

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED  
SAFEGUARDS DATA SHEET (PID/ISDS)**

**Additional Financing**

Report No.: PIDISDSA23312

**Date Prepared/Updated:** 19-Dec-2017

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	Guinea	<b>Project ID:</b>	P160771
		<b>Parent Project ID (if any):</b>	P146696
<b>Project Name:</b>	Power Sector Recovery Project - Additional Financing (P160771)		
<b>Parent Project Name:</b>	Power Sector Recovery Project (P146696)		
<b>Region:</b>	AFRICA		
<b>Estimated Appraisal Date:</b>	20-Dec-2017	<b>Estimated Board Date:</b>	15-Mar-2018
<b>Practice Area (Lead):</b>	Energy & Extractives	<b>Financing Instrument:</b>	Investment Project Financing
<b>Borrower(s)</b>	The Republic of Guinea/Ministry of Planning and International Cooperation		
<b>Implementing Agency</b>	Electricite de Guinee (EDG)		
<b>Financing (in USD Million)</b>			
<b>Financing Source</b>			<b>Amount</b>
International Development Association (IDA)			25.00
Financing Gap			0.00
Total Project Cost			25.00
<b>Environmental Category:</b>	B-Partial Assessment		
<b>Appraisal Review Decision (from Decision Note):</b>	The review did authorize the team to appraise and negotiate		
<b>Other Decision:</b>			
<b>Is this a Repeater project?</b>	No		

**B. Introduction and Context**

**Country Context**

Guinea is a resource-rich country, but it figures among the poorest in the world with an annual per capita income of only US\$460. To boost its socio-economic development, the country has recently

adopted a five year development plan “PNDES : 2016-2020”, which covers all sectors of the economy, with an objective to promote strong and high-quality growth to improve the well-being of Guineans and to effect the structural transformation of the economy, while putting the country on the path of sustainable development.

The energy sector will play a crucial role as prime mover for the implementation of the PNDES. The country’s vision is to make use of low-cost hydroelectricity to meet domestic energy demand, including the mining demand, and in the medium term, to become a major exporter of electricity to neighboring countries within the West Africa Power Pool. The sector’s medium term objectives include the increase of access to electricity from 29 percent (including 11 percent of illegal connections) to at least 35 percent by 2020, and increase the access to renewable energy (excluding large hydropower) by 10 percent by 2020.

The proposed AF provides an opportunity to effectively implement the PNDES. The additional financing would allow the utility to improve its technical and commercial performance by reducing system losses and improving revenue collection and improve its creditworthiness to be able to bring in the sector private investments. It will ultimately enable reduction of subsidies in long run, so that scarce public resources can be used to finance other priority activities.

### **Sectoral and Institutional Context**

The key sector institutions include the Electricité de Guinée (EDG), the state-owned electricity utility that was created following the failure of the privatization of the power network in the 1990s. EDG is currently being managed by the consortium, Veolia-Seureca, since October 2015, under a Management Service Contract (MSC) signed between the GoG and the consortium on June 19, 2015. PwC Belgique was hired in August 2016 as Technical Auditor to supervise the MSC between GoG and Veolia-Seureca as well as the Performance Contract between EDG and the GoG that was signed at the same time as the MSC. An Inter-Ministerial Steering Committee, chaired by a Minister of State in the President’s Office and composed of representatives from the President’s Office, Prime Minister’s Office, MEH, Ministry of Finance, Ministry of Budget, Ministry of Planning and International Cooperation, Major Projects Management Office (Administration et Contrôle des Grands Projets, ACGP ACGP) and EDG was established by the decree D/2017/101/PRG/SGG on May 11, 2017 to supervise the two contracts. The IPPs AON and La Guinée d’Electricité (GDE) produce around 31 percent of annual electricity generation while CWE operates Kaleta HPP (45 percent of electricity generation) under an O&M contract, leaving less than 30 percent of the generation to EDG. The MEH sets the sector’s policy and plays an overarching surveillance role of the sector. The recently established Agence Guinéenne d’Electrification Rurale (AGER), created by the decree D/2017/099/PRG/SGG on May 9, 2017, will oversee the development of rural electrification programs including decentralized off grid electrification solutions. There is currently no independent regulator for the sector, however, the MEH is planning to establish one in 2018. The law establishing an independent regulator has been submitted to the cabinet secretariat for cabinet approval and subsequent submission to the parliament for adoption. There is a director general in charge of regulation of energy and water sectors in the MEH with purely advisory function. The electricity law is being updated to reflect new development and liberalize the sector to encourage private participation, with financial support from the African Development Bank (AfDB). A set of regulations will follow to enforce the law.

