

**INTEGRATED SAFEGUARDS DATA SHEET  
CONCEPT STAGE**

Report No.: AC7147

**Date ISDS Prepared/Updated: 3/7/2016**

**I. BASIC INFORMATION**

**A. Basic Project Data**

Country: Republic of Mali	Project ID: P148355	
Project Name: Renewable Energy Guarantees Project		
Task Team Leaders: Manuel Berlingiero and Patrice Caporossi		
Estimated Appraisal Date: May-June 2016	Estimated Board Date: Nov. 30, 2016	
Managing Unit: GEEDR	Lending Instrument: PRG	
Sector: Energy and Mining: Hydropower (50%) and Other Renewable Energy (50%)		
Theme: Financial and private sector development / Infrastructure services for private sector dev.		
IBRD Amount (US\$m):		
IDA Amount (US\$m):		
GEF Amount (US\$m):		
PCF Amount (US\$m):		
Other financing amounts by source:		
Private Investors: US\$30m		
IDA Guarantees: US\$8m		
Environmental Category: B		
Simplified Processing	Simple [ ]	Repeater [ ]
Is this a transferred project	Yes [ ]	No [X]

**B. Project Objectives**

The project development objective of the series is to increase the supply of renewable energy by Independent Power Producers (IPP).

**C. Project Description**

The proposed operation consists of a series of IDA payment guarantees to mitigate the risks of the low creditworthiness of EDM as a sole power off-taker, as well as selected obligations of GoM under the concession contract, in order to enable renewable IPP investments in the sector. The first guarantee of the series will support the development of the Segou Solar project.

Segou solar project has been developed with the support IFC InfraVentures since January 2011. It is the most advanced solar IPP of a number of solar projects pursued by GoM. Both concession and PPA contracts have been signed on July 9, 2015. This pioneering on-grid large scale solar photovoltaic IPP project will pave the way for subsequent solar IPP developments in Mali and throughout the sub-region.

The Project consists in the construction and the financing of a greenfield 33MW polycrystalline PV plant, made of approximately 130.000 PV modules installed on a fixed structure, located in Segou, the fifth largest city in Mali, 236 km North-East from Bamako. The plant will generate 57 GWh on yearly basis. It will be connected to a 33 kV line on the national grid through an existing substation and a 2.5 km transmission line to be constructed by the project. The plant will be built, operated and maintained by Segou Solar JV, the project's concessionaire. This JV is composed by Scatec Solar AS, IFC Infraventures and a local partner. The main shareholder will be Scatec Solar AS, a company experienced in developing constructing and operating solar plants in Africa. This company will also be EPC and O&M contractor under specific agreements with the project's concessionaire.

The total project cost is estimated at about EUR 50 million, of which EUR 40 million for the EPC works and EUR 4 million for development costs. Equity will finance 25% of the overall costs. Concessional and commercial debts will cover the rest. Construction is expected to start by mid-2016 and the project is expected to start commercial operation 10 months later.

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

The project proposes to develop a PV plant in a greenfield area near Segou, a large town North-East of the capital Bamako. In addition to the construction of the plant, an existing substation will be used to connect the plant to the grid and a short transmission line, 2.5 km, will be constructed. These activities will cause adverse environmental and social impacts, and since the locations are already known, an Environmental and Social Impact Assessment (ESIA) and a Resettlement Action Plan (RAP) are being prepared to address the negative impacts through mitigation measures.

**Environmental and Social Risks.**

The project meets the criteria for application of World Bank Performance Standards in OP 4.03. Because the impacts are limited and site-specific, largely reversible and can be mitigated, the project category is proposed to be B. Given that the construction requires some land acquisition and will potentially cause some resettlement and/or losses of assets or access to assets or sources of livelihoods; these risks will need to be mitigated through measures defined in a RAP. PS 5 on Land Acquisition and Resettlement is triggered to cover these risks.

**Resilience to Climate Change.**

Issues with regard to Climate Change are the increased possibility of violent wind or rains storms causing damage to the PV system. The design of the plant (technical specifications) needs to take the occurrence of violent storms into account.

