

INTEGRATED SAFEGUARDS DATA SHEET

APPRAISAL STAGE

Report No.: ISDSA8066

Date ISDS Prepared/Updated: 09-Sep-2014

Date ISDS Approved/Disclosed: 10-Sep-2014

I. BASIC INFORMATION

1. Basic Project Data

Country:	Africa	Project ID:	P126661
Project Name:	SAPP-Program for Accelerating Transformational Energy Projects (P126661)		
Task Team Leader:	Mustafa Zakir Hussain		
Estimated Appraisal Date:	12-Sep-2014	Estimated Board Date:	11-Nov-2014
Managing Unit:	GEEDR	Lending Instrument:	Technical Assistance Loan
Sector(s):	General energy sector (100%)		
Theme(s):	Infrastructure services for private sector development (100%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	20.00	Total Bank Financing:	20.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
IDA Grant			20.00
Total			20.00
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The Project Development Objective is to advance the preparation of selected priority regional energy projects in the Southern African Power Pool participating countries.

3. Project Description

The project has the following three components:

Component A: Setting up the Projects Acceleration Team (total cost US\$ 7 million; of which IDA US\$ 5 million). This component will finance the establishment of a Projects Acceleration Team (PAT), a high caliber core team in charge of moving forward the preparation of the regional projects identified as priorities to the SAPP region. The PAT will respond directly to the SAPP Coordination Center and will consist of a Coordinator and a number of key personnel covering all the key functions needed to prepare regional energy projects (including technical and financial analysis; legal and transaction advisory; environmental and social management; procurement; financial management; etc.). The PAT will assess and adjust to the type of role it needs to play on a specific project, which may range from taking over selected or all preparation activities to providing financing to the concerned agencies and ensuring that preparation effectively serves the needs of project stakeholders. The PAT will be expected to provide close guidance to government agencies and utilities on the appropriate packaging and allocation of preparation work and the information requirements prior to bidding out projects or components of projects. IDA funding will be used as efficiently as possible and in a way to enable and crowd in private sector funds for project preparation activities. The costs related to renting an office for the PAT and other operating expenses will also be covered under this component. A Project Preparation Advance (PPA) has been approved and will be used to hire key staff for the PAT, provide training on Bank fiduciary issues, set-up the PAT office and procure the consultants for the preparation of the Environmental and Social Management Framework.

Component B: Project Preparation Funds (total cost US\$10 million; of which IDA US\$42 million). The funds in this component will be managed by the PAT and will be used for a variety of tasks related to preparation of large and complex energy projects, including technical, economic and financial feasibility studies; environmental and social assessments; preparation of legal documentation and financial transaction advisory services, especially related to PPA negotiations; etc. Significant technical and legal support is likely to be required as well as stakeholder events, roadshows, etc. There will be some flexibility in use of funds as long as they are clearly used to improve the quality of project packages and enable sponsors and credit committees of banks to commit commercial equity and debt. Depending on the stage of the process, the funds may be used independently or jointly with the funds of a project sponsor to advance project preparation. Funds may also be used to support the public sector in its dealings and negotiations with the private sector. All funds will be used for preparation and no funding will be used to finance infrastructure works.

Component C: Analytical support to SAPP (total cost US\$3 million; of which IDA US\$ 3 million). This component will support analytical work that the SAPP judges important for advancing preparation of critical projects. This includes building a solid knowledge base for investment decisions and helping ensure long-term sustainability of investments. A key task will be the update and revision of the SAPP Pool Plan, to be supported and complemented by a number of studies potentially including: (a) a review of the generation and transmission expansion plans of the various SAPP members; (b) a mapping of the energy resources available to the SAPP region with a specific focus on renewable resources; and (c) major regional environmental and social impact studies. A key study will concern the link between water use and energy development in the region. The exact number and scope of these studies remain to be defined. The SAPP will be expected to take a proactive role, together with other stakeholders in the region, in determining the need for and subsequently advancing of important studies. The update of the SAPP Pool Plan and the preparation of some of the associated studies identified by the SAPP will be advanced under the PPA.

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

The Project will support preparation of large and complex regional energy projects (including technical, economic and financial feasibility studies, environmental assessments, legal documentation and financial transaction advisory services) throughout the Southern Africa Power Pool region. This is a technical assistance project and no funding will be directly allocated to finance any infrastructure or physical activities that could cause adverse environmental or social impacts and effects. The Project will finance detailed studies for new generation and transmission projects that might have future environmental or social impacts, if and when the related investments materialize. The projects to be prepared with support under this Project have not yet been selected.

