

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 6/8/2015

Report No.: 97899

A. Basic Project Data

Country: Ghana		Project ID: P152670	
Project Name: Ghana Sankofa Gas Project			
Task Team Leaders: Sunil Mathrani, Robert Schlotterer			
Estimated Appraisal Date: 29 May -2015		Estimated Board Date: 30-July-2015	
Managing Unit: GEEDR		Lending Instrument: PRG	
Sector: Oil, Gas and Mining			
Theme: Natural gas exploration/ Infrastructure services for private sector development			
IBRD Amount (US\$m.):	0		
IDA Amount (US\$m.):	0		
GEF Amount (US\$m.):	0		
PCF Amount (US\$m.):	0		
Other financing amounts by source:			
Private Investors (US\$m)		3,200	
IDA Guarantee (US\$m)		500	
IBRD Guarantee		200	
Environmental Category: A - Full Assessment			
Simplified Processing		Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is this a transferred project		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

B. Project Objectives

The Project Development Objective (PDO) is to improve the availability of natural gas for clean power generation by leveraging private capital investment.

C. Project Description

The proposed Sankofa Gas Project is designed to substitute expensive, imported, liquid fuel used by the power sector of Ghana with domestic, natural gas, as well as enable new gas-fired power generation capacity to be constructed. The Project supports the development of the gas reserves of the Offshore Cape Three Points (OCTP) block, which includes the non-associated gas fields Sankofa and Gye Nyame (“Sankofa Gas Field”) as well as the Sankofa East oil field. The technical development of the different fields (oil and gas) is slightly sequenced and for this reason the joint development of both OCTP components is referred to as Phase 1 (oil) and Phase 2 (natural gas). The proposed IDA/IBRD support will only apply to the OCTP’s Phase 2 (gas) development and related commercial agreements. The oil development structure under the OCTP’s Phase 1 will not benefit from IDA/IBRD support.

Exploiting the Sankofa field’s non-associated gas reserves will be a game changer for Ghana. The field is capable of providing 170 mmmcf of base-load supply for nearly 15 years, or gas to fuel 1,000 MW of power generation. Export of 131 million barrels of oil to the global markets is also expected from the OCTP development. The Project will therefore also help to address Ghana’s

macroeconomic challenges by bringing in much needed dollar-based revenues. The Sankofa gas field is planned to come on line in the first quarter of 2018 and to be in production for almost two decades thereafter, while gas from other Ghanaian fields is expected to at plateau level of production by 2018 and decline starting in 2020.

The OCTP is developed by Eni S.p.A of Italy (“Eni”) and Vitol Group of Switzerland (“Vitol”), together “Private Sponsors”. Eni is the operator of the OCTP block, holding a 47.2 percent participating interest, with Vitol holding 37.8 percent, and the Ghana National Petroleum Corporation (GNPC) the remaining 15 percent (GNPC's participating interest is carried by the other partners). The Private Sponsors will develop the OCTP through their local subsidiaries and in form of an unincorporated Joint Venture (“JV”). The OCTP will use a shared floating production storage and offloading unit (FPSO), which can process both oil and natural gas. The non-associated gas development will consist of five wells linked to the FPSO. A subsea pipeline will carry the gas from the FPSO to an onshore receiving facility at Sanzule. From there, a connection will be made to a 20-inch pipeline that connects another oil and gas field, Jubilee, with thermal generation plants at Aboadze, near Takoradi in Western Ghana.

