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Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 08-Mar-2018 | Report No: PIDISDSC22358



BASIC INFORMATION

A. Basic Project Data

Country Western Africa	Project ID P164044	Parent Project ID (if any)	Project Name ECOWAS-Regional Electricity Access Project (Phase 1) (P164044)
Region AFRICA	Estimated Appraisal Date Jun 12, 2018	Estimated Board Date Sep 25, 2018	Practice Area (Lead) Energy & Extractives
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance and Economic Affairs of The Gambia, Ministry of Economy and Finance of Guinea Bissau, Minister of Finance & Economic Development of Mali	Implementing Agency Energie du Mali (EDM SA), National Water and Electricity Company (NAWEC), Electricidade e Agua da Guiné - Bissau (EAGB)	

Proposed Development Objective(s)

The Programmatic Development Objective is to increase access to reliable energy services in targeted areas and to enable cross-border electrification between the recipient countries.

The Project Development Objective for the proposed Phase 1 operation is to increase access to reliable energy services in The Gambia, Guinea-Bissau, and Mali and to enable cross-border electrification between those countries.

Financing (in USD Million)

Financing Source	Amount
Borrower	0.00
International Development Association (IDA)	285.00
Korea WB Partnership Facility	0.50
West African Development Bank	28.65
Total Project Cost	314.15

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. West Africa is home to 370 million people, of which 55% live in low density rural areas.**
The region is diverse – economically, culturally, and ecologically – presenting both opportunities and challenges to economic growth and development. In 1975, 15 countries came together to form the Economic Community of West African States (ECOWAS) with the stated goal of promoting economic cooperation and achieving “collective self-sufficiency”.¹ The region is also home to the G5 Sahel, a group of countries comprising Burkina Faso, Mali, Mauritania, Niger and Chad created in 2014 to improve policy and strategy coordination for development and security. In July 2017, the European Commission, France and Germany launched the Alliance for the Sahel, which seeks to increase financial and technical resources to the Sahel to address the multi-faceted challenges and drivers of fragility and to promote increased resilience and economic opportunities, including for the most vulnerable. Among the five sectors of focus, the Alliance has proposed an ambitious target of doubling energy access during the period 2018-2022 to address energy poverty.
- 2. Despite recent economic growth, West Africa remains poor and around 50 percent of the population still lives on less than US\$2/day².** The countries in the region are some of the poorest in Sub-Saharan Africa (SSA) with GDP per capita of under \$1,000 on average and as low as \$363 in Niger. A positive economic trend over the past decade has been driven mainly by growing domestic demand, robust foreign investment, favorable commodity prices, and improved economic governance. However, the annual 5.46 percent GDP growth that the region achieved from 2010-2014 decreased severely in 2015 to 2.25 percent due to the impacts of the Ebola crisis and oil price collapse. Thus, while the first Millennium Development Goal (MDG) target of halving poverty was met at global level, this was not the case in West Africa. Across ECOWAS countries, the poverty rate fell by 18 percentage points (from 63 percent in 1990 to 45 percent in 2015), equivalent to a 29 percent reduction in overall poverty.
- 3. The region therefore needs economic growth that is more transformational, sustained, and inclusive to reduce extreme poverty and increase shared prosperity on the scale required by the Sustainable Development Goals.** Both ECOWAS and the G5 Sahel prioritize increased access to modern energy services to deliver such economic growth and alleviation in

¹ These countries, making up the entire sub-region except for Mauritania, are Benin, Burkina Faso, Cape Verde, Cote d’Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone, Senegal and Togo.

² The World Bank defines extreme poverty as living on less than US\$1.25 per day, and moderate poverty as less than \$2 a day



household poverty. In 1982, ECOWAS doubled down on regional integration by launching a regional energy policy to promote the optimal use of energy resources across its countries. This political commitment later led to coordinated actions at each stage of the energy supply chain, with a focus on developing the use of regional resources to increase electricity production and trade. Their overall aim is to boost and optimize the availability and end use of energy, while ensuring increased access to energy services in rural and peri-urban communities. The energy sector remains a bottleneck to attracting foreign investment programs, providing basic social services, and achieving the Sustainable Development Goals nevertheless.