**E. Borrower's Institutional Capacity for Effective SEMS:**

Scatec Solar AS has a strong track record of solar power plant development, construction and operation as well as with solar IPP in Africa. It is thus well equipped from technical, contractual and financial standpoints to undertake the project. During project due diligence, the team will work closely with IFC colleagues and build on the due diligence already carried out during the sponsor selection process.

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

Robert Robelus, Consultant – Environmental Specialist  
 Cheikh Sagna, - Senior Social Scientist

**II. PERFORMANCE STANDARDS THAT MIGHT APPLY TO SEGOU SOLAR PROJECT**


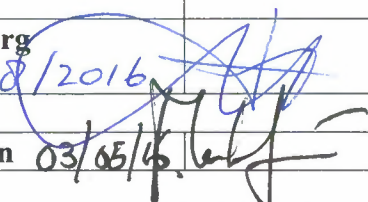
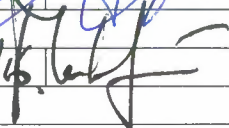
<b>Performance Standards (please explain why)</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<b>PS 1: Assessment and Management of Environmental and Social Risks and Impacts</b>	X		
The project has been categorized as Category B and meets the criteria in OP 4.03 for application of the World Bank Performance Standards.			
<b>PS 2: Labor and Working Conditions</b>	X		
<b>PS 3: Resource Efficiency and Pollution Prevention</b>	X		
<b>PS 4: Community Health, Safety, and Security</b>	X		
<b>PS 5: Land Acquisition and Involuntary Resettlement</b>	X		
Some land acquisition and subsequent resettlement or losses of assets/access to livelihoods will take place due to the construction of the plant and transmission line; therefore the PS 5 is triggered for this project to address such negative social impacts. A Resettlement Action Plan (RAP) is being prepared to address any adverse social impacts and will be consulted upon, approved and disclosed publicly.			
<b>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>		X	
The site also does not contain any species in danger of extinction, but does contain species protected under Malian law and one reptile species, the freshwater turtle <i>Cyclanorbis senegalensis</i> , which is near threatened (NT) according to the IUCN Redbook. An important forestry resource on the site are the Karité trees producing Shea Butter, which is a valuable economic resource for local women. The impacts on the physical and biological environment during the pre-construction, construction and operational phases are minimal. The main impact on the human environment is the loss of income through the loss of land and economic trees. Replacement land, which need to be of the same or better quality as the lost land, can only be found a distance away (14.4 to 17.6km), which is inconvenient, but this is the nearest replacement land available.			
<b>PS 7: Indigenous Peoples</b>		X	
No groups that meet the definition in PS7 have been identified in the project area.			
<b>PS 8: Cultural Heritage</b>	X		
The ESIA needs to verify if there is cultural heritage, such as shrines or archaeological remains, in the project area.			
<b>OP 7.50: Projects on International Waterways</b>		X	

Performance Standards <i>(please explain why)</i>	Yes	No	TBD

### III. SAFEGUARDS PREPARATION PLAN

- A. Target date for the Quality Enhancement Review (QER), at which time the ESRS would be disclosed and the PAD-stage ISDS would be prepared: June 2016.
- B. For Category C or Category FI projects that do not require an ESRS, the target date for preparing the PAD-stage ISDS: NA
- C. 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: May 2016

### IV. APPROVALS

<i>Signed and submitted by:</i>		
<b>Task Team Leaders:</b>	<b>Name: Manuel Berlingiero and Patrice Caporossi</b>	P.2 
<i>Approved by:</i>		
<b>Regional Safeguards Coordinator:</b>	<b>Name: Hanneke Van Tilburg</b>	4/28/2016 
<b>Comments:</b>		
<b>Sector Manager:</b>	<b>Name: Meike van Ginneken</b>	03/05/16 
<b>Comments:</b>		

4/28/16

<sup>1</sup> Reminder: The Bank's Access to Information 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.