5. Environmental and Social Safeguards Specialists

Wolfhart Pohl (GCFDR)

Aki Tsuda (OPSOR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	<p>Despite the project being a technical assistance (TA) project aimed at facilitating project preparation and capacity building, it is proposed that the project is classified as safeguards category “A” project. While the TA project will not finance any infrastructure or activities which may have direct environment or social footprints on the ground, it will finance detailed studies for potential new generation and transmission projects that might have significant potential environmental or social impacts, if and when these investments materialize. Part of the project objective and activities will be to introduce environmental and social assessment and management systems, which comply with good practice and would result in a range of safeguards instruments. The first of such instruments anticipated during project implementation would be an overall Environmental and Social Management Framework (ESMF), providing strategic guidance to the SAPP on the development and application of environmental and social criteria in project screening, prioritization, and development. Further instruments to be prepared under the Project will be ESIAs, RPFs and other required studies (e.g. cumulative impact assessments) complementing the techno-economic development of specific projects.</p> <p>The ESMF will also provide a detailed safeguards screening that will identify which of the Bank’s safeguards policies would be triggered for future</p>

		project development, and establish a road map for the production of the required instruments.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
<p>While the Project will not finance any infrastructure or activities which may have direct environment or social footprints on the ground, it will finance detailed studies for potential new generation and transmission projects that might have significant environmental or social impacts, if and when these investments materialize. Thus, despite the absence of immediate physical footprints or impacts, the project has been classified as safeguards category “A”.</p> <p>Part of the project objective and activities will be to introduce environmental and social assessment and management systems, which comply with good practice and will result in a range of safeguards instruments. The first of such instruments anticipated during project implementation will be an overall Environmental and Social Management Framework (ESMF), providing strategic guidance to the SAPP on the development and application of environmental and social criteria in project screening, prioritization, and development. Further instruments to be prepared under the Project will be ESIA's, RPFs, IPPFs and other required studies (e.g. cumulative impact assessments) complementing the techno-economic development of specific projects.</p>
2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
<p>The proposed Project itself will not have any direct physical impacts in the project area. However, the projects that will receive TA support under this operation may include large scale energy infrastructure investments, with a potential for significant induced, cumulative, indirect, and long term impacts. The project implementation phase will include techno-economic and feasibility</p>

studies for such investments, and likely result in a portfolio of selected, concrete investments.

The project design foresees that all technical, economic and engineering studies will be complemented with appropriately scoped social and environmental studies, assessments and management instruments. Furthermore the screening and selection of projects for further development and financing (including possibly from IFIs / MDBs) will include environmental and social factors and criteria that will be an important contribution to the overall decision matrix on investment prioritization.

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

There are no reasonable alternatives to the approach chosen by the proposed Project, which is to develop – parallel to technical and economic studies, feasibility studies and designs – the appropriate environmental and social studies, assessments, and management frameworks. In the course of the environmental and social due diligence performed during project implementation, alternatives will be identified and analyzed both on a portfolio level (e.g. via strategic E/S assessments) and on the level of individual investments, within project specific ESIA as the appropriate instruments.

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.

The Southern African Power Pool will implement this Project through the Coordination Center. The SAPP is a highly credible entity, including in its approach to environmental and social due diligence. It is supported by a number of donors including the EU, USAID, SIDA and Norway and relies on a well-established institutional framework. Its self-governance structure is robust and clear on the functions of its various committees, sub committees and working groups. The Environmental Sub-Committee, which consists of environmental managers from the member utilities, is responsible for advising the SAPP on environmental and social issues.

Africa's main regional institutions attribute to the SAPP a lead role in advancing regional energy projects that are identified as top priorities to expand electricity supply and access in the Southern Africa Region. The SAPP has been at the forefront in promoting such projects with its Coordination Center being recognized as key enabler, especially since it was appointed project coordinator for the Central Transmission Corridor and the ZIZABONA projects, two of the key transmission projects in the region. The Coordination Centre has significant experience in administering donor funds and complying with donor's requirements regarding environmental and social due diligence, safeguards and oversight. Nonetheless, the Coordination Center has limited capacity in a number of areas relating to project preparation, for which it relies mostly on external consultants. In order to ensure that the SAPP and the Coordination Center can deliver up to expectations, the current team needs to be substantially enlarged and its competencies strengthened to adequately cover all the functions required for preparation of large and complex energy projects. The establishment of a dedicated Projects Acceleration Team is intended to fulfill this objective. The PAT will include a Coordinator and a number of experts providing the key profiles needed for project preparation, including technical, financial, legal, regulatory, transaction advisory, environmental and social management, financial management and procurement. Team members will be a mixture of senior and mid-career highly credible specialists with strong track record of project development using public and private funding.

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

The key stakeholders at this moment are the members of SAPP, both on the institutional / agency level (e.g. generation, transmission and distribution companies, utilities, regulators) and the ministerial level. Also, national and international NGOs engaged in environmental protection, river basin and water resources management will have a strong technical interest in the Project's design and the planned environmental and social due diligence instruments.

The ToR for the ESMF was – as the project's dedicated safeguards instrument – disclosed as final draft both on SAPP's website and in the World Bank's Infoshop, inviting for comments and feedback, for a period of 30 days. The comments received indicated general consent to the ToR's scope and contents, and those leading to improvements and adjustments of the PAD were duly incorporated in the final version of the TOR.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	20-Mar-2014
Date of submission to InfoShop	21-Mar-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Africa	03-Apr-2014
<i>Comments:</i> The ToRs for the ESMF were disclosed on the website of the Southern Africa Power Pool	
Technical Assistance Project	
For a TA project which will finance the preparation of a specific safeguards instrument, please indicate type of document disclosed, if any.	
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/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) report?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader:	Name: Mustafa Zakir Hussain	
<i>Approved By</i>		
Regional Safeguards Advisor:	Name: Johanna van Tilburg (RSA)	Date: 09-Sep-2014
Practice Manager/ Manager:	Name: Lucio Monari (PMGR)	Date: 10-Sep-2014