Sectoral and Institutional Context

4. **Many of West Africa's countries are challenged by significant growth rates in electricity demand, and underperformance in key power sector metrics.** These include insecurity of supply as well as state-owned utilities in poor financial and operational condition. It therefore remains difficult for utilities that often rely on Government subsidies to maintain existing assets, carry out new investments, or mobilize private capital for investments across the sector value chain, including electricity access. The root causes underlying these short-comings are: (a) a lack of sector planning and institutional capacity to expand the electricity sector in a coherent and cost-efficient manner; (b) a lack of adequate transmission infrastructure within and between national power systems that curtails the possibility to link remote sources of electricity to the main consumption centers; and, (c) insufficient investment in electricity access projects such as distribution and rural electrification to bring service to the people, even when electricity is available.
5. **Less than 50 percent of the population in the West Africa region has access to electricity.** In practice, this means that despite the region's large energy endowments, over 170 million people do not have access to electricity and the per capita consumption of electricity is among the lowest in the world with approximately 160 kWh consumed per capita. The challenge to provide reliable, affordable, sustainable energy services is magnified across the Sahel region and pronounced further still in the poorest countries. The G5 Sahel and Senegal have together only achieved 26% access to electricity. These countries are also among those with lowest electrification rates in rural areas, as only Senegal and Mali have rural access rates that exceed 5%. In the poorest countries, under 30% of the population has access to electricity (compared to 37 % in Sub-Saharan Africa), with overall access rates as low as 10% in Guinea Bissau (just 2 % in rural areas). On average, access across countries to be included in the proposed program remains much lower than the rest of the continent.
6. **In 1999, ECOWAS countries established the West African Power Pool (WAPP), a specialized agency designed to support the interconnection of power systems and the promotion of cross border electricity trade, which seeks to provide electricity services for border communities to reduce poverty and promote wealth creation.** Cross border electrification is a mitigation measure to reduce economic migration across borders which can be disruptive. The WAPP was later followed by the West African Gas Pipeline (WAGP) and a common regional energy access strategy (WAEMU4). In 2011, ECOWAS also established the ECOWAS Infrastructure Project Preparation Development Unit (PPDU). The PPDU is an ECOWAS specialized Agency which is responsible for the development of regional integration



infrastructure projects in ECOWAS Member States, management of a dedicated infrastructure fund, and promotion of PPP in investment financing and project management in ECOWAS.

