# COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED SAFEGUARDS DATA SHEET (PID/ISDS) APPRAISAL STAGE

Report No.: PIDISDSA20425

Date Prepared/Updated: 01-Feb-2017

# I. BASIC INFORMATION

#### A. Basic Project Data

| <b>Country:</b>        | Cote d'Ivoire                      | <b>Project ID:</b> | P157055                      |  |  |
|------------------------|------------------------------------|--------------------|------------------------------|--|--|
|                        |                                    | Parent             |                              |  |  |
|                        |                                    | Project ID         |                              |  |  |
|                        |                                    | (if any):          |                              |  |  |
| Project Name:          | Cote d'Ivoire - Electricity Trans  | mission and Acc    | cess Project (P157055)       |  |  |
| Region:                | AFRICA                             |                    |                              |  |  |
| Estimated              | 31-Jan-2017                        | Estimated          | 13-Apr-2017                  |  |  |
| Appraisal Date:        |                                    | <b>Board Date:</b> |                              |  |  |
| Practice Area          | Energy & Extractives               | Lending            | Investment Project Financing |  |  |
| (Lead):                |                                    | Instrument:        |                              |  |  |
| Borrower(s):           | Government of Cote d'Ivoire        |                    |                              |  |  |
| Implementing           | CI-Energies                        |                    |                              |  |  |
| Agency:                |                                    |                    |                              |  |  |
| Financing (in US       | SD Million)                        |                    |                              |  |  |
| Financing Sou          | urce Amount                        |                    |                              |  |  |
| International De       | Development Association (IDA) 325. |                    |                              |  |  |
| Financing Gap          | 0.0                                |                    |                              |  |  |
| Total Project Co       | 20st 325.                          |                    |                              |  |  |
| Environmental          | B - Partial Assessment             |                    |                              |  |  |
| Category:              |                                    |                    |                              |  |  |
| Appraisal              |                                    |                    |                              |  |  |
| Review                 |                                    |                    |                              |  |  |
| Decision (from         |                                    |                    |                              |  |  |
| Decision Note):        |                                    |                    |                              |  |  |
| <b>Other Decision:</b> |                                    |                    |                              |  |  |
| Is this a              | No                                 |                    |                              |  |  |
| Repeater               |                                    |                    |                              |  |  |
| project?               |                                    |                    |                              |  |  |

### **B.** Introduction and Context

#### **Country Context**

Following the resolution of the political crisis in 2011, Cote d'Ivoire has experienced strong

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economic growth. With a gross national income of US\$1,410 per capita in 2015 and a population of 23 million, Cote d'Ivoire is ranked as the third largest economy and population center in West Africa. It is the largest economy in the West African Economic and Monetary Union (WAEMU) and has major economic influence over the rest of the region. As a result of the intermittent political crisis from 1999-2011, the Ivorian economy grew by only two percent per year in nominal terms during that period. However, since the resolution of the political crisis in 2011, growth has been more robust, with the economy growing at an average of 9.7 percent from 2012 to 2013, before moderating slightly to 7.9 percent in 2014. Real gross domestic product (GDP) per capita increased cumulatively by more than 20 percent during the 2012-2014 period. All the main economic sectors, including agriculture, industry and construction, have contributed to the renewed strong GDP growth and employment, which were supported by an upsurge of public and private investments. According to the International Monetary Fund (IMF), growth is projected at 8.5 percent in 2016, the largest in sub-Saharan Africa, in response to the authorities' continued efforts to improve the business climate and address infrastructure gaps.

In addition to establishing an appropriate macroeconomic framework and following prudent fiscal policy, the Government of Cote d'Ivoire (GoCDI) has dedicated significant resources in recent years to improve security and social cohesion. The GoCDI has also adopted structural reforms to set the stage for resilient and private sector-led growth. Some of the main reforms aimed at improving the business climate, ensuring financial stability and greater inclusion, and improving public governance and financial management.

Despite the macroeconomic progress made since 2011, Cote d'Ivoire has only been moderately successful at reducing poverty. The incidence of poverty has only slightly decreased, from 48.9 percent in 2008 to 46.3 percent in 2015, after having dramatically increased since the mid-1980s. Cote d'Ivoire is ranked 172 out of 187 countries in the 2015 United Nations Development Programme Human Development Index. The World Bank's 2015 Systematic Country Diagnostic (SCD) shows that there are disparities in access to basic services and gender disparities across wealth and urban versus rural groups. This highlights, among other priorities, the importance of extending electricity services to improve living conditions and increase income generation activities, particularly for women.