D. Project Location and salient physical characteristics relevant to the safeguard analysis

The Sankofa Gas Field is in the Gulf of Guinea, at a depth of about 1000m, approximately 60 km south of the Ghanaian coastal community of Atuabo. Gas will be transmitted from the FPSO via a 63-km undersea pipeline that makes its landfall slightly to the west of the community of Sanzule, in the Western Region of Ghana. From the landing point, a pipeline of approximately 800 m will convey the gas to the Onshore Receiving Facility (ORF) for compression. A short pipeline will carry the compressed gas to the GNGC pipeline, adjacent to the ORF site to the north. With the exception of small patches of swamp forest and wet evergreen forest, the forest that may once have been on the ORF site has been disturbed by human activity -- mainly plantations of cassava, pineapple, coconut, and oil palm. The shore crossing itself will be relatively easy because the beach is deep sand without rock. Endangered sea turtles and various marine mammals including whales frequent the Gulf of Guinea, which is also an important resource for artisanal and commercial fisherfolk. Sea turtles use the Ghanaian beaches for nesting. There are no seagrass beds or living coral reefs in the Project-affected area.

E. Environmental and Social Safeguards Specialists

Thomas Walton, Consultant – Environmental Specialist

Demba Balde-- Social Safeguards Specialist

II. PERFORMANCE STANDARDS THAT MIGHT APPLY

Environmental and Social Performance Standards (PS)	Triggered
PS 1. Assessment and Management of Environmental and Social Risks and Impacts	Yes
PS 2. Labor and Working Conditions	Yes
PS 3. Resource Efficiency and Pollution Prevention	Yes
PS 4. Community Health, Safety and Security	Yes
PS 5. Land Acquisition and Involuntary Resettlement	Yes
PS 6. Biodiversity Conservation and Sustainable Management of Living Natural Resources	Yes
PS 7. Indigenous People	No
PS 8. Cultural Heritage	No
OP 7.50: Projects on International Waterways	No

III. 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:**

Acquisition of approximately 96 ha of land for the ORF will affect the livelihoods of an estimated 238 farmers, of which 199 are likely to be eligible for compensation. Other potential impacts of construction and operation, all considered low to moderate in significance, include: social conflict and spread of disease resulting from influx of workers and employment seekers; increased traffic on roads and in coastal waters with resulting risk of accidents; temporary disturbance of turtle nesting (if any) at the pipeline landfall; air and water pollution; noise and related disturbance to communities and marine mammals and fish; solid and liquid waste generation; and conflicts between fishermen and JV security personnel. Any large-scale, significant impacts would be caused by unplanned events of low probability but could have severe consequences, such as a major oil spill at the FPSO that could damage shoreline habitat, degrade water quality, interfere with fishing, and have trans boundary consequences.

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

The potential cumulative impacts in the area relate primarily to other oil and gas development in the region, some existing (i.e., the Jubilee field and the Atuabo gas processing facility), some planned and in progress (e.g., Phase 1 of OCTP, TEN, and port development), and some under consideration (e.g., an LNG receiving terminal). The impacts considered potentially significant are greenhouse gas emissions, oil spills, land take (particularly of farmland) for facilities related to oil and gas development and other infrastructure, pressure on natural resources (especially fisheries), public infrastructure and social services as a result of population influx triggered by the developments, and related impacts on livelihoods of farmers and fisher-folk. GHG emissions and large oil spills would also cause trans boundary impacts. Possible development of new gas-fired generation plants would cause indirect impacts. On the positive side, the region stands to benefit economically from these developments, provided they are guided by sound land use plans. To the extent that natural gas replaces crude oil that is presently one of the main energy sources for power generation in Ghana, air quality improvements and a net reduction in GHG emissions would result.

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

The developer evaluated a range of locations and mooring types for the FPSO, rigid versus flexible risers and flowlines for the gas wells, different techniques to manage drilling fluids, and alternative locations for the ORF. Once the ORF site was selected, the site boundaries were modified in consultation with the Sanzule community, and its overall size was reduced, to avoid physical displacement of residents, protect an important item of cultural heritage, allow continued community access through the site to forest and farmland, and preserve space for future expansion of Sanzule.