7. **The ECOWAS approach to the energy sector is based on the recognition of the differences in energy endowments, the differences in country load profiles, and benefits of optimizing energy resources across the region.** This in turn creates both the need to capitalize on large scale generation plants designed to support multiple countries and opportunities for trade to maximize availability and minimize cost. The implementation road map of the WAPP Infrastructure Program is based on realizing distinct but mutually reinforcing infrastructure sub-programs, which when fully realized will converge into a unified, well-functioning regional power pooling mechanism in West Africa. The sub-programs include the Coastal Transmission Backbone (Côte d'Ivoire, Ghana, Benin, Togo, and Nigeria), the Inter-zonal Transmission Hub (Burkina Faso, Mali, Côte d'Ivoire, Ghana), the North-core Transmission (Nigeria, Niger, Burkina Faso, Benin), the OMVG/OMVS Power System Development (The Gambia, Guinea, Guinea-Bissau, Mali, and Senegal), the Côte d'Ivoire, Liberia, Sierra Leone, Guinea Power System Development, and the WAPP Strategic Generation program.
8. **ECOWAS countries have identified the completion of WAPP infrastructure as a key lever in increasing access to electricity given its expected ability to increase reliability and lower the cost of supply.** By extension, it is expected that utilities will be in better financial and operational position to invest in rural access and connect last mile customers. One of the recurring features of the power sector in the region is that demand outpaces supply. The production deficit in OMVG countries, for example, is 32%. This results from the limited availability of generation capacity, lack of maintenance or lack of spare parts, and overreliance of countries on thermal power production (up to 85% of the power consumed in some cases). Only Guinea has installed hydropower capacity of 124.4 MW though this remains a fraction of its potential. To address these constraints, countries have implemented restructuring programs focused on opening power production to the private sector. OMVS includes a 200 MW Manantali hydroelectric plant in Mali and high-voltage transmission line for the evacuation of the energy produced to Senegal, Mali and Mauritania.
9. **Considering WAPP's expected benefits, countries need to increase and harmonize their distribution networks.** The challenge of expanding access to electricity in the region is compounded by a lack of cogent electrification plans. Spatial planning is currently underway to fill the gap in target countries to that effect. Nevertheless, widespread access is critical to ensuring absorption of electricity made available through the WAPP's transmission infrastructure and to promote a shift towards cross-border trade for less expensive sources of electricity. Furthermore, the historically fragmented systems in the region have resulted in varying quality standards across distribution networks. Agreement on quality standards for distribution equipment among West African countries would benefit both national grids and the private sector manufacturers as they get access to a large contiguous market. There is political momentum and a broad recognition at the regional level of the potential benefits in harmonizing distribution.



- 10. The costs of electrification at the national level currently remain prohibitive and create an opportunity for a regional, programmatic approach.** Under traditional national electrification initiatives, electricity access expansion via grid connections remains an expensive proposition. The Bank estimates that the initial cost of connecting a household in the region could reach over \$1,000. This is often due to small system sizes that are unable to capitalize on economies of scale both for materials (poles, cable, transformers, meters, etc.) and logistics/installation. Lessons from national grid electrification projects suggest that to successfully attract private sector, and to create a sustainable market one needs economies of scale, transparent policies, business procedures. This creates an imperative for the roll-out of a large scale, regional electrification program across countries that would capitalize on economies of scale and standardization to radically reduce the capital cost of a grid connection for last mile customers.

Relationship to CPF

- 11. The proposed project is consistent with pillars 1 and 2 of the most recent WBG Joint Partnership Strategy for the Gambia for FY13-16.** This strategy aims to enhance productive capacity and competitiveness to improve the country's resilience to external shocks. Pillar 1 focuses on promoting a competitive investment climate, strengthening rural development, and developing key supporting infrastructure with a focus on the energy sector. Pillar 2 focuses on strengthening the provision of basic services, to which electricity access is foundational.
- 12. The proposed project is in line with both focus areas 1 and 2 of the Country Partnership Framework for Guinea-Bissau for FY18-21, which aims at strengthening the provision of basic services to the poor and improving economic opportunities.** The note specifically highlights expanded electricity services, along with health, education, and water as priority areas for investment with a view to providing people with the services, resources, and skills they need to create and take advantage of economic opportunities as well as achieving access to affordable, reliable and modern energy for all in support of the SDGs.
- 13. The proposed project supports the implementation of the Country Partnership Framework for Mali for FY16-19, and focus area 2 which centers on the creation of economic opportunities.** The document specifically highlights the need for improve energy infrastructure and improve access to electricity services in rural areas. The objective of such investments is to address an inequitable distribution of public resources, increase connectivity of the social fabric, and strengthen long-term resilience shocks.
- 14. The broader program is also consistent with the current strategies for countries expected to be included in subsequent phases. In Benin,** the program objectives are consistent with the first pillar of the World Bank's FY2013–2017 Country Partnership Strategy (CPS) on “sustainable growth, competitiveness, and employment: increased access to and quality of infrastructure services”. **In Burkina Faso,** the proposed program is aligned with the first strategic priority of the WBG FY17 “Priorities for poverty reduction and shared prosperity, Systematic Country Diagnostic”: Improving Natural Resources Management. **In Chad,** it is aligned with the second engagement theme of the WBG FY16-20 CPF, focusing on improving returns to agriculture and building value chains, with a focus on rural areas and improved connectivity. **In**



