

Terms of Reference

For the Development of an
Environmental and Social Management Framework (ESMF)

In the Context of the
SAPP - Program for Accelerating Transformational Energy Projects

The objective is to recruit a consulting firm that will prepare an ESMF for the Program: Southern African Power Pool – Program for Accelerating Transformational Energy Projects (P126661).

Background information on the overall Program to be supported by the ESMF

The World Bank is preparing a Program with the Southern Africa Power Pool to help accelerate preparation of priority regional power generation and transmission projects in the region of the Southern African Power Pool (SAPP). The Program Development Objective is “to facilitate the preparation of priority regional energy projects in the Southern African Power Pool region”.

Scope of Program: The Program will support preparation activities of large complex regional energy projects (including technical, economic and financial feasibility studies, environmental assessments, legal documentation and financial transaction advisory work) throughout the Southern Africa Power Pool member countries. The TA project will not finance any infrastructure or physical activities, which could cause adverse environmental or social impacts and effects. However, the TA project will finance detailed studies for potential new generation and transmission projects that might have future environmental or social impacts, if and when these investments materialize. The projects to be supported have not yet been selected.

The Program has the following three components:

Component A: *Setting up a Project Acceleration Team (total cost US\$ 5 million).* This component will support the establishment of a Project Acceleration Team which will act as a SAPP-run center of excellence for preparation of priority regional projects in the region. In particular, the component will cover the cost of the Acceleration Team and the rental of the office to be located in one of the SAPP member countries. The Acceleration Team will include a Coordinator and a number of key experts (covering areas of expertise such as technical, financial, legal, regulatory, transaction advisory, environment, social, financial management and procurement as appropriate). The Acceleration Team will respond directly to the SAPP Coordination Centre. Location should be strongly driven by likelihood of attracting a highly talented team of staff – as the success of the program will be heavily influenced by the quality of this team.

Component B: Project Preparation Funds (total cost US\$42 million). The funds in this Component will be managed (implemented) by the SAPP Acceleration Team for priority projects that meet the criteria for support from IDA. Criteria will include environmental and social performance. Eligible expenditures will include a wide variety of expenditures to prepare large and complex power projects (technical,

economic and financial feasibility studies, environmental and social assessments, legal documentation and financial transaction advisory work - related to PPA negotiations, etc). Significant technical and legal work 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 being used to improve the quality of project packages – in order to enable project sponsors and commercial bank credit committees to commit commercial equity and debt in the projects. No funding will go to actual infrastructure works.

Component C: Analytical support to SAPP (total cost US\$3 million). This component would support analytical work to update critical non-project specific information used by SAPP and member utilities to support project preparation. It will facilitate identification of investment priorities based on robust demand and supply analysis and a least-cost energy development plan for the region. Support will target regional studies and notably the existing SAPP Regional Generation and Transmission Expansion Plan Study (SAPP Pool Plan 2009), which needs to be updated and expanded. It will also support regional environmental and social impact studies, including analysis of climate change impacts, hydrological variations and cumulative impacts to the region; spatial issues studies; and analyses concerning the interlink between water use and energy development in the region. Funding may be allocated for follow-on work on these studies to inform preparation of specific projects as well as for dissemination among planners, policymakers and investors. In addition, this component will provide support to improve regional institutional and regulatory capacity. The Regional Electricity Regulatory Association (RERA) has requested the Bank to help operationalize guidelines for national regulators that facilitate deeper harmonization of regulation at regional level. More generally, support under this component could be deployed to strengthen legal, regulatory and policy tools that can contribute to establish a more conducive environment for regional and cross-border projects.

Implementation and Management of overall Program: The Program will be implemented by the SAPP Coordination Centre. Project implementation specialists financed under the Program will support the SAPP during Program implementation. These specialists will not be hired as SAPP staff but, rather, will be hired by SAPP as consultants responsible for Program implementation. These specialists will form part of what will be known as the 'Projects Acceleration Team'.