Though electricity services showed resilience throughout the crisis, the performance and development of the sector were compromised, and the impact of the crisis is still felt. Very little investment took place and maintenance of the electricity network was neglected. During the period of political crisis and war in the North and West of the country from 2002 to 2010, the Compagnie Ivoirienne d'Electricite (CIE), the electricity service operator, continued to supply power throughout the country. The private generation companies Azito and CIPREL also withstood the crisis and continued to supply power effectively, despite a buildup of payment arrears as the national utility had insufficient revenues to pay these independent power producers (IPPs), and the GoCDI did not have sufficient resources to support the sector during the crisis period. The impact of the crisis also had a significant negative impacts on the financial situation of the sector. Many of the challenges currently facing the sector are due to the lack of investment and minimal maintenance of networks during the long political crisis. Interestingly, the private sector presence in the energy supply chain, from gas production through power production to network management and power distribution, may have served as a bulwark against greater decline during the crisis years, as payment discipline through the supply chain was observed to a certain extent.

The GoCDI set in its 'Vision 2040' to become an industry-driven economy, united in its cultural diversity and democracy and open to the rest of world. The country has set as its medium term objective in the National Development Plan 2016-2020 to become an emerging economy based on industrial development by 2020. The National Development Plan is built on five strategic axes: (i) strengthening the quality of institutions and good governance; (ii) acceleration of human capital development and social well-being; (iii) acceleration of structural transformation of the economy by industrialization; (iv) development of harmonious infrastructure over the national territory in an environmental friendly manner; and (v) strengthening of regional integration and international cooperation. Clearly, the energy sector plays a vital role in addressing these issues.

#### Sectoral and institutional Context

Sector institutions include both public and private sector players, with the latter playing a prominent role. The key sector institutions include the Societe des Energies de Cote d'Ivoire (CI-Energies), the state-owned asset holding company that is responsible for managing assets in the electricity sector and planning and contracting investments . CIE is a private company that operates and maintains on behalf of CI-Energies the national distribution network and hydro generation plants under a 15-year renewable, 'affermage' (concession) contract. The IPPs CIPREL, Azito, and Aggreko dominate thermal power production, based on local natural gas production from majority private players (AFREN, Foxtrot, and Canadian Natural Resources). The Autorite Nationale de Regulation du Secteur d'Electricite (ANARE) is the regulatory agency, but with purely advisory functions. The Ministry of Oil and Energy sets policy and plays an overarching surveillance role of the sector. Annex 6 provides more detailed sector background.

Electricity sector activities in Cote d'Ivoire are governed by the 2013 National Energy Policy and 2014 Electricity Code. The revised National Energy Policy adopted in 2013 sets an objective for the country to become an energy hub in West Africa. The policy has three main axes: (i) restore financial viability of the energy sector, including through tariff adjustments and loss reduction; (ii) generation of sufficient electricity and demand side management; and (iii) improvement of the sector institutional framework. Following this, the 2014 Electricity Code liberalized generation, transmission, and distribution, keeping only the dispatching activity under state monopoly and providing third party access to the transmission grid. A set of regulations to implement the Code are in process of being approved by the Cabinet.

With an installed generation capacity of 1,775 megawatts (MW), Cote d'Ivoire's electrical system is the third largest in West Africa, following Nigeria and Ghana. Electricity domestic sales in 2014 was 5,563 gigawatt hours (GWh) and peak demand reached 1,148 MW. Domestic sales of electricity increased by 6.5 percent in 2015 reaching 5,928 GWh and it is expected that, fueled by economic growth, they will continue to grow around 10 percent per annum, reaching around 9,500 GWh by 2020. Installed capacity is expected to reach around 2,500 MW by 2020.

Cote d'Ivoire is the only significant regional electricity exporter at present, despite the tight supply-demand balance in the country. In 2015, it exported 849 GWh to five clients: Energie du Mali (EDM), Volta River Authority (VRA) in Ghana, Communaute Electrique du Benin (CEB) for Benin-Togo, the Societe Nationale d'Electricite (SONABEL) in Burkina Faso, and the Liberia Electricity Corporation (LEC). Going forward, Cote d'Ivoire is well positioned to be one of the main hubs of electricity trading in the sub-region as the West African Power Pool (WAPP) transmission line interconnections to Ghana, Burkina Faso, Mali, Liberia, Sierra Leone, Guinea, and beyond are under construction.

The power sector is heavily reliant on domestic gas production. Gas fired generation capacity accounts for about 79 percent of Cote d'Ivoire's power generation mix. Hydropower contributed 16 percent of the generation mix while the remaining five percent is heavy vacuum oil (HVO). Domestic gas production available for the power sector is expected to ramp up from a current 185 mmscfd in 2015 to about 300 mmscfd by 2020 thanks to increases in output from existing gas suppliers. In parallel, the GoCDI has been exploring liquefied natural gas (LNG) import options with a technical assistance support from the World Bank; a reputable and highly experienced consultancy firm (Poten & Partners) confirmed the economic viability of LNG Floating Storage and Regasification Unit (FSRU) towards the end of this decade when domestic gas production reaches its plateau.

