

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC7473

Date ISDS Prepared/Updated: 27-Aug-2014

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I. BASIC INFORMATION

A. 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:	21-Oct-2014
Managing Unit:	GEEDR	Lending Instrument:	Technical Assistance Loan
Sector(s):	General energy sector (100%)		
Theme(s):	Infrastructure services for private sector development (100%)		
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		

B. Project Objectives

The Project Development Objective is to facilitate the preparation of priority regional energy projects in the Southern African Power Pool region.

C. Project Description

The project has the following three components:

Component A: Setting up the Project Acceleration Team (total cost US\$7 million). This component

will finance the establishment of a Project Acceleration Team, a high caliber core team in charge of moving forward the preparation of the regional projects identified as priorities to Southern African Power Pool (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.

Component B: Project Preparation Funds (total cost US\$10 million). The funds in this component will be managed by the PAT and 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 earmarking funds as long as they are clearly used to improve the quality of project packages and enable sponsors and credit agencies 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. No funding will be used to finance infrastructure works.

Component C: Analytical support to SAPP (total cost US\$3 million). This component will support critical analytical work to build a solid knowledge base to investment decisions and help ensure long-term sustainability of investments. A key task will be the update and revision of the SAPP Regional Generation and Transmission Expansion Plan (SAPP Pool Plan) based on a 'risk scenarios approach', which will allow to better capture the diverse structural risks associated to regional integration. The analysis will also include a 'robustness' assessment, which will help identify options to adjust investment decisions to such risks as well as isolate projects that remain robust under all circumstances and that should thus be prioritized. The SAPP Pool Plan revision will 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, including an assessment of power trade expectations and potential; (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, to improve the understanding and mitigation of the key risks associated to the implementation of large-size and complex energy projects. The exact number and scope of these studies remain to be defined. A key study will concern the link 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.

D. 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.

E. Borrowers Institutional Capacity for Safeguard Policies

The Project will be implemented by the Project Acceleration Team to be established under the SAPP Coordination Center. The SAPP is a highly credible entity. 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. Africa's main regional institutions and notably the African Union Commission attributes 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 the 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 Project Acceleration Team is intended to fulfill this objective. The Team 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.

F. Environmental and Social Safeguards Specialists on the Team

Wolfhart Pohl (GCFDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	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

		<p>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 ESIA's, 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 project development, and establish a road map for the production of the required instruments.</p>
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	

III. SAFEGUARD PREPARATION PLAN

¹ Reminder: The Bank's Disclosure 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.

- A. Tentative target date for preparing the PAD Stage ISDS: 24-Apr-2014**
- B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:**

An Environmental and Social Management Framework (ESMF) will be prepared as part of the TA project implementation, which will include a set of criteria, procedures and methodologies for environment and social risks identification, screening and evaluation. It would also describe in detail the procedures and instruments for environmental and social assessments, mitigation and monitoring of environmental and social risks and impacts, related to each investment once the details regarding location, footprint and design are known. The framework will define the overall “Environment and Social Management System” for SAPP, which will be a regional foundation and guidance for preparation of trans-boundary power trade projects. For the purpose of appraisal, detailed terms of reference (TOR) for the ESMF have been prepared, as well as generic requirements for other, more downstream anticipated safeguard instruments. As any other safeguards instrument, the TOR has been submitted for public disclosure, review and comments on the website of the SAPP and at the World Bank’s InfoShop.

IV. APPROVALS

Task Team Leader:	Name: Mustafa Zakir Hussain	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Johanna van Tilburg (RSA)	Date: 19-Aug-2014
Sector Manager:	Name: Lucio Monari (SM)	Date: 28-Aug-2014