Guinea, it is consistent with the first pillar of the WBG FY 14-17 Country Partnership Strategy (CPS) for Guinea: Stimulating Growth and Economic Diversification. **In Mauritania**, it is aligned with the first strategic priority of the WBG FY 17 “Priorities for poverty reduction and shared prosperity, Systematic Country Diagnostic”: Improving Natural Resources Management. **In Niger**, it is aligned with the FY13-16 Niger Country Partnership Strategy (CPS) which focuses on achieving resilient growth, reducing vulnerability and strengthening capacity for service delivery. **In Senegal**, it is consistent with the first pillar of the WBG FY 13-17 Senegal CPF on “Strengthening the Governance Framework and Building Resilience”. **In Togo**, it is aligned with the third pillar of the first area of focus of the joint IDA/IFC/MIGA CPF for the period FY 17-20: Economic Productivity and Job Creation: Strengthen energy, ICT and logistics services.

C. Proposed Development Objective(s)

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15. The Programmatic Development Objective is to increase access to affordable and reliable electricity in the region.
16. The Project Development Objective for the proposed Phase 1 operation is to increase access to reliable energy services in the Gambia, Guinea Bissau, and Mali and to enable cross-border electrification in those countries.

Key Results (From PCN)

17. The expected development outcome for the overall program, as well as each of its phases, centers on an increasing electricity access rate that will contribute to the social and economic development of the recipient countries. The expected development outcomes for the overall program, as well as each of its phases, include: (i) increasing electricity access rate that will contribute to the development of the countries and (ii) enabling electrification of border communities (cross border electrification).
18. PDO level indicators will incorporate the new Corporate Results Indicators³. They are expected to remain consistent throughout the program, with targets for each phase to be adjusted as a function of the countries included in the project. They will include:
 - i. People provided with access to electricity service (number) – measured as the number of people that newly benefit from electricity services; of which in cross border communities (number)
 - ii. People provided with new or improved electricity service (number) (Corporate Results Indicator); of which women (number) and of which in cross border communities (number)

³ These are all relevant Bank CRI with respective underlying intermediate indicators. At QER stage, it will be decided which indicators will be used.



- iii. Percent of households connected to electricity service (access rate), of which for cross border communities (access rate)

Program Development Objective		To increase access to reliable energy services in targeted areas and to enable cross-border electrification between the countries.					
Phase #	Sequential or Simultaneous	Phase's Proposed DO	IPF or PForR or Guarantees	Estimated Amount (\$million)	IBRD, IDA, TF, PPP	Estimated Approval Date	Estimated Overall Risk
1		In The Gambia, Guinea Bissau, and Mali	IPF	285*	IDA	09/2018	S
2	Simultaneous	In Benin, Burkina Faso, Mali, Mauritania, Niger, Senegal, Togo,	IPF	700	IDA	10/2019	S
3	Simultaneous	In Senegal, Mali	IPF	200	IDA	2020	S
Estimated for the Program				1 185			

- *National IDA allocations in phase 1 include \$15 million for Guinea Bissau, \$40 million for the Gambia, and \$40 million for Mali. Other financing to be provided through Regional IDA allocations.

D. Concept Description

19. The ECOWAS Regional Electricity Access Program has the potential to finance the reinforcement and extension of the medium voltage (MV) and low voltage (LV) distribution network across eleven countries in West Africa, namely: Benin, Burkina Faso, The Gambia, Guinea, Guinea Bissau, Niger, Mali, Mauritania, Togo, and Senegal. The program is expected to include the same two components for phases 1 and 2, which will target different countries in each project. The components are: (i) the expansion and reinforcement of electricity distribution infrastructure (MV and LV) to maximize the number of new connections; and (ii) project management and technical assistance to a joint coordination unit as well as national implementation teams concerned. In phase 3 of the program, the team envisages leveraging additional private sector investment in distribution infrastructure based on the track record of successful private sector participation in O&M under phases 1 and 2.