While there is some scope to develop recent gas discoveries, particularly by Anadarko in offshore block CI-103, Cote d'Ivoire also has substantial untapped hydroelectric potential. Hydro capacity is estimated at over 1,900 MW, which can theoretically generate about 10,000 GWh per year. The current installed capacity from hydroelectric power is 604 MW, or less than 40 percent of current total installed capacity. Hydroelectricity generated per year is around 1,500 GWh, equivalent to 19 percent of total energy consumption per year. Currently only the 275 MW site on the Sassandra River (Soubre) is under construction, with financing from EximBank China, the first hydro plant to be built in the past 30 years. It is due to be commissioned in July 2017 and transferred to CI-Energies by GoCDI. Other attractive hydro sites are not yet at sufficiently advanced stages of technical preparation to be commissioned before 2022, but there are ongoing discussions with potential private developers to invest on a Build-Operate-and-Transfer (BOT) basis. Modest efforts are being made to develop small-scale grid-connected biomass and solar photovoltaic (PV) projects. However, the country is at the nascent stages in development of these resources in part due to the lack of legal framework until the passage of the Electricity Code.

The key Ivorian electricity sector challenges are (i) financial sustainability of the sector, (ii) lag in transmission and distribution network investments, and (iii) low level of household access to electricity. Tariffs have not kept up with inflation and have not been reflective of the real costs of energy, hence putting at risk the financial sustainability of the sector. The transmission and distribution networks are old and overloaded and there has been little funding for rehabilitation and reinforcement over the past decade. Transmission losses on the high voltage (HV) grid are estimated at 6 percent while distribution technical and non-technical losses are in the range of 16 percent. At about 28 percent, the electricity access rate is relatively low compared to the country's per capita income. The electricity penetration rate is around 40 percent (number of electrified vil lages out of the total number of villages in Cote d'Ivoire), and the electricity coverage rate is 77 percent indicating that a significant part of the population in electrified areas does not have a grid connection, despite proximity to the grid. This gap is mainly explained in rural areas due to the current barrier to access that the present high upfront connection charge represents.

Tariffs remains a politically charged issue. In July 2015, the GoCDI announced significant tariff increases spread over 18 months: a 10 percent increase on July 1, 2015, followed by a five percent increase on January 1, 2016, and an increase of three percent in every subsequent year. The increases were opposed by industries and the population, in part because they coincided with a reduction of services arising from the drought of 2016 impacting hydropower production. The revised tariff adjustment structure adopted in June 2016 was as follows: a 10 percent capped tariff

increase in 2016 and a subsequent five percent increase in 2017 and 2018 followed by a three percent increase in 2019 and 2020.

Improvements in the efficiency of electricity production, reduction of power losses and the adjustment of tariffs provide the basis for the financial sustainability of the sector. While 2016 is likely to end with a deficit ranging between two and ten billion FCFA, the power sector is expected to be in a better financial standing for the rest of the decade. Fuel cost per kWh produced is dropping as inefficient turbines (Vridi, Aggreko) are being replaced by combined cycles (Azito 4 and Ciprel 5) and more hydro production such as Soubre, which comes online in mid-2017. By 2020, an average electricity tariff of 74 FCFA/kWh is expected to be enough to cover operating expenses and capacity charges of IPPs (see Financial Analysis in Annex 5); it is also projected to be sufficient to cover asset renewals and the expansion of the grid, amounting to 1.6 trillion FCFA for the period 2016-2020. This is contingent upon (i) CI-Energies maintaining an adequate optimization of gas supply and demand (ii) electricity capacity being added to the grid at the same pace as the growth in electricity demand so as to avoid recourse to the use of liquid fuels and (iii) achieving set targets for loss reduction and maintaining high levels of billing collection.

In complement to this project, the Bank is preparing a development policy operation (DPO) series, which includes measures to inter alia, assist the GoCDI to bolster sector financial sustainability and increase the share of renewable energy in the country's generation mix. To meet policy prior actions under the first DPO, the Ivorian Cabinet approved 6 sector-specific decrees, (i) governing concessions of activities in generation, transmission, dispatching, importation, distribution and commercialization of electricity; (ii) governing the sale of electricity generated from IPPs or surplus power from self-generation units; (iii) creating an independent regulator; (iv) determining modalities for setting and revising tariffs for electricity sales; (v) regulating third party access to the grid and wheeling of power; and (vi) governing the generation of power for direct distribution and commercialization. In addition, the DPO series includes a trigger, 'The government has adopted a regulation outlining modalities and procedures for determining tariffs for power generated by IPPs through Tendering Process, including for Renewable Energy Projects of installed capacities greater than 5 MW.'

