisions of the Bank's safeguards policies to ensure effective implementation and monitoring of the ESMF.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders include project beneficiaries, government agencies Ministry of Mines, Energy and Water Development, ZESCO, as well as commercial and industrial enterprises within the target areas that will be connected to the national grid.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	12/11/2014
Date of "in-country" disclosure	12/11/2014
Date of submission to InfoShop	02/16/2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

Resettlement Action Plan/Framework/Policy Process:

Was the document disclosed prior to appraisal?	N/A
Date of receipt by the Bank	N/A
Date of "in-country" disclosure	N/A
Date of submission to InfoShop	N/A

Indigenous Peoples Plan/Planning Framework:

Was the document disclosed prior to appraisal?	N/A
Date of receipt by the Bank	N/A
Date of "in-country" disclosure	N/A
Date of submission to InfoShop	N/A

Pest Management Plan:

Was the document disclosed prior to appraisal?	N/A
Date of receipt by the Bank	N/A
Date of "in-country" disclosure	N/A
Date of submission to InfoShop	N/A

*** If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report? No
 If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?
 Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop? Yes
 Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? Yes
 Have costs related to safeguard policy measures been included in the project cost? Yes
 Does the Monitoring and Evaluation system of the project includes the monitoring of safeguard impacts and measures related to safeguard policies? Yes
 Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? Yes

D. Approvals

Signed and submitted by:	Name	Date
Task Team Leader:	Raihan Elahi	02/16/2015
Environmental Specialist:	Kisa Mfalila	02/16/2015
Social Development Specialist	Kristine Schwebach	02/16/2015
Additional Environmental and/or Social Development Specialist(s):		
Approved by:		
Regional Safeguards Coordinator:	Alexandra C. Bezeredi <i>for</i>	
Comments:	<i>Hanneke van Tilburg</i>	
Sector Manager:	Lucio Monari	02/16/2015
Comments:		