INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE

Report No.: ISDSA1137

Date ISDS Prepared/Updated: 21-Apr-2015

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Ghana	**Project ID:**	P145765
Project Name:	Ghana Climate Innovation Center (P145765)		
Task Team Leader(s):	Michael Ehst,Diletta Doretti		
Estimated Appraisal Date:	20-Feb-2015	**Estimated Board Date:**	01-Jun-2015
Managing Unit:	GTCID	**Lending Instrument:**	Investment Project Financing
Sector(s):	SME Finance (34%), Other Renewable Energy (33%), Agro-industry, marketing, and trade (33%)		
Theme(s):	Climate change (50%), Technology diffusion (25%), Micro, Small and Medium Enterprise support (25%)		
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:	17.20	Total Bank Financing:	0.00
Financing Gap:	0.00		

Financing Source	**Amount**
Borrower	0.00
InfoDev	17.20
Total	17.20

Environmental Category:	B - Partial Assessment
Is this a Repeater project?	No

2. Project Development Objective(s)

The objective of the project is to support entrepreneurs and SMEs involved in developing profitable and locally-appropriate solutions to climate change and increase business activity in the climate technology sector through the establishment of a locally based climate innovation center.

3. Project Description

The proposed project would finance the establishment of a Climate Innovation Center (CIC) in Ghana through a five year $17.2 million grant package (consisting of two recipient executed grants). The GCIC project is based on the Ghana Climate Innovation Center Business Plan that is the result of an infoDev led feasibility study and stakeholder engagement process carried out in 2013. The GCIC Business Plan is available at http://www.infodev.org/ghana-CIC-business-plan

The Business Plan was reviewed and approved for publication by the World Bank in December 2013.

(a) Project Background and Context

The GCIC's business model and associated services are dependent on, and tailored to, the local market. To identify market needs, opportunities and challenges from a local perspective, infoDev developed the GCIC business plan through a detailed analysis and an extensive in-country, multi-stakeholder engagement process. Over a nine month period in 2013, infoDev undertook a concept validation workshop, a landscape and market analysis, a preliminary budget model, a quantitative survey of entrepreneurs and other stakeholders, and in person interviews and focused group discussions with more than 250 stakeholders in Accra, Kumasi, Takoradi and Tamale to explore the key barriers to climate technology commercialization and assist in the development and design of appropriate solutions to overcome barriers. The custom-designed CIC model for the GCIC is based on the gaps and challenges identified through this stakeholder engagement process.

Selection of Implementation Partners (Grant Recipient)

The grant recipient and its consortium partners have been identified through an open and competitive selection process. Following a request for expressions of interest (EOI) launched in March 2014 a public information session was held in April 2014 with local organizations interested in establishing the GCIC. 24 EOIs were received, representing 60 organizations from 15 countries. Following their evaluation, the review team short-listed 6 consortiums, who were invited to submit a full proposal in June 2014. Five short-listed consortiums submitted full proposals, all of which were reviewed and scored by the selection panel. The evaluation was completed with in-person meetings held with each consortium during July 2014 that enabled each consortium to present their proposal and for the selection committee members to get a better understanding of the team and location suggested to establish the GCIC.

(b) Project Overview

The GCIC will offer a full suite of financing and capacity building services to Ghanaian technologists, entrepreneurs and new ventures that address challenges to starting and scaling their climate (clean) technology businesses in sectors such as renewable energy, climate smart agriculture, energy efficiency and water management and purification. In addition to incubating promising start-ups, the GCIC will provide dedicated proof-of-concept and seed capital funding to entrepreneurs to bridge local funding gaps. In parallel to investments, the GCIC also provides business advisory and training services, market development services, access to product testing facilities and government engagement on policy. In this way, a CIC acts as a national focal point, coordinating efforts in promoting the growth of locally relevant climate sectors. CICs also provide a platform to create international business-to-business linkages, enhance knowledge sharing and facilitate trade.

The model for the GCIC is built around five main service lines, each of which will support the delivery of various programs that Ghanaian stakeholders have identified as being essential for successfully developing climate technology businesses. These service lines are (i) entrepreneurship and venture acceleration, (ii) access to finance, (iii) market growth and access, (iv) technology and product development, and (v) policy and regulatory support.

Early stage investments in SMEs will make up over half of the financing under the project. The GCIC seed capital facility will focus on those innovative companies that are at a stage of development when they require financing for further market testing and business model validation, leading to a full market roll-out. The GCIC will pioneer an innovative financing model – among the first of its kind in the region –by investing patient capital (in the form of equity, debt and/or related instruments) along with high engagement management and technical assistance. It will target companies that have the potential for a positive financial return on investment while also creating social, economic and/or environmental impact. These will include companies developing promising - but unproven - business models in renewable energy (on-grid, off-grid, and home-based products such as solar lighting or cook-stoves), water/sanitation and climate-related agriculture. To maximize deal flow however, portfolio companies for the seed capital facility will include but not be limited to GCIC clients. Expected returns from the investments will go towards ongoing GCIC operations in order to enhance the sustainability of the GCIC.