The country is mobilizing funding for a major upgrade of the medium and high voltage network. Total energy losses are about 22 percent and cannot be addressed without substantial investment in the network. CI-ENERGIES recently completed a Generation and Transmission Master Plan (GTMP), a Distribution Master Plan, a Rural Electrification Master Plan, and a Grid Automation Master Plan. The main selection criteria for investments defined in the master plans included developing capacities to meet the growing domestic and regional demand (including demand from increased access, mines and industrial growth) and ensuring network security of supply by creating redundancies (n-1). Distribution and Rural Electrification Master Plans were driven by the objectives set for 2030 and associated intermediate targeted network expansion. These master plans estimate that investments of about US\$2 billion are required over the n ext decade in transmission, US\$680 million in urban distribution (greater Abidjan), and about US\$675 million for rural electrification. As new generation capacity and transmission line investments are ongoing, HV substations and the distribution network are increasingly the critical links of the energy value chain. They risk becoming the limiting factors that would constrain the sector's ability to underpin sustained economic growth. In addition, since Cote d'Ivoire's electricity grid is extensive, a large increase in access/connections could be achieved through densification, with

relatively modest investments. However, an access expansion program will have to be accompanied by substantial grid rehabilitation and upgrading. The country is mobilizing financial resources to invest in transmission lines and substation expansion from the African Development Bank (AfDB), the Agence Francaise de Developpement (AFD), the European Union (EU), and the Banque Ouest Africaine de Developpement (BOAD). Assistance from China of about US\$820 million has also been secured for the construction of new transmission lines and rural electrification. Table 2 shows contributions from donors to the financing of the sector. Despite this major mobilization of resources, the financing is still not enough to cover all identified needs.

The National Program for Rural Electrification (PRONER), launched in 2014, aims to increase the penetration rate of electricity to 80 percent by 2020 and the coverage rate to about 100 percent of the population. PRONER is a strong commitment of GoCDI to electrify all localities with over 500 inhabitants in the coming years and maintain an annual rate of electrification of 500 new localities until 2020. This program is expected to require capital investments of US\$675 million over a five-year period.

To accelerate access to electricity for the population, in May 2014 the GoCDI adopted the 'Electricity for All' (E4All) program. E4All has a target of 200,000 new grid connections per year, both rural and urban, per year through a dedicated funding vehicle - the Fund for E4All (FE4All) - which would help eliminate the current barrier to access that the present high upfront connection charge of FCFA150,000 (US\$250) represents. It would finance, for low-income households, the cost of both a grid connection and a standardized internal house-wiring kit. The lowest income beneficiaries would only pay a symbolic fee of less than US\$2 (1,000 FCFA) to participate and would be able to repay the cost of the connection over a time period as long as 10 years. The E4All program would be funded by the State, by development partners and, given the significant funding needs, potentially by commercial loans from the capital market, although the design of the FE4All is under discussion, to be in place by the end of 2017 (see sub-component 3.2 below). This initiative is expected to bring access to electricity to around one million low-income households over five years. The existence of a HV backbone transmission network covering large parts of the country makes this target feasible as investments requirements in MV and LV lines are relatively cheaper and such lines are faster to implement. Given its current mandate as stipulated in the concession contract, CIE will be the main implementing vehicle for the 'last mile', being responsible for customer connections and collecting revenues, through the tariffs, from newly-connected clients under the program.

### **C.** Proposed Development Objective(s)

#### **Development Objective(s)**

The project development objective is to contribute to the improvement of the efficiency and reliability of electricity supply and increased access to electricity.

#### **Key Results**

Progress toward achieving the PDO will be measured by the following indicators:

- Cumulative duration of power outages per year in substations rehabilitated by the project (hours)

- Electricity losses per year in the project area (%); and

- People provided with new or improved electricity service - People provided with access to electricity under the project by household connections (grid or off-grid) (number) (Corporate

### **D.** Project Description

The proposed project will finance priority investments to upgrade and extend the national transmission and distribution network and strengthen the reliability of power supply in Cote d'Ivoire. It will also accelerate access to electricity for the population in 10 regional capital cities and rural areas in South Western regions of Cote d'Ivoire. The proposed project is comprised of four components: (i) Reinforcement of Transmission Systems; (ii) Rehabilitation, Reinforcement and Extension of Distribution Systems in Abidjan and 10 Regional Capital Cities; (iii) Rural Electrification and Support to Electricity for All Program; and (iv) Strengthening the Institutional Capacity of the Electricity Sector and Project Management.