Scope of services to be provided by the consultant for preparing the ESMF

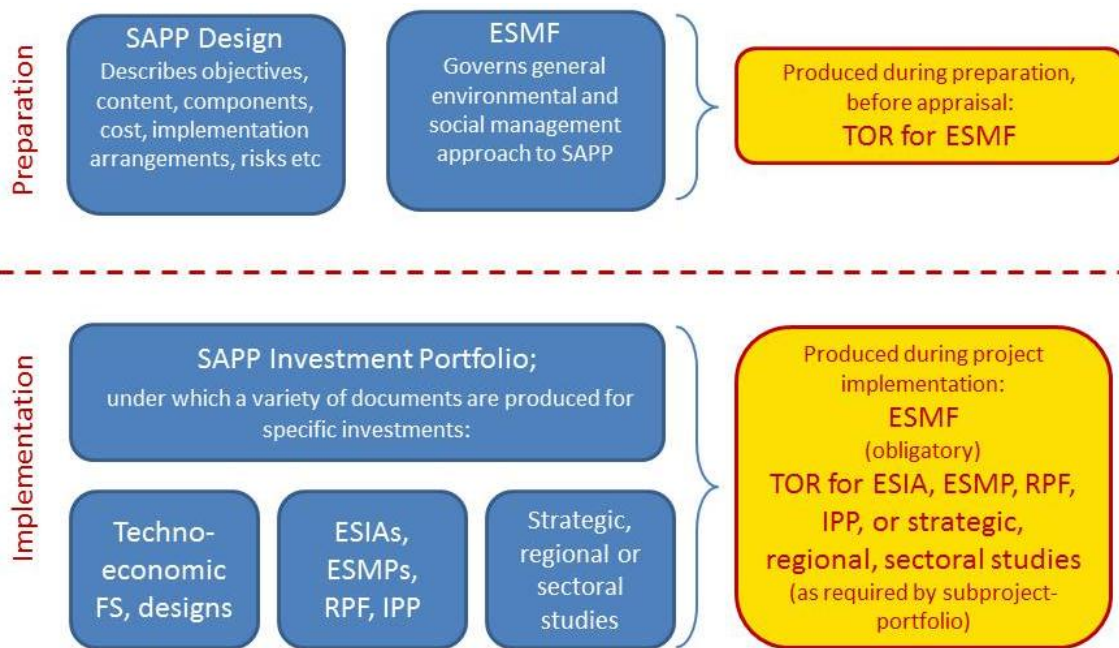
The following are terms of reference for the preparation of an Environmental and Social Management Framework (ESMF) which will inform on the approach to environmental and social management issues to be adopted under the Program (which is described above). In particular, the ESMF will provide technical guidance for environmental and social assessment and management during preparation of the selected priority regional energy projects.

Despite the Program being a technical assistance (TA) activity aimed at facilitating project preparation and capacity building, it is proposed that the Program is classified as **safeguards category "A"**. While the TA Program will not finance any infrastructure or activities which may have direct environment or social footprints on the ground, it will likely 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 Program 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.

To provide technical guidance for environmental and social assessment and management a key instrument will be an ESMF. This instrument (as opposed to an ESIA – environmental and social impact assessment) is chosen because the specific portfolio of projects is not yet known, the locations, dimensions and designs for the larger investments (e.g. thermal or hydropower plants, transmission lines) and their specific locations are not yet defined, and a detailed assessment of potential environmental and social impacts is thus not feasible at this time. The ESMF will be prepared in line with international good practice and the World Bank’s environmental and social operational policies (“safeguards policies”) and take into consideration national environmental legislation, as far as applicable.

The Program has triggered one World Bank environmental and social policy, specifically OP 4.01 on environmental assessment (predicated on the assumption that the concrete investments that may result from the project, particularly the civil work activities, could on a large scale impact adversely on the biophysical and social environments). This terms of reference represents the environmental/social due diligence instrument to be submitted before appraisal of the Program, and will thus be subject to public disclosure, review and comments.