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 Borrower has in place an ESMS based on Eni's corporate integrated management system that meets or exceeds Performance Standards requirements. The borrower has prepared an Environmental, Social, and Health Impact Assessment (ESHIA) which includes a framework Environmental, Social, Health and Safety Management Plan (ESHMP) that will guide preparation of detailed management plans for construction and operation. Twenty-four sub-plans will eventually be formulated – five are already completed -- covering activities such as waste management, fisheries management, biodiversity management, community health, medical emergencies, emergency response, and environmental and social investment. The ESHIA addresses cumulative and trans boundary impacts. A Livelihood Restoration Plan (LRP) is in process. The Borrower has prepared an Oil Spill Contingency Plan that incorporates best industry practice, including lessons learned from recent accidents. Each well will have an individual well management plan, and the plans and designs will be reviewed by Eni spa corporate management before drilling begins. Eni Ghana has current ISO 14001 and OSHAS 18001 certifications.

The Eni Ghana Health, Safety, and Environmental (HSE) Guidelines and Protocols delineate the HSE responsibilities assigned to all personnel throughout the Company and require contractors to manage HSE in line with the Guidelines and Protocols and to monitor compliance by their subcontractors. The Managing Director is responsible for assuring that the HSE-Integrated Management System is developed and implemented via the provision of adequate resources. The Eni Ghana Health, Safety, Environment and Community Investments (HSE&CI) Department is headquartered in Accra, where staff overseeing construction, commissioning and operations will be located. Its manager reports to the Managing Director. HSE staff will also be located in Takoradi to facilitate HSE and social performance oversight of site activities as well as to allow direct interface and access for stakeholders in the Western Region. These staff will manage the successful implementation of the ESHMP and the continuation of the stakeholder consultation process. During commissioning and operations, HSE staff will also be located offshore. The HSE Department will need to add staff in order to carry out its responsibilities. The JV will engage an independent consultant to monitor ESHMP implementation during project development.

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

Stakeholder consultations began with stakeholder identification conducted by Eni Ghana in 2013, prior to the scoping for the Phase 1 (oil phase) ESHIA. Groups identified consisted of: national ministries and agencies, regional government and district assemblies, directly affected communities along the coastline, national and local NGOs, community-based organizations and groups, international organizations, and others, including the oil and gas industry, businesses, religious organizations, and political parties. Consultations with these stakeholders continued during preparation of the SGP ESHIA. Issues and concerns they raised are listed in the ESHIA, and the way they were handled is tracked in the report. For SGP, the broad list of stakeholders

remained the same, but a group of “primary stakeholders” was identified in the communities that would or might be directly affected by the ORF -- Sanzule, Krisan, Eikwe Bakanta, Atuabo and Asemdasuazo. These stakeholders consisted of: local residents, traders, fishers, farmers and plantation owners, agricultural producers (palm oil, coconut oil, and palm wine), youth, women, refugees, religious groups, the elderly, and traditional healers. Consultations occurred at scoping, during baseline data collection, in connection with livelihood restoration planning, and on the draft ESHIA. Consultation with Sanzule leaders resulted in modifications to the ORF site boundaries to respond to community priorities. Eni Ghana presented the draft ESHIA at a stakeholders’ meeting in Sanzule on March 31, 2015 and posted a link to it on the company’s website on April 3, 2015. Ghana’s Environmental Protection Agency published the draft ESHIA nationally on May 30, 2015, and placed a copy for public inspection at its Western Region office in Sekondi on April 20. On May 13, EPA placed additional copies at the offices of the Western Regional Coordinating Council and the Ellembele District Assembly, and at the Paramount Chief’s palace in Atuabo. EPA I conducted a formal public hearing in Sanzule on May 29, 2015. The Sankofa Gas Project ESHIA includes a Stakeholder Engagement Plan (SEP) that will guide the JV’s engagement with the communities during project development and operations. The SEP includes a grievance mechanism and calls for appointment of a Community Liaison Officer (already in place, based in the project area) and a Fisheries Liaison Officer still be appointed. Eni Ghana has established a Steering Committee with Sanzule Village to facilitate resolution of issues that may arise and deal with topics such as the content of the community development program. IFC disclosed the Environmental and Social Review Summary (ESRS) for the Project on its website on May 22, 2015, and the ESRS was disclosed in the InfoShop on the same day.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal	Yes
Date of receipt by the Bank	3/19/15
Date of "in-country" disclosure	4/03/15
Date of submission to InfoShop <i>Disclosure is on IFC website</i>	3/23/15
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	5/29/15