The installed capacity in 2016 is about 590 MW while the available capacity is limited to around 458MW due to ongoing rehabilitation of the existing power plants. In 2016, EDG produced 1531.5 GWh to meet the needs of its 246,527 customers, of which 65 percent live in the capital city of Conakry. About 45 percent of the energy was produced by the Kaleta hydropower plant, 31 percent by thermal IPPs and 24 percent by EDG’s legacy power plants. The electricity demand has grown by 13

percent in 2015 and it is expected to grow at 9 to 10 percent per annum in the next five years. The demand for electricity in Guinea is not accurately known because (i) a large number of households and businesses are connected to the network illegally and are not listed in the EDG customer database, and (ii) up to 85 percent of Low Voltage (LV) customer billing is based on a flat fee with no metering. The demand forecasted in 2025 is estimated at 1,623 MW driven by: (i) meeting unserved demand; (ii) the acceleration of access to electricity under SE4All initiative and the national electricity access scale up program; and (iii) the likely development of industrial activities including major mining projects. A significant number of potential and illegal customers have asked to be connected or regularized. The mining demand has the potential to more than double the rate of growth of domestic demand in the next decade. The country launched the construction of the 450 MW Souapiti I Hydropower Plant to meet 2022 demand, and reduce overall risks in the sector. Other regional hydropower projects are under development including Sambangalou through the Gambia River Basin Development Organization OMVG (120 MW) and Koukoutamba through the Senegal River Basin Development Organization OMVS (290 MW), Other projects in pipeline include Amaria hydropower plant (300 MW), Poudaldé (60 MW), and other renewable energy project to be developed through PPP framework.

EDG is under the Management Service Contract (MSC) since October 9, 2015. Preliminary positive results of the MSC include reduction of annual power outages, reduction of annual load shedding duration, reduction of operations expenditures, increase in generation capacity in rural secondary cities, increase in the annual turnover and increase in billing collection rate.

Despite those positive developments, challenges are still high and significant efforts are required to turn around the performance of EDG. About 85 percent of electricity consumers still do not have meters and are billed a lumpsum amount regardless of their actual consumption. Technical and commercial losses are high, estimated at 35 percent. The billing collection rate of about 79 percent is still low. Electricity tariffs are far from being cost-reflective: the average electricity service operating cost stands at around US\$0.20/kWh while the average price is US\$0.09/kWh. The gap is bridged through subsidies from the GoG. The utility is unable to cover its operating costs and/or maintain the existing electricity network, yet alone invest in new assets to expand the network. In terms of debts, as of June 30, the GoG owes EDG around GNF 600 billion for public administration and street lighting. On the other hand, EDG had accumulated around GNF 1600 billion of arrears to different suppliers as of Oct. 2015, before the start of the MSC. The IMF is preparing a program to assist the GoG find a solution to the utility short term debts and the parent project will assist in undertaking a financial restructuring of the utility.

The Bank's ongoing operations in Guinea include (i) the PSRP (P146696) with an overall financing of US\$50 million to finance the MSC and associated grid investments to improve the performance of EDG; (ii) the US\$2.1 million Bank-executed SE4All TA (TF015026) that finances the electricity access scale up investment prospectus to mobilize concessional financing for access, the M&E framework to track the performance of the power sector, the capacity building of the MEH in PPP to be able to develop hydropower projects and promote private sector financing and the development of hydropower atlas for the country and internet viewer for potential investors; (iii) Regional interconnection projects: CLSG project (Côte d'Ivoire, Liberia, Sierra Leone and Guinea interconnector), and Organisation de Mise en Valeur du fleuve Gambie (OMVG) project (Gambia, Guinea, Guinea Bissau and Senegal), financed by the Bank and other donors; (iv) a series of Development Policy Operations (DPOs) including energy sector related prior actions. The Electricity Sector Efficiency Improvement Project (ESEIP) with an overall financing of US\$30 million closed on June 30, 2016 as well as the Decentralized Rural Electrification Project with financing of US\$7 million closed on June 30, 2013.

### **C. Proposed Development Objective(s)**

#### **Original Project Development Objective(s) - Parent**

The Project Development Objective (PDO) is to improve the technical and commercial performance of the national power utility.

### **Key Results**

- Electricity losses have reduced from 42% to 23%;
- Bill collection rate has increased from 77% to 98%;
- Average interruption frequency per year in the project area has reduced from 942 to 350;
- People provided with new or improved electricity Service

### **D. Project Description**

The proposed investments to be carried out under the AF aims at improving technical and commercial performance of EDG by financing critical investments prescribed in the Internal Recovery plan of EDG as adopted by the GoG. Those investments include (i) the additional efforts (man-months) of experts from the MSC contractor and additional specific technical missions to improve the performance of EDG within the contract period of the MSC; (ii) the construction of a new substation of Kissosso and supply and installation of smart meters and a revenue protection system of about 6500 large electricity consumers; (iii) the installation of about 20,000 electric meters to residential consumers and; (iv) the implementation of capacity building program of EDG staff and institutional support to the MEH, AGER, EDG and the regulator.