The following graphic summarizes the types and sequence of safeguards instruments to be prepared during Program preparation (prior to approval by the World Bank Board) and implementation phase of the overall World Bank Program, as well as their connection to the Program’s techno-economic design:



Objectives of consultancy assignment

The main objective of this assignment is to develop an environmental and social management framework (ESMF), including the collection of all required data, information and materials. This shall provide clear, comprehensive and practical guidance to the Client (the SAPP) on integrating an environmental/social due diligence process into the TA Program implementation.

The ESMF will at a minimum (i) identify all relevant potential environmental risks and social concerns that may arise as a result of the proposed Program and the projects that it will support; (ii) specify appropriate roles and responsibilities of involved actors and parties; (iii) develop a screening and assessment methodology for potential projects, that will allow an environmental / social risk classification and the identification of appropriate safeguards instruments; (iv) develop environmental and social criteria for screening and prioritization within a portfolio of potential projects and activities; (v) outline the required procedures for managing and monitoring environmental risks and social concerns related to the projects, and develop the TOR for appropriate safeguards instruments (such as ESIAs, SEMP, RPFs, RAPs, IPPs, and / or strategic, sectoral or regional studies) as appropriate and required; (vi) determine the training, capacity building and technical assistance needed to successfully and effectively develop and implement the required safeguards instruments for investments planned during the TA Program; (vii) establish the funding required to implement the ESMF requirements; and (viii) provide practical information resources for implementing the ESMF.

After the completion of the assignment the Client should be knowledgeable on the key due diligence issues to be expected within the project portfolio identified under the TA Program, and have the capabilities and capacity to manage them in line with international good practice.

Scope of Work for this consultancy assignment

Task 1:

Task 1 refers to the objective of the preparation of an ESMF that ensures that sufficient guidance is provided to Program beneficiaries in the selection, preparation and implementation of projects (subsequently referred to as specific investment projects) in order to avoid or minimize environmental and social risks and negative impacts, and enhance the environmental and social performance. This will be accomplished through the development and application of proper selection criteria for specific investment projects, planning that takes into account environmental and social criteria, sound implementation and monitoring, and disclosure, consultation and feedback. To achieve this objective the consultant/s will carry out the following tasks through research, interviews and field-work:

- (i) Based on a detailed description of the Program, its components (especially those relating to the identification and development of specific investment projects), and implementation arrangements (which would be supplied to the consultant/s) develop and provide guidance on environmental and social criteria to be used during the identification and selection of priority investment projects. Also develop a negative list of activities and potential investments not recommendable for support, due to their poor environmental or social performance.
- (ii) Compile a summary of key domestic legislative, regulatory and administrative regimes, within which the Program will operate, with a focus on requirements that will apply to the planning, approval and implementation of projects; research and summarize regional agreements and treaties that are relevant to project planning and implementation, as well as environmental management and due diligence.
- (iii) Establish a clear understanding of the institutional requirements, roles and responsibilities for adopting and implementing the ESMF. Importantly, this should include a thorough review of the authority and capability of institutions at different levels (e.g. local, district, provincial/regional, and national) and their capacity to manage and monitor ESMF implementation. The ESMF should also consider relevant implications for management

- procedures and training, staffing, operation and maintenance, budgeting and financial support.
- (iv) Develop a screening and assessment methodology for potential specific investment projects, that will include environmental and social performance criteria, allow an environmental / social risk classification and the identification of appropriate safeguards instruments; identify all relevant potential environmental risks and social concerns that may arise as a result of the proposed Program and specific investments;
 - (v) Identify and describe the required instruments and procedures for managing and monitoring environmental risks and social concerns related to the priority projects, such as assessments (e.g. ESIA), studies (e.g. cumulative, sectoral or regional assessments), management plans (e.g. ESMP, RAP, IPP) and respective monitoring instruments;
 - (vi) Propose realistic and effective arrangements for the Client to develop the capacity to manage environmental and social due diligence processes and activities in the project portfolio; propose reporting lines, review and approval functions; identify the required resources and technical assistance measures to establish and maintain the Client's capacity for the Program duration and beyond; develop a process (incl. timeline, budget, organizational requirements, required trainer profiles and expertise) for building and enhancing the capacity of the institutions responsible for implementing the ESMF.
 - (vii) Define the requirements for technical assistance to the Client, civil society organizations (CSO), service providers and public sector institutions to implement, manage, supervise, observe or support the implementation of the ESMF.
 - (viii) Estimate a realistic budget to be allocated for timely implementation of the ESMF in the Program execution phase (details to be provided by the Bank's task team and/or the Client).