The project components are based on the priorities identified in the recently adopted Generation and Transmission, Distribution, and Rural Electrification Master Plans. Using the Master Plans as a guide, the GoCDI decided on the particular investments and geographical areas to be covered by each of the GoCDI's donor partners in the sector. As such, the World Bank's interventions are located in South Western part of Cote d'Ivoire, including the capital city of Abidjan. All investment components under the project complement each other, i.e., investments under Component 1 will help to address key transmission system bottlenecks that in turn allow the expansion of the grid considered under Components 2 and 3.

### **Component Name**

Component 1: Reinforcement of Transmission Systems

### **Comments** (optional)

The Generation and Transmission Master Plan identified overloaded transmission lines and transformers in selected substations which reduce the ability of the grid to meet the (n-1) reliability criterion and cause a deterioration of quality of electricity supply and high energy loss levels. This component would finance selected investments identified as keys priorities, including: (i) the construction of a new substation at Gagnoa and the related transmission and distribution lines; (ii) the upgrade of three 90kV substations to 225kV at Youpougon1, Bia-Sud, and Treichville; and (iii) the improvement of reliability of supply in 15 substations.

#### **Component Name**

Component 2: Rehabilitation, Reinforcement, and Extension of Distribution Systems in Abidjan and 10 Regional Capital Cities

#### **Comments** (optional)

As mentioned above, investments in expansion of the grid considered in Component 2 will benefit from the investments under Component 1 addressing key transmission bottlenecks in the area.

#### **Component Name**

Component 3: Rural Electrification and Support to Electricity for All Program

#### **Comments** (optional)

This component will finance the electrification of 202 localities in rural areas and provide support for the GoCDI's E4All Program.

#### **Component Name**

Component 4: Strengthening Institutional Capacity of the Electricity Sector and Project Management

#### **Comments** (optional)

This component will support capacity building and project management.

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

Project's activities will be implemented in urban, peri-urban and rural areas in the entire country.

### F. Environmental and Social Safeguards Specialists

Abdoulaye Gadiere (GEN07) Peter F. B. A. Lafere (GSU01)

### **II. Implementation**

### **Institutional and Implementation Arrangements**

CI-ENERGIES will be the implementing agency for the project. CI-Energies has recent experience with the previous Bank-funded project and thus has staff who are familiar with Bank procedures. Taking into account lessons from implementation of the previous project, CI-Energies will set up a new dedicated Project Implementation Unit (PIU) before the project's effectiveness, led by a full-time Project Coordinator, who will report directly to the Director of Project Implementation and Equipment of CI-ENERGIES . The Project Coordinator and key project specialists (procurement specialist, accountant and social and gender specialist) will be hired under the project as consultants responsible for project implementation. The roles and responsibilities of CI-ENERGIES and PIU staff will be detailed in the Project Implementation Manual.

The decisions and guidance on the implementation of the project lie with the Director-General of CI-ENERGIES. A Project Oversight Committee composed of Directors of CI-ENERGIES and delegates from the Directorate General of Energy in the Ministry of Oil and Energy, CIE, and the Ministry of Budget and Government Portfolio will be put in place to facilitate the timely implementation of the project. The Project Oversight Committee will meet quarterly to assess project performance and challenges, assist in finding solutions to challenges, and review the action plan for the following quarter to determine where external assistance to the PIU might be required. The representative of the Ministry of Budget and Government Portfolio would be responsible for solving issues related to customs clearances and import taxes. The ultimate decision-making authority on project implementation lies with the Director-General of CI-ENERGIES.

CIE being the future operator of the infrastructure will be closely involved in project implementation. This includes providing inputs in planning, technical specifications, and supervision of the implementation and commissioning of the infrastructure. An agreement will be agreed between the implementing agency, CI-ENERGIES, and CIE to define their respective roles and responsibilities during project implementation. CIE will appoint engineers dedicated to providing inputs to CI-ENERGIES on the supervision of the project implementation working with the PIU and the owner's engineers. The role of CIE for the execution of Components 1, 2 and 3.1 will be limited to technical inputs and commissioning of completed works to ensure compliance with grid standards and proper synchronization with the grid.

Special arrangements will be put in place for the implementation of the revolving fund to support the Electricity for All Program. A revolving fund to finance connections fees will be set up and managed by CI-ENERGIES. A procedures manual for the management of the fund will be established by CI-ENERGIES. CIE will implement new connections. Modalities for the implementation including tariff structure for connections, procurement procedures, subcontractors to be used, specifications of materials and security standards will be agreed upon in a protocol between CIE and CI-ENERGIES that will be approved by the World Bank.