#### **Component Name:**

Component 1: Support the improvement of EDG's performance through a Management Services Contract

#### **Comments ( optional)**

The AF will provide additional financial resources to the MSC following the approval of the Internal Recovery Plan (IRP)of EDG. The resources will support the extension of contracts for the key experts whose required time was underestimated in the original MSC. This component would also finance additional specific missions identified by of the IRP of EDG and additional missions of the technical MSC auditor.

#### **Component Name:**

Component 2: Improvement of Conakry Distribution Network and Commercial Performance of EDG

#### **Comments ( optional)**

This component will finance critical investments identified by the IRPof EDG to improve (i) distribution network for better service delivery by constructing a new substation of Kissosso (110kV/20kV) and (ii) commercial performance of EDG through the implementation of a revenue Protection Program for about 6500 large non-residential consumers and the supply and installation of about 20,000 meters to residential consumers.

#### **Component Name:**

Component 3: Technical Assistance, Capacity Building and Project Implementation Support

#### **Comments ( optional)**

This component will finance the implementation of human resource capacity building program of EDG including training program for a critical mass of EDG staff, industrial attachment in better performing utilities and one time payment to voluntary retirement beneficiaries. It will also provide institutional support to MEH, EDG, AGER and the newly establishment independent regulator for

electricity and water sectors.

**E. Project location and Salient physical characteristics (if known) relevant to the safeguard analysis**

Project's activities, in particular component 2, will be undertaken in Greater Conakry Area and in the regional cities of the country where EDG's main networks are located.

**F. Environmental and Social Safeguards Specialists**

Demba Balde, Social Safeguards Specialist

Emeran Serge M. Menang Evouna, Environmental Safeguards Specialist

Emmanuel Ngollo, Environmental Safeguards Specialist

**II. IMPLEMENTATION**

The project will be implemented by EDG and the Ministry of Energy and Hydraulics.

A project steering committee made of representatives of EDG, Ministry of Energy and hydraulics, Minister of Economic Planning and Finance and Minister of Planning and Economic Development will be established to oversee the project implementation.

**III. SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	An environmental audit of EDG was prepared and disclosed before appraisal during the preparation of the parent project. This was fed into the Management Contract's environmental requirements, applicable to the client (MEH and EDG) as well as to the contractors, in line with Bank safeguard policies. The audit included an assessment of potential impacts and proposed mitigation measures. However, the construction of a substation of high voltage in Kissosso with limited scope will lead to the preparation of an Environmental and Social Impact Notice, consulted upon and disclosed in the country as well as in the Bank's website prior to appraisal. Likewise, the construction of 39 power distribution posts/cabins and rehabilitation of existing 22 posts/cabins, spread around Dixinn distribution network will be a reason for the preparation of specific site environmental and social management plan to counter the negatives effects generated by these construction activities.
Natural Habitats OP/BP 4.04	No	During project implementation, no interventions are expected to finance activities undertaken in critical or sensitive natural habitats. Therefore, this policy is unlikely to

		be triggered.
Forests OP/BP 4.36	No	No interventions are financed by this project will entail to undertake any activities in forest areas, including deforestation or afforestation.
Pest Management OP 4.09	No	This project will not entail procurement of pesticides, use of pesticide or equipment pertaining to pesticide applications which would cause OP/BP 4.09 to be triggered.
Physical Cultural Resources OP/BP 4.11	Yes	The project will not involve significant physical work, excavations and demolitions. However, the Physical Cultural Resources policy OP/BP 4.12 is triggered because the nature of the proposed physical activities and the project areas, may involve the possibility of finding evidence of physical cultural resources during civil works. As a result, the ESMF on the parent project includes a procedure for dealing with cases of chance finds on any activities impacting on cultural, historic or archeological significance.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	OP 4. 12 is triggered in the parent project as well as in the additional financing because this project involves the building of physical infrastructure including the substation of Kissosso and sixty-one distribution posts/cabins to be rehabilitated and/or constructed. These activities may result in loss of assets, relocation or obstruction of small business. A Resettlement Action Plan (RAP) will be prepared for these activities since the locations are known. The RAP will be cleared, disclosed in-country and the Bank website prior to Board approval, and fully implemented before civil works commence.
Safety of Dams OP/BP 4.37	No	The project interventions will not finance the building of dams nor will it support any dam infrastructure. Therefore, this policy is not triggered.
Projects on International Waterways OP/BP 7.50	No	Projects activities will not be implemented in the area of international waters nor have any impacts on international waterways. Therefore, this policy will not be triggered.
Projects in Disputed Areas OP/BP 7.60	No	Project activities will not be implemented in disputed areas as there are no known disputes over project areas. Therefore, this policy is not



		triggered.
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#### IV. 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 project is classified as Category B as the parent project and sub project activities are not expected to lead to any large scale, significant, or irreversible environmental or social impacts. It is expected to positively impact the beneficiary communities by improving the quality and reliability of electricity services that are provided to them. The net social and environmental effect of the project is expected to be highly positive as greater access to reliable energy will improve the living conditions for the beneficiaries. This includes household and consumers as well as small businesses and industries in Conakry districts (