It is expected that the consultancy will involve a series of in-country consultations at various levels and field work to all levels where subprojects are likely to be proposed, approved and then implemented in order to prepare the ESMF. The draft ESMF prepared by the consultant(s) will be disclosed to a broader stakeholder spectrum through appropriate channels to validate findings and observations, and discussed in a series (probably 5-10) of public hearings in various locations within the SAPP community.

Task 2:

Task 2 of the consultancy deals with the development of terms of reference for the specific safeguards instruments that - within the context of ESMF preparation - have been found to be required for identified investment projects, for which more detailed techno-economic planning is financed under the Program. To this end the following activities shall be accomplished:

- (i) Analysis of portfolio and priority lists that would be prepared by the Client, based on the ESMF's guidance and a multifactorial analysis including environmental and social criteria;
- (ii) Collection and desk review of relevant technical project documentation, such as maps and location plans, designs, studies, drawings, maps, etc. for identified projects that are indexed by the Client as priority investments;
- (iii) Site visits and walkover surveys of such project sites and relevant areas of influence to verify social and environmental site conditions, anticipate potential risks and impacts, including an initial estimate of their scope, magnitude, geographic scope and likely duration;
- (iv) Determine which specific World Bank safeguards policies would be triggered and which instruments for assessment and planning required;

- (v) For identified priority investment projects, elaboration of sets of terms of reference for environmental and social due diligence instruments, such as ESIA (incl. ESMP), RPF, RAP, IPP, that specify the approach to investigate and analyze environmental and social conditions, identify anticipated risks and impacts, develop management and mitigation measures, and roles and responsibilities and monitoring and reporting arrangements.
- (vi) Required and / or recommended disclosure and consultation modalities shall be included in these TOR.

Deliverables under this consultancy assignment

The key deliverable for Task 1 will be the ESMF report, which will have the following suggested sections:

- a) Executive Summary;
- b) Introduction describing the ESMF purpose, objectives, principles and methodology;
- c) Description of safeguards-relevant aspects of the planned Program, summary of approximate nature and scale of the portfolio, project types, locations and dimensions;
- d) Description - in appropriate level of detail – of environmental and social baseline conditions for the anticipated project areas, including physical, chemical and biological conditions, as well as socio-economic information;
- e) Summary of the regulatory framework, including key national policies, laws and regulations, as well as regional agreements and treaties.
- f) Summary of types of risks and impacts that may result from the anticipated Program activities interacting with environmental and social baseline typologies, and what probability, magnitude, duration and geographic scope these risk and impacts could assume; the assessment would include cumulative and induced impacts;
- g) List of realistic, effective, practical mitigation measures to address and manage the spectrum of potential environmental and social risks and impacts; develop environmental management plans for similar impact typologies, and produce rough estimates for the cost of mitigation measures;
- h) Methodology for screening, categorization and typology of identified investment projects: safeguards policies triggered, safeguards category, instruments required to be prepared for policy compliance; for due-diligence-related management and decision making;
- i) List of environmental and social screening and selection criteria, to be used for project identification, characterization and prioritization, including negative ones;
- j) Range of appropriate safeguards instruments for identified investment projects (ESIA, ESMP, RAP etc); description, required expertise, timeframe, review and clearances, disclosure and consultation procedures, with references to Annexes with detailed guidance, TOC, templates and samples;
- k) Required studies and assessments beyond single project scale, e.g. regional, sectoral or cumulative studies;
- l) Roles and responsibilities for project screening and selection, determination of safeguards category, instruments and process, for disclosure and consultations, financing, supervision of studies and subsequently implementation of works, quality assurance, and decision making.
- m) Capacity analysis and proposals for improving and consolidating capacity and skills required for Program implementation, and beyond the Program for general due diligence management.