20. The Phase 1 project will finance work outlined above in the Gambia, Guinea-Bissau, and Mali and leverage the constructions of a network of substations currently ongoing under the OMVG regional interconnection project and first phase of the OMVS regional interconnector project. The project aims to provide access to electricity to 300,000 households in three West African Countries benefiting almost three million people. With an estimated connection of over 100 000 households in each country on average, the project would have a transformational impact in the region. The Gambia and Guinea Bissau are expected to reach an access rate of almost 100%, while Mali will double its electricity access rate. The expected completion time for the project is between 36 to 48 months. The total project amount is expected to be USD 372 million (This estimate will be updated by the feasibility studies). Two (2) components are currently under consideration on the project
21. **Component 1:** The expansion and reinforcement of electricity distribution infrastructure and new connections in the Gambia, Guinea Bissau, and Mali. (Project IS Credit US\$ 352 million). This component will include the extension and reinforcement of distribution networks in target localities with the construction of medium and low voltage lines as well as cross-border electrification. It also includes last mile connections with the financing for the supply of connection equipment, including smart meters for large consumers and prepaid meters for low voltage customers in each country.
22. **Component 2:** Project Management and Technical Assistance to the joint coordination unit and national implementation units (Project IDA Credit US\$ 20 million). This component will finance the creation of a joint project coordination unit and support national implementation teams as well as an owner's engineer to oversee the works in each country. This component will also finance preparation of technical and Environmental and social studies for the remaining countries of the program. Finally, this component will finance studies to assess/determine suitable private sector management of the distribution in newly electrified localities or an effective O&M model for target countries.

Overall Risk and Explanation

23. The overall risk rating for the program and the operation is substantial. The major risks to the program include: (i) socio-political instability (ii) problems of good governance and weak capacity of the national electricity companies; and (iii) the sector strategy and policy (iv) the inherent complexity embedded in designing and implementing a set of regional projects.
24. There is substantial political and governance risk to the overall program due to the fact that it will be implemented in a number of fragile and volatile environments. For the first phase of the program, the biggest risk in this regard is the security situation in Mali. Despite its efforts in the recent years, Mali remains a politically fragile country with low capacity and weak institutions. In large parts of t Northern Mali, the Government's control is quite limited. Fighting between rebel factions and between rebels and the Malian army occurs regularly despite the presence of a United Nations peacekeeping mission. Substations from which the grid is expected to be expanded in Mali are located in Bamako, Manantali, Kita, Kayes in the West. However, the



security situation in the North could create spillover effects in project areas. In addition, following a period of optimism after the election of Ibrahim Boubacar Keita as president, several scandals have raised governance challenges. In Guinea Bissau, despite progress on the political transition and formation of an inclusive Government, concerns persist about possible deterioration of the political environment, including involvement of the military. The project team will work closely with the office on the ground to closely monitor the political situation, including possible scale-back if stability is threatened. In the Gambia, the inauguration of the new regime in January 2017 led by President Adama Barrow represents an opportunity for the people of The Gambia to consolidate democratic rule. While political and governance risks in The Gambia remain elevated, the new Government has made progress with the introduction of a fiscal stabilization program and reform measures to define institutional arrangements that enhance transparency and accountability in public sector procedures and promote private sector participation.