| Safeguard Policies                        | Triggered? | Explanation (Optional)  |
|---|------------|---|
| Environmental<br>Assessment OP/BP<br>4.01 | Yes        | The project will replace the existing Gagnoa substation and<br>add c.45km 225kV T-lines. In addition to that, the ongoing<br>operation aims at upgrading three 90kV substations to 225kV<br>at Youpougon1, Bia-Sud, and Treichville. Moreover, about<br>200 new rural localities will be connected to the grid. Then, a<br>limited Environmental and Social Impact Assessment (ESIA)<br>has been prepared for the new Gagnoa Sub-station, for which<br>the location is already known. An Environmental Audit has<br>also been developed the substations of Youpougon1, Bia-Sud<br>and Treichville. As for the rest of other investments as their<br>exact locations are not yet known, an ESMF has been<br>developed. After their preparation the three safeguard<br>instruments have been reviewed and consulted upon. The<br>ESIA and Environmental Audit were sent to the WB Infoshop<br>for publication on 01/25/17 and disclosed in-country on<br>01/31/17 (publication in newspaper Fraternite matin). The<br>ESMF was sent to the WB Infoshop for publication on<br>01/31/17 and disclosed in-country on 02/01/17. |
| Natural Habitats OP/<br>BP 4.04           | Yes        | The project is not expected to be implemented in natural<br>habitats. But as the Cote d'Ivoire is known as being a forested<br>country the probability to encounter natural habitats is not<br>negligible. So, this policy is triggered in order to pay attention<br>to these particular ecosystems during the implementation of the<br>project.<br>However, no specific safeguard instrument is required. The<br>ESMF prepared in accordance with OP/PB4.01 however,<br>includes criteria regarding sites.   |
| Forests OP/BP 4.36                        | Yes        | It is not anticipated that the project will have negative impacts<br>on forests. However, the electrification of 202 localities in<br>rural areas will potentially affect forested areas. To prevent any<br>unexpected adverse impact on forests, this policy is triggered.<br>However, there is no need to develop a specific instrument.<br>The ESMF includes criteria regarding sites.   |

# **III. Safeguard Policies that might apply**

| Physical Cultural<br>Resources OP/BP<br>4.11 | Yes | This policy is triggered because the project will support<br>construction of substations and power distribution networks<br>that may need earth excavations. However, it is not anticipat<br>that investments under the project affect cultural resources. I<br>in order to anticipate and to be sure that all the precautions<br>have been taken to protect and safeguard physical cultural<br>resources, the ESMF prepared in accordance with OP/PB4.0<br>includes a chapter addressing these concerns.   |
|--|-----|---|
| Indigenous Peoples<br>OP/BP 4.10             | No  | There are no indigenous people as defined by the policy in the project area.  |
| Involuntary<br>Resettlement OP/BP<br>4.12    | Yes | The extension of the transmission and work, installation of H<br>transformers & electrification of 200 villages is likely to rest<br>in involuntary resettlement and land acquisition, which coul-<br>be temporary or permanent, & may require physical relocati<br>of people. As a number of the projected investments sites wi<br>only be identified during implementation, a Resettlement<br>Policy Framework (RPF) was prepared, reviewed and<br>consulted upon. The RPF was sent to the WB Infoshop for<br>publication and disclosed in-country (publication in newspay<br>Fraternite matin) on 01/26/17. A Resettlement Action Plan v<br>be prepared for the new Gagnoa Sub-station as it involves la<br>acquisition. |
| Safety of Dams OP/                           | No  | The project will not finance any dam construction nor rely o  |

Pest Management OP No

4.09

| 4.11  |     | that may need earth excavations. However, it is not anticipated<br>that investments under the project affect cultural resources. But<br>in order to anticipate and to be sure that all the precautions<br>have been taken to protect and safeguard physical cultural<br>resources, the ESMF prepared in accordance with OP/PB4.01<br>includes a chapter addressing these concerns.  |
|---|-----|---|
| Indigenous Peoples<br>OP/BP 4.10                        | No  | There are no indigenous people as defined by the policy in the project area.  |
| Involuntary<br>Resettlement OP/BP<br>4.12               | Yes | The extension of the transmission and work, installation of HV<br>transformers & electrification of 200 villages is likely to result<br>in involuntary resettlement and land acquisition, which could<br>be temporary or permanent, & may require physical relocation<br>of people. As a number of the projected investments sites will<br>only be identified during implementation, a Resettlement<br>Policy Framework (RPF) was prepared, reviewed and<br>consulted upon. The RPF was sent to the WB Infoshop for<br>publication and disclosed in-country (publication in newspaper<br>Fraternite matin) on 01/26/17. A Resettlement Action Plan will<br>be prepared for the new Gagnoa Sub-station as it involves land<br>acquisition. |
| Safety of Dams OP/<br>BP 4.37                           | No  | The project will not finance any dam construction nor rely on dams.   |
| Projects on<br>International<br>Waterways OP/BP<br>7.50 | No  | The project will not finance any activities with impacts on international waterways.  |
| Projects in Disputed<br>Areas OP/BP 7.60                | No  | The project will not finance any activities in disputed areas.  |

The project does not involve pest management.