Based on an assessment of 15 climate technology sectors, five technology sectors were identified as being those that will be the priority focus of the GCIC, listed below in order of importance:

- Energy Efficiency (industrial and household)
- Domestic Waste Management
- Solar Energy
- Water Management and Purification
- Climate Smart Agriculture

Other technology areas among the 15 that were also considered to be important included hydro power, improved building design and construction, clean/efficient transportation technologies, power distribution/storage and biomass energy. These will be included as secondary priority areas for the GCIC.

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

The CIC will be housed at the Ashesi University campus in Accra. However, the exact locations of sub-project activities are not known at this stage of project development and design. From the five identified priority technology sectors, it is likely most of the beneficiary subproject activities will be undertaken within urban, peri-urban and rural areas of Ghana. Ashesi University who are the main implementing agency of the GCIC project, has prepared an ESMF which includes subproject screening to identify salient physical characteristics relevant to safeguards risks.

5. Environmental and Social Safeguards Specialists

Felix Nii Tettey Oku (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project triggers OP/BP 4.01 because the proposed subproject activities could have negative environmental

		and social impacts which could harm human health and the wider environment. A framework approach has been adopted through the design of ESMF (because the locations of subproject works are not yet known) to screen to identify all potential impacts to aid their avoidance, reduction or mitigation/compensation where necessary.
Natural Habitats OP/BP 4.04	No	Natural habitats are not expected to be significantly impacted by the subproject works under the identified five prioritized technology sectors of the project; all subprojects that might trigger OP4.04 are eliminated at the screening stage.
Forests OP/BP 4.36	No	Forests are not expected to be significantly impacted by subproject works identified under the five prioritized technology sectors of the project; all subprojects that might trigger OP4.36 are eliminated at the screening stage.
Pest Management OP 4.09	No	The works to be undertaken under this project are not expected to trigger this safeguard policy.
Physical Cultural Resources OP/BP 4.11	No	The project will not involve or affect physical cultural resources.
Indigenous Peoples OP/ BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12	No	The project will not finance activities that involve land acquisition leading to involuntary resettlement or restrictions of access to resources or livelihoods.
Safety of Dams OP/BP 4.37	No	The project does not involve dams.
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/BP 7.60	No	N/A

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:
The proposed subproject activities of the five prioritized service lines or technology sector areas could have potential environmental and social impacts on the human health and within the wider environment. Main positive potential environmental impact involves through accelerated funding and technical support to beneficiary SME activities such as (1) Improved conservation and preservation of water (sustainable water supply, Reduced vulnerability of ecosystem to climatic events) (2) Improved use of water and domestic waste management (sustainable water supply through climate technology, reduced vulnerability of ecosystem to climatic events) (3) Increase employment (Improved conditions for economic growth through removal of barriers for SMEs, General economic growth through support to beneficiary SMEs and Poverty reduction) (4)

Increase access and affordability of renewable energy supply (Increase supply of renewable energy from solar based technologies) (5) Increased sustainable supply of agricultural products (Increase supply of climate smart technologies and products) (6) Greater equity in allocation of water and sanitation (Increased access to basic sanitation, Increased access to water, reduced rate of water related diseases and Improved health) (7) Improved quality of domestic waste management facilities (Increased access to recycling, reduced rate of waste related diseases and Improved general environmental and public health).

However notwithstanding the above listed potential positive environmental and social impacts, the implementation of the SMEs' activities and climate technology ventures could also result in some negative environmental and social impacts, albeit insignificant in magnitude at both the installation/construction and operational stages. The negative environmental and social impacts may include (i) air pollution from both particulate emission sources and dust from construction related works, (ii) Soil and water pollution from liquid and solid waste generated from subproject work activities, (iii) WEEE – waste generation from electrical, electronic, and metallic equipment, which byproducts that would be produced as a result of construction or installation, manufacture or operation of SMEs activities, (iv) Noise from construction/installation and operation of SME subproject works, (v) introduction of invasive plant seedlings or species through climate smart agriculture subproject works, (vi) unsafe occupational health and safety working conditions and (vii) child labor.
The potential environmental and social impacts are localized and can be easily mitigated. The project has therefore been categorized as B: Partial Assessment in accordance with World Bank Safeguard Policy on Environmental Assessment (OP/BP 4.01). To comply with the policy requirements of OP/BP 4.01, an ESMF has been prepared by the main implementing agency of the GCIC project, Ashesi University dated November 2014.