25. Furthermore, while technical capacity in the countries targeted by the program is satisfactory, the national utilities that will be responsible for supervising works are overstretched given the immense challenges facing their respective electricity sectors, creating a moderate risk to the project. This is compounded by their poor financial condition, inconsistent governance, and ongoing fraud and corruption issues throughout the region. Bank-financed projects to improve governance and strengthen capacity are ongoing in each of the countries for the first phase of the program. In each phase, all countries will be required to leverage existing project implementation units/staff from other Bank projects in the sector thereby providing the option for close supervision and accountability.
26. Changing sector strategies and policies in Mali and Senegal present a moderate risk for program and the first phase project in the case of Mali. In both countries, the delimitation of responsibilities between the rural electrification agency and the national power utility are not clearly defined. Several options are being considered to scale-up rural access but also to reform the national utilities, EDM and SENELEC, more broadly. In addition, adequate and timely decision-making in both Mali and Senegal is hampered by the fragmented and weak leadership in the sector. For each phase of the program, the Bank will therefore finance an assessment of possible O&M models to be agreed and implemented in the project areas.
27. The complexity of the program given its regional and phased nature creates substantial risk. The first project will therefore emphasize the creation of a joint coordination unit to facilitate the implementation of the program and seek to build or reinforce national and regional capacities early.
28. Combined, the risks discussed above also create risk for the preparation cycle itself, be it in the first phase or subsequent projects. Political instability and insecurity could impede key preparatory activities such as the delivery of pre-requisite studies and/or changes in leadership could lead to revised client objectives. With respect to the first phase, the team is closely monitoring the political situation in Mali and Guinea Bissau. In addition, the team is reaching out to clients to define a robust institutional setup supported by results frameworks that can be common to all countries in the program as well as regional entities.



29. Corporate requirements, including Gender, Citizen Engagement and GHG Accounting will be addressed during project preparation.

Economic Analysis

Briefly describe Project's development impact in terms of expected benefits and costs

30. The project aims to provide electricity access to households, SMEs, and institutions that currently have no access or extremely limited access to affordable and reliable power sources. The project will benefit the populations and various economic sectors across target countries and especially those living in the direct project impact areas. In phase 1 of the program, beneficiaries are estimated at 3 million people as a result of project activities including network extension and last mile connections. These people are severely affected by unemployment and under-employment. Thus, the project will have a significant positive impact on the activities of the project affected inhabitants in general, and on those of women and young people, in particular in terms of new employment opportunities, increased business activities, improved access to socio-economic infrastructure, and reduced load-shedding times.

31. Furthermore, the project is expected to have significant impact on the countries in terms of: (i) Increased productivity due improved access to reliable electricity supply, resulting in reduced costs of electricity services for industries, businesses and residential consumers; (ii) realized potential for cross-border electrification and stepping towards a dynamic energy market in the ECOWAS region; (iii) positive environmental externalities, in terms of the reduction of CO2 emissions due to reliance on grid power rather than alternative diesel generation and or biomass.

32. The development impact of transitioning to modern energy is unambiguous. There are many possible paths by which the use of electricity might benefit households and communities and analysis has focused on the estimation of the effects on outcome variables—income, total household expenditures, employment, or various dimensions of education, such as time spent at home studying or the school enrollment rate.

33. The main project costs are financial investment costs (estimated to be \$325m), as well as social and environmental impacts which are typical for distribution network and manageable.

1. Rationale for public sector provision/financing, if applicable

34. The investment component of the Project consists of construction of distribution network in urban and rural areas. Distribution network and rural electrification are generally difficult to finance privately due to their public good nature. In addition, the program (and especially Phase 1) target some of the poorest countries in the region, that would not be able to mobilize financing on affordable terms. Private sector financing at this early stage would also likely require individual national projects that would eliminate the benefits of the current regional approach (regional IDA mobilization and joint procurement process with economies of scale).



35. Public sector financing is therefore the most efficient and least costly financing available under the existing institutional framework. Nevertheless, the program creates opportunities for new private sector participation by targeting zones that are currently beyond the existing utility boundaries in some of the target countries.