Annexes should complement the main ESMF Report with detailed, additional information and resources. As a minimum the following Annexes are suggested:

- a) List of persons and organizations involved with the preparation of the ESMF;
- b) References: documents, whether published or not, that were used to prepare the studies and outputs; list of related reports;
- c) Minutes of meetings among the relevant institutions and of consultations, including those undertaken to obtain the authorized views of the affected populations and local non-governmental organizations (NGOs). The annex should also include specific formats used (such as surveys) to obtain these views;
- d) Tables, figures or detailed descriptions of data that appear in summary form in the body of the text;
- e) Table of contents, terms of reference, templates, samples and guidance for ESIA, EMP, RPF, RAP, etc.

The second key deliverable (for Task 2) will be sets of terms of reference for the safeguards instrument found to be required for identified investment projects. The type, scope and level of detail of the TORs would depend on the design stage of identified projects, or project portfolios, and could range from strategic (e.g. regional, sectoral or cumulative impacts assessments), to the project specific (e.g. ESIA, ESMP, RAP, IPP). Overall the TORs should be of a quality that allows their immediate integration into tender packages for the respective consultancies.

Schedule of Deliverables

This assignment is expected to be completed within [26] weeks, with an anticipated starting date in [MM/YYYY]. An inception report will be expected within 4 weeks a, a draft ESMF, and draft terms of reference within 16 weeks of contract signature. After the Client's and Bank's review (2 weeks) the advanced draft will be disclosed, and consultations organized between weeks 20 and 24. The final ESMF report that has been updated based on the comments received during consultations, and final TORs will be delivered after 26 weeks from the contractual mobilization date.

Required Qualifications and Experience

This Consultancy will be executed by a firm with a proven track record in environmental assessment and management projects, as well as sector-specific experience in the energy sector. The firm should be able to field multinational teams, covering at a minimum areas such as: terrestrial and aquatic biodiversity, hydrology and hydrogeology; pollution management; cumulative impact assessment; environmental and social assessment and management of large energy and infrastructure projects; social impacts assessment, resettlement, compensation; physical cultural resources; indigenous peoples management; trans-boundary impacts; operational modelling and optimization (of hydropower facilities); pollution management technology (for thermal power plants).

The Team Leader should have an academic degree in a relevant field (environmental sciences, biology, geology, environmental engineering etc.) and at least fifteen years of relevant professional experience in conducting environmental assessment and managing assignments in the energy sector, or closely related sectors (e.g. infrastructure, industrial pollution management). Furthermore the Consultant Firm

will have a demonstrable experience and knowledge of applying the World Bank's environmental and social safeguards and working with local communities on land, resettlement and livelihoods issues. Knowledge of, and previous regional experience in the geographic, socio-economic and environmental context of the SAPP region would be an important advantage.

Services, Facilities and Materials to be provided by the Client

The Client will provide the following services to the Consultant(s):

- All relevant documents relevant to the specific projects;
- All available and relevant background documentation and studies (e.g. regional, sectoral, cumulative);
- Unrestricted access to project areas and sites;
- Transport and - if required - security detail for all travel related to the assignment;
- Making all necessary arrangements for supporting the work of the Consultant(s), by e.g. facilitating access to government authorities and other Project stakeholders.
- Provision of furnished and heated / cooled office space with electricity supply for the duration of the assignment, in the same location where the project coordination unit will be installed.
- Disclosure of draft documents, sending out of invitations, organization of venues for public hearings, and being present as discussant at all public hearings.

Payment Schedule

- [xx]% upon signature of contract;
- [xx]% upon submission of on an inception report, satisfactory to the Bank, updating these terms of reference, outlining the methodology and schedule for completion of the assignment and including an annotated outline of the deliverables;
- [xx]% upon submission of a draft ESMF and draft TORs
- [xx]% on submission of a final ESMF / final TORs and final proceedings of the required disclosure workshops, documenting outcomes of discussions and list of participants.