Resettlement Action Plan/Framework/Policy Process:

Was the document disclosed prior to appraisal?	No
Date of receipt by the Bank	LRP is in process
Date of "in-country" disclosure	
Date of submission to InfoShop <i>Disclosure is on IFC website</i>	

Indigenous Peoples Plan/Planning Framework:

Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	NA
Date of "in-country" disclosure	
Date of submission to InfoShop	

Pest Management Plan:

Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	NA
Date of "in-country" disclosure	
Date of submission to InfoShop	

*** If the project triggers the Pest Management and/or Physical Cultural Resources, 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 (to be filled in when the ISDS is finalized by the project decision meeting)

PS1. - Assessment and Management of Environmental and Social Risks and Impacts			
Does the project require a stand-alone EA (including EMP) report?	Yes [X]	No []	N/A []
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [X]	No []	N/A []
Are the cost and the accountabilities for the ESAP incorporated in the credit/loan?	Yes [X]	No []	N/A []
PS 2. – Labor and Working Conditions			
Does a Human resources policy has been agreed on as part of the ESMS?	Yes [X]	No []	N/A []
PS 3 - Resource Efficiency and Pollution Prevention			
Does the EA adequately address pollution prevention, control and abatement issues?	Yes [X]	No []	N/A []
Is a separate PMP/VMP required?	Yes []	No [X]	N/A []
If yes, has the PMP/VMP been reviewed and approved by a safeguards specialist or Practice Manager? Are PMP/VMP requirements included in project design? If yes, does the project team include a Specialist?	Yes []	No []	N/A [X]
PS 4. Community Health, Safety and Security			
Does the EA adequately address communities and workers exposure to hazards and safety issues?	Yes [X]	No []	N/A []
Has an Emergency Preparedness and Response Plan (EPRP) been prepared in stand-alone or as part of the ESAP?	Yes [X]	No []	N/A []
PS 5. Land Acquisition and Involuntary Resettlement			
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes []	No [X]	N/A []
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes []	No []	N/A [X]
PS 6. Biodiversity Conservation and Sustainable Management of Living Natural Resources			
Does the project result in significant conversion or degradation of natural habitats or threatening of endangered/iconic species?	Yes []	No [X]	N/A []
Have Biodiversity Action Plan (BAP) been prepared	Yes []	No [X]	N/A []
Does the project design include satisfactory mitigation measures acceptable to the Bank?	Yes [X]	No []	N/A []
PS 7. Indigenous Peoples			
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes []	No []	N/A [X]
PS8. –Cultural Heritage			
Does the EA include adequate measures related to cultural property?	Yes []	No []	N/A [X]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources?	Yes []	No []	N/A [X]
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop? <i>Disclosure is on IFC website.</i>	Yes [X]	No []	N/A []

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"/>	N/A <input type="checkbox"/>
All Performance Standards			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to performance standards?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Have costs related to safeguard measures been included in the project cost?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to performance standards?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <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"/>	N/A <input type="checkbox"/>

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leaders:	Sunil Mathrani and Robert Schlotterer	06/10/2015
Environmental Specialist:	Thomas Walton	06/10/2015
Social Development Specialist	Demba Balde	06/10/2015
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Hanneke van Tilburg	07/02/2015
Comments:		
Practice Managers:	Meike van Ginneken and Pankaj Gupta	07/02/2015
Comments:		