2. Value added of Bank's support

36. The involvement of the Bank in the project will bring to fruition its efforts to support regional integration and cooperation to the last mile connection of households. Indeed, in the area of electricity, the Bank has been providing sustained financing over the last ten years to the implementation of the WAPP priority projects (CLSG, OMVS , OMVG), for the implementation of feasibility studies and energy master plans / least cost prospectus at country level, and the definition of an institutional and regulatory environment that have culminated in the present project. Furthermore, the Bank has been providing financial support to the countries in the area of rural development. The Bank's investment is also expected to catalyze additional investment in the sector that would otherwise not occur in such due to the standardization and coherence of the approach across countries.

3. Brief description of methodology/scope and next steps

37. The economic analysis for the project will follow a standard cost benefit framework. Comparing the present value of incurred costs to implement the project to the stream of attributable benefits it will generate, the EIRR and NPV of benefits will inform the project's viability over its economic lifetime. The team will draw on the recently issued guidance for economic analysis in the energy sector to estimate the consumer surplus associated with moving from traditional to modern forms of energy. This analysis will be carried out as part of feasibility studies.

Implementing Agency Assessment

38. The project implementation arrangements will not support the establishment of new national or regional institutions, but rather focus on strengthening and networking with existing national/regional institutions to better support on-going or planned national/regional investment activities. Each project will also be prepared in close collaboration with national Governments and in coordination with other relevant regional entities (such as OMVG and OMVS in the case of the proposed Phase 1 project). The program and each project phase will be supported by the ECOWAS PPDU, the fiduciary capacities of which will be assessed in depth and confirmed by the Bank during appraisal. The role of PPDU in the project implementation will be to provide a convening platform for coordination among regional entities and national participants, to provide relevant technical assistance to country teams as deemed necessary, and support for procurement, monitoring, knowledge management, and communication as well as for all other cross-cutting activities leading to necessary regional alignment/harmonization.

39. During each project phase, each country will be supported by a national project implementation unit (PIU). Experienced national entities will be selected during appraisal, such as existing Bank funded PIUs showing proven adequate fiduciary capacities, which will be re-assessed. National



PIUs will be then strengthened for the implementation of component 1. Each PIU is responsible for the (i) coordination and planning of the works, (ii) supervision and monitoring/control of the project activities, (iii) administrative and financial management and some (iv) procurement activities.

40. Regional coordination for the program will be led by a joint project implementation unit (J-PIU). The J-PIU will be composed of the project coordinator of each national PIU, and led by the ECOWAS PPDU secretariat. The J-PIU will facilitate the joint procurement process for all activities under component 1 and the owner's engineer under component 2. Once the relevant firms have been selected under these procurement processes, individual contracts will be signed between them and national PIUs for each country. National PIUs will then be responsible for the implementation and supervision of these activities, including all safeguards.

41. In addition, the J-PIU will be responsible for the overall monitoring and evaluation functions of the Project and the implementation of activities under component 2 other than the owner's engineer. J-PIU will provide general orientation on the project activities. Each project in the program will therefore combine assistance from the J-PIU (overall regional coordination and implementation of some regional activities) with support to countries (national coordination and implementation) to fully integrate national and regional priorities.

42. For each phase, PPDU and recipient countries will sign separate financing agreements, with funds disbursed directly through existing institutional structures. Each country will establish a subsidiary agreement with their national utilities.

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SAFEGUARDS

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

The proposed projects has a national coverage in each of the participating three countries, namely Mali, The Gambia and Guinea-Bissau. Most of the project's proposed activities will be developed in the inner-cities and villages located close to the 225kV substations built under the OMVG and OMVS projects in Guinea Bissau, The Gambia and Mali. Thought few stations/sub-stations sites are known in the participating countries, overall, detailed physical locations of most project activities are not yet known, and will only be identified during project preparation / implementation.

B. Borrower's Institutional Capacity for Safeguard Policies

The proposed regional project to be implemented in three different countries. Each country has an established regulatory framework, via its national environmental agency (NEA) that ensures the integration of environmental and social considerations at the project and program levels, but the borrower's institutional capacity on social and environmental safeguards remains volatile as it varies from one country to another. Recent experience in dealing with



similar sectoral operations revealed that in all three countries, the implementation of the existing legal/regulatory provisions faces challenges due to the lack of human resources, limited logistical capabilities to conduct field visits to ground-truth level of social risks and impacts. The project safeguards instruments will include adequate mitigation measures.