# **IV. 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 is not expected to have large scale, significant, or irreversible environmental or social impacts. That is why it is rated as environmental category 'B' project. Project activities are focused on replacing some subtations' components, upgrading those substations, building transmission lines, as well as rehabilitating, reinforcing, and extending of distribution systems. These civil works are anticipated to be moderate, site specific and limited to an acceptable level. Taking into account the nature and the scope of activities, four environmental safeguard policies: OP/BP4.01 (Environmental Assessment), OP/PB4.04 (Natural Habitats), OP/PB4.36 (Forests) and OP/BP4.11 (Physical Cultural Resources) and one social policy (OP/PB4.12 on Involuntary Resettlement) were triggered. Consequently, an Environmental and Social Impact Assessment (ESIA), an

Environmental Audit and an Environmental and Social Management Framework (ESMF) were developed on environment side whereas a Resettlement Policy Framework (RPF) has been prepared in accordance with OP/PB4.12.

To mitigate potential issues related to Natural Habitats, Forests and Physical Cultural Resources specific sections are included in the ESMF.

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

The planned project activities are not anticipated to have long-term or indirect negative social or environmental impacts. The project is expected to increase electricity access to both urban and rural areas.

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

NA

# 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.

As stated above, the Borrower has prepared appropriate safeguards instruments to address potential environmental and social safeguards issues: an ESIA, an Environmental Audit and a RPF. All these safeguard instruments were approved by the World Bank's (WB) safeguard specialists, cleared by the Regional Safeguards Advisor (RSA) and disclosed in country and at the WB Infoshop. These safeguard instruments have identified adverse potential impacts and proposed mitigation measures to avoid, reduce or offset adverse impacts through the implementation of ESMPs (Environmental and Social Management Plans) or recommendations made in the Environmental audit.

In addition, ESMPs include capacity strengthening and monitoring plans with indicators to make sure mitigations measures will be applied properly and they will produce anticipated impacts. They also include awareness-raising campaigns targeted at relevant stakeholder groups for better implementation and monitoring of project safeguard measures.

As for Environmental audit, it was undertaken to ensure that the technical requirements are met before upgrading these substations. Of course, strong points were found but also discrepancies were identified and recommendations made to overcome these issues.

CI-Energies has two environmental specialists with an acceptable experience in WB's policies and its related safeguard instruments. These experts who benefited from safeguards training during Bank safeguard policies workshop held in May 2015 in Abidjan are responsible for safeguards implementation. In other words, they oversee the implementation of the project safeguards instruments and coordinate efforts at the national level. Both staff will continue to regularly monitor and follow-up with any safeguard issues. The WB's supervision missions will also include environmental and social specialists who provide with technical support and guidance.

In addition, the National Agency of Environment will be involved in the project environmental and social aspects implementation by undertaking monitoring field missions.

Lastly, CI-Energies will make sure on the one hand, that any contracted enterprise has a qualified Environmental Specialist who will be fully in charge of measures contained in ESMPs

implementation and on the other hand, that its Owner's Engineer also comprises an Environmental Expert, to oversee the implementation of the entire environmental and social program and provide advices if any.

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

The preparation of the project has relied on consultations with government officials at relevant levels, departmental and regional officials, implementation partners, community and civil society groups, and direct beneficiaries of the project. The implementation of the project will likewise rest on various consultations. The preparation of the current safeguards instruments (ESIA, Environmental Audit, ESMF and RPF) was subjected to consultations at local and national levels. Once reviewed and approved by the RSA and the Government, these documents will again made available to project-affected groups and other stakeholders in publicly accessible places for consultations, and through the WB Infoshop web site.

### **B.** Disclosure Requirements

| Environmental Assessment/Audit/Management Plan/Other  |             |  |  |  |
|---|-------------|--|--|--|
| Date of receipt by the Bank   | 20-Sep-2016 |  |  |  |
|   |             |  |  |  |
| Date of submission to InfoShop  | 25-Jan-2017 |  |  |  |
| For category A projects, date of distributing the Executive<br>Summary of the EA to the Executive Directors   |             |  |  |  |
| "In country" Disclosure   |             |  |  |  |
| Cote d'Ivoire 31-Jan-2017   |             |  |  |  |
| Comments:   | · ·         |  |  |  |
| Resettlement Action Plan/Framework/Policy Process   |             |  |  |  |
| Date of receipt by the Bank20-Sep-2016  |             |  |  |  |
|   |             |  |  |  |
| Date of submission to InfoShop26-Jan-2017   |             |  |  |  |
| "In country" Disclosure   |             |  |  |  |
| Cote d'Ivoire 26-Jan-2017   |             |  |  |  |
| Comments:   | · ·         |  |  |  |
| If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/<br>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

