

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC1143

Date ISDS Prepared/Updated: 17-Feb-2015

Date ISDS Approved/Disclosed: 27-Feb-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Niger	Project ID:	P153743
Project Name:	Niger - Electricity Access Expansion Project (NELACEP) (P153743)		
Task Team Leader(s):	Manuel Luengo, Pedro E. Sanchez		
Estimated Appraisal Date:	06-Nov-2015	Estimated Board Date:	29-Jan-2016
Managing Unit:	GEEDR	Lending Instrument:	Investment Project Financing
Sector(s):	Transmission and Distribution of Electricity (70%), General energy sector (30%)		
Theme(s):	City-wide Infrastructure and Service Delivery (60%), Infrastructure services for private sector development (20%), State-owned enterprise restructuring and privatization (20%)		
Financing (In USD Million)			
Total Project Cost:	60.00	Total Bank Financing:	60.00
Financing Gap:	0.00		
Financing Source		Amount	
BORROWER/RECIPIENT		0.00	
International Development Association (IDA)		60.00	
Total		60.00	
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

16. The Project Development Objective (PDO) is to increase access to electricity

C. Project Description

18. The proposed Niger Electricity Access Expansion Project (NELACEP) will finance a

strategic portion of Nigelec's Investment Program, focusing on the priority to address existing network bottlenecks and pending connection requests in seven major urban areas, including the capital Niamey.

19. The project will also finance capacity building activities to the Ministry of Energy and Petroleum (MEP) in the context of the current sector reform. In addition, it will provide financing to Nigelec to improve its performance and to cover project implementation costs.

20. The proposed project components are the following:

Component 1. Extension and reinforcement of the distribution system in urban areas. (estimated cost \$53 million)

21. This component will support extension of the distribution system to allow the connection of 60,000 new clients in seven major urban areas (Niamey, Dosso, Maradi, Zinder, Agadez, Tahaoua and Tillabéry). In addition, it will finance the reinforcement of the existing grid to improve the capacity of existing networks, thus improving the service quality for existing customers and allowing new customers to connect to the grid. Furthermore, power system performance will be improved allowing the reduction of system losses, frequent outages due to overloaded transformers and old equipment, low and fluctuating voltage conditions and poor system power factors. The investments will include adding, replacing or upgrading distribution lines and substations and medium and low voltage equipment, meters, spare parts, and tools. The new customers will be connected by prepayment meter and the connection charges will be subsidized through IDA financing. The adequate subsidy will be determined based on the existing practices of the utility.

Component 2. Strengthening institutional capacity in the electricity sector (estimated cost \$7 million)

22. This component will finance capacity building activities for Nigelec as well as MEP. In addition, it will support Nigelec in project implementation. The component will be divided into three sub-components:

- Sub-component 2-A: Technical assistance to MEP. Activities under this component will include strengthening MEP capacity to develop sector policies, articulate a strategic vision for the sector, and plan the efficient expansion of the sectors using the results of the LCDP financed with IDA resources under the Kandadji project, which is currently in preparation. Other activities will comprise the support to the Electricity Regulator once it has been created and put into place, including the preparation of a tariff review, and the strengthening the policy making and planning capacities of the MEP. Finally, this component would support Government's efforts to attract private sector for electricity generation, with technical assistance to the Government on efficient evaluations of proposals received, and legal, technical and commercial structuring of selected transactions.
- Sub-component 2-B: Technical assistance to Nigelec. Upon review of Nigelec's requirements for technical assistance, this component will support the implementing agency through consultancy contracts related to: (i) Capacity strengthening in distribution system planning (acquisition of new distribution planning software which will be linked to the GIS system to be developed and training), and (ii) other key activities to be identified during project preparation based on Nigelec key priorities.
- Sub-component 2-C: Project Management. This will include the cost of managing the project, including the audit and the hiring of experts such as a senior financial management specialist and a senior procurement specialist.

Project readiness.

23. Technical aspects. A feasibility study, financed by a World Bank trust fund (AFREA), is being carried out in order to define the technical specifications, cost estimates, and bidding documents. Preliminary results are expected in January 2015 and the final bidding documents by March 2015.

24. Safeguards. Nigelec will finance the safeguard-related studies. An ESIA will be carried out when the preliminary results of the technical studies provide an indication of the project footprint. It will identify potential environmental and social impacts and devise mitigation and monitoring measures. In addition, a Resettlement Action Plan (RAP) will also need to be prepared once the physical area has been preliminarily identified, as for the ESIA, to address any adverse social impacts such as land acquisition and related resettlement and/or losses of assets or access to resources. The project is not expected to result in major resettlement. The safeguard-related studies will be approved by the Ministry in charge of Environment and by the World Bank, and disclosed in the country and at the Bank InfoShop prior to appraisal.

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

Project's activities, in particular component 1, will be implemented in urban and peri-urban areas in the 7 major cities: Niamey, Dosso, Maradi, Zinder, Agadez, Tahaoua and Tillabéry.

E. Borrowers Institutional Capacity for Safeguard Policies

The project will be implemented by Nigelec and Ministry of Energy and Petroleum (MEP), which have limited experience implementing Bank financed projects.

F. Environmental and Social Safeguards Specialists on the Team

Medou Lo (GENDR)

Paivi Koskinen-Lewis (GSURR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Activities under component 1 have the potential for some localized environmental adverse impacts. An ESIA will be carried out as part of project preparation. It will be consulted upon and disclosed before appraisal.
Natural Habitats OP/BP 4.04	No	Project sites are urban and peri-urban areas with high population density. Therefore, the Natural Habitats policy is unlikely to be triggered.
Forests OP/BP 4.36	No	Project sites are urban and peri-urban areas with high population density. Therefore, the forest policy is unlikely to be triggered.
Pest Management OP 4.09	No	The Project does not involve the use of pesticides or have any impact on pest management practices.
Physical Cultural Resources	TBD	The project is not expected to have an impact on or

OP/BP 4.11		affect physical cultural resources, but this will be confirmed before appraisal. A chance-Finds procedure will be included in the bidding documents.
Indigenous Peoples OP/BP 4.10	No	There are no indigenous peoples in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	Component 1 may have some limited land acquisition or subsequent losses of assets related to the potential construction of distribution sub-stations and therefore OP 4.12 is triggered to address any adverse impacts. A RAP will be prepared, consulted upon and disclosed before appraisal.
Safety of Dams OP/BP 4.37	No	The project will not support construction or rehabilitation of dams
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/BP 7.60	No	N/A

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 01-Apr-2015

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:

Launch of studies: January 2015

Completing: April 2015

IV. APPROVALS

Task Team Leader(s):	Name: Manuel Luengo, Pedro E. Sanchez	
<i>Approved By:</i>		
Safeguards Advisor:	Name:	Date:
Practice Manager/ Manager:	Name:	Date:

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.