In the Gambia, Implementation and monitoring of social and environmental safeguards risks and impacts still needs to be further strengthened. The National Environment Agency (NEA) is supported by focal points at the regional level to monitor the implementation of environmental and social safeguards measures.

In Guinea Bissau, there are some opportunities such as a legal and regulatory framework, clear institutional anchoring with the Ministry of Sustainable Development and High Authority for Environmental Assessment (ACCE), public consultation procedures in ESIA's, NGOs authorized offices and firms. Just like in the neighboring countries, the ACCE is very weak in terms of safeguards handling and therefore would pretty much benefit highly from such technical support.

C. Environmental and Social Safeguards Specialists on the Team

Demba Balde, Social Safeguards Specialist
Cheikh A. T. Sagna, Social Safeguards Specialist
Medou Lo, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project is classified B because the magnitude of the potential negative impacts and risks are expected to be low to moderate and can be easily mitigated. Since, aside from few stations/sub-stations, most of the targeted localities are not yet known, and will probably be known during project implementation. Most feasibility studies are currently being prepared with likely outputs in March-April, 2018. To comply with the World bank safeguard policies and the national environmental regulation, the following safeguards documents will be prepared by each Borrower: (i) an Environmental and Social Framework (ESMF), and (ii) a resettlement Policy Framework (RPF). The ESMFs and RPFs will be consulted upon and publicly disclosed both in-country and at the Bank website before project appraisal. Likewise, the rest of the site specific instruments will be further prepared, amply consulted upon and publicly disclosed both in-country and the Bank site prior to the physical implementation of project sub-activities.
Natural Habitats OP/BP 4.04	No	The policy is not triggered as no project activities are expected to impact natural habitats.



Forests OP/BP 4.36	TBD	The policy is not triggered as the project activities are not expected to overlap or cause adverse impacts on forests or forestry activities
Pest Management OP 4.09	No	The policy is not triggered as project involves no activity that would require usage of pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	The Project will not support any activities that would adversely impact any known physical cultural resources as defined in OP/BP 4.11. However, the policy is triggered due to potential impacts on underground artifacts during civil works, the ESMF, ESIA and/or ESMPs will include provisions of “Chance Finds” to ensure that these aspects will be taken into account in ESIA to be developed under the ESMF.
Indigenous Peoples OP/BP 4.10	No	The policy is not triggered as there are no such Indigenous Peoples as defined by the policy in these participating countries.
Involuntary Resettlement OP/BP 4.12	Yes	The policy is triggered because Component 1 provides for the extension and strengthening of electricity distribution infrastructure to allow for maximum new connections. The main social risks and impacts are the possible losses of livelihoods and income, employment , crops, trees, physical buildings, land and loss of community and individual equipment. Each participating country will prepare for unknown sites, a Resettlement Policy Framework (RPF) that will be consulted upon and publicly disclosed prior to appraisal.
Safety of Dams OP/BP 4.37	No	The policy is not triggered as the project will not finance dam works or activities associated to existing dam.
Projects on International Waterways OP/BP 7.50	No	The policy is not triggered as there are no activities related to international waterways in the project.
Projects in Disputed Areas OP/BP 7.60	No	The Project is not located in a disputed area as defined by the policy, and thus the policy is not triggered.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

May 30, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The project will have two studies before decision meeting: (i) an Environmental and Social management Framework (ESMF), and, (ii) a Resettlement Policy Framework (RPF). These studies are under procurement, and they are expected to



be completed between January and March 2018. With the results of the feasibility studies, each known site will be properly screened and the required additional site-specific social and environmental studies prepared before the physical start of subproject implementation.

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