It is very highly unlikely that any of the proposed activities under this project will result in potential large scale, significant and/or irreversible impacts.

The ESMF will serve as a safeguard framework to examine the environmental and social impacts of the private SMEs and technologies to be financed and supported under the GCIC program. The ESMF has been prepared based to comply with the policy requirements of the World Bank's environmental and social safeguard policies, as well as the environmental legislative requirements of Ghana. It will provide the necessary guidance to the GCIC in the selection and preparation of funding proposals for the sustainable environmental and social management of business ventures where the exact locations and potentially negative localized impacts are not known prior to project appraisal. The GCIC program will address priority climate innovation objectives and is thus expected to have positive environmental impacts.

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

The potential environmental and social impacts identified under the proposed subproject works of the GCIC project are not expected to have any indirect and/or long-term impacts. Additionally, the subproject environmental and social screening process will identifyand eliminate any potential indirect and/or long term impact during project identification and preparation.

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

Project alternatives were not considered relevant because the potential negative environmental and social impacts of the proposed subproject activities are considered minimal and localized with

many positive environmental and social impacts.

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 GCIC project has been categorized as B (partial assessment) and triggered the World Bank Safeguard Policy on Environmental Assessment (OP/BP 4.01) due potential minimal, localized and easily mitigatable impacts from proposed subprojects.

In compliance with the policy requirements of OP/BP 4.01, an ESMF has been prepared by the main implementing agency (Ashesi University) dated November 2014. The ESMF has been consulted on and publicly disclosed on April 10, 2015. The framework approach was adopted because the exact locations of the proposed subproject activities are not yet known at this stage. The adopted framework approach includes screening procedures to identify potential environmental and social impacts associated with the proposed SME subproject works. Additionally a Project Operational Manual (POM) is being developed to guide the day to day operations of the project. The adopted safeguard arrangements for the GCIC will be integrated into the POM to help with subproject identification, selection and design to ensure effective mitigation of all potential environmental and social impacts associated with the beneficiary subproject implementation. The Ghana Environmental Protection Agency (EPA) has strong capacity and environmental impact assessment legislative requirements which meet the policy requirements of the World Bank. All beneficiary and qualifying subprojects will be registered with the EPA to ensure compliance with country specific environmental legislative requirements.

The GCIC will be hosted in Ashesi University which will be the main project coordinating/ implementing Unit. Ashesi will be assisted by an implementing consortium consisting of (i) Ernst and Young Ghana, (ii) SNV Netherlands Development Organization, and (iii) United Nations University Institute for Natural Resources in Africa (UNU-INRA). Ashesi and its associated consortium partners will be responsible for all aspects of the GCIC establishment and operations including monitoring and effective implementation of the adopted safeguard arrangements. Ashesi University is familiar and has experience with World Bank Group Environmental and Social safeguard policy requirements as it has recently successfully implemented projects with similar policy requirements with the IFC. This safeguard experience will be sustained and further developed during the implementation of the GCIC.

The GCIC will have its own internal organizational structure which will comprise of an advisory committee, a management team and key staff. The management team will be managed by a CEO. The CEO will be responsible for the day-to-day operations of the center, including oversight of programs, reporting to infoDev, the host Ashesi and advisory committee. The management team will also consist of a Gender and M&E Specialists to help with implementation of the safeguard arrangements.

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 involved with the GCIC Project include the beneficiary SMEs, academic institutions, EPA, Community Water and Sanitation Agency (CWSA), NGOs and all relevant government ministries and metropolitan and municipal district assemblies. Throughout the Project's development, these stakeholders have been involved in a series of discussions regarding its rationale and design and this consultation mechanism will be sustained during subproject implementation.

Additionally, various stakeholder consultations have been held during the preparation of the Project's ESMF in particular with the Ghana EPA, environmental NGOs and identified beneficiary SMEs to identify concerns which has been included in the final designed draft of the ESMF.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	28-Nov-2014
Date of submission to InfoShop	15-Apr-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
"In country" Disclosure	
Ghana	10-Apr-2015
Comments: Print and web disclosures made by the recipient: http://www.ashesi.edu.gh/about/climate-innovation-centre.html	
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 [×] No [ ] NA [ ]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [×] No [ ] NA [ ]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	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 responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [×] No [ ] NA [ ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [×] No [ ] NA [ ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [×] No [ ] NA [ ]

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [×] No [ ] NA [ ]

III. APPROVALS

Task Team Leader(s):	Name: Michael Ehst,Diletta Doretti	
Approved By		
Practice Manager/ Manager:	Name: Klaus Tilmes (PMGR)	Date: 29-Apr-2015

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