| OP/BP/GP 4.01 - Environment Assessment                     |                  |      |   |      |   |
|--|------------------|------|---|------|---|
| Does the project require a stand-alone EA (including EMP)  | Yes [ $\times$ ] | No [ | ] | NA [ | ] |
| report?  |                  |      |   |      |   |
| If yes, then did the Regional Environment Unit or Practice | Yes [ $\times$ ] | No [ | ] | NA [ | ] |
| Manager (PM) review and approve the EA report?             |                  |      |   |      |   |

| Are the cost and the accountabilities for the EMP incorporated in the credit/loan?  | Yes [×]   | No [ ]   | NA [ ]   |
|---|-----------|----------|----------|
| OP/BP 4.04 - Natural Habitats   |           |          |          |
| Would the project result in any significant conversion or degradation of critical natural habitats?   | Yes [ ]   | No [ × ] | NA [ ]   |
| If the project would result in significant conversion or<br>degradation of other (non-critical) natural habitats, does the<br>project include mitigation measures acceptable to the Bank? | Yes [ ]   | No [ ]   | NA [ × ] |
| OP/BP 4.11 - Physical Cultural Resources  |           |          |          |
| Does the EA include adequate measures related to cultural property?   | Yes [ × ] | No [ ]   | NA [ ]   |
| Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?   | Yes [×]   | No [ ]   | NA [ ]   |
| OP/BP 4.12 - Involuntary Resettlement   |           |          |          |
| Has a resettlement plan/abbreviated plan/policy framework/<br>process framework (as appropriate) been prepared?   | Yes [×]   | No [ ]   | NA [ ]   |
| If yes, then did the Regional unit responsible for safeguards or<br>Practice Manager review the plan?   | Yes [×]   | No [ ]   | NA [ ]   |
| Is physical displacement/relocation expected?   |           | No [ ]   | TBD[]    |
| 0 Provided estimated number of people to be affected  |           |          |          |
| Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)  | Yes [ × ] | No [ ]   | TBD [ ]  |
| 0 Provided estimated number of people to be affected  |           |          |          |
| Has the sector-wide analysis of policy and institutional issues<br>and constraints been carried out?  | Yes [ ]   | No [ × ] | NA [ ]   |
| Does the project design include satisfactory measures to overcome these constraints?  | Yes [×]   | No [ ]   | NA [ ]   |
| Does the project finance commercial harvesting, and if so, does it include provisions for certification system?   | Yes [ ]   | No [ × ] | NA [ ]   |
| The World Bank Policy on Disclosure of Information  |           |          |          |
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop?  | Yes [ × ] | No [ ]   | NA [ ]   |
| 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 [ × ] | No [ ]   | NA [ ]   |
| All Safeguard Policies  |           |          |          |
| Have satisfactory calendar, budget and clear institutional<br>responsibilities been prepared for the implementation of<br>measures related to safeguard policies?                         | Yes [×]   | No [ ]   | NA [ ]   |

| Have costs related to safeguard policy measures been included<br>in the project cost?  | Yes [×] | No [ | ] | NA [ | ] |
|--|---------|------|---|------|---|
| Does the Monitoring and Evaluation system of the project<br>include the monitoring of safeguard impacts and measures<br>related to safeguard policies?   | Yes [×] | No [ | ] | NA [ | ] |
| Have satisfactory implementation arrangements been agreed<br>with the borrower and the same been adequately reflected in<br>the project legal documents? | Yes [×] | No [ | ] | NA [ | ] |

### V. Contact point

#### World Bank

Contact: Manuel Luengo Senior Energy Specialist Title:

Contact: Yussuf Uwamahoro Energy Specialist Title:

**Borrower/Client/Recipient** Name: Government of Cote d'Ivoire Contact: Sabati Cisse Directeur of Energy Title: sabati.cisse@egouv.ci Email:

#### **Implementing Agencies**

| CI-Energies          |
|----------------------|
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|                      |

### VI. For more information contact:

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# VII. Approval

| Task Team Leader(s): | Name: Manuel Luengo, Yussuf Uwamahoro |                   |  |  |  |
|----------------------|---------------------------------------|-------------------|--|--|--|
| Approved By          |                                       |                   |  |  |  |
| Safeguards Advisor:  | Name: Maman-Sani Issa (SA)            | Date: 01-Feb-2017 |  |  |  |
| Practice Manager/    | Name: Pedro E. Sanchez (PMGR)         | Date: 01-Feb-2017 |  |  |  |
| Manager:             |                                       |                   |  |  |  |
| Country Director:    | Name: Pierre Frank Laporte (CD)       | Date: 10-Feb-2017 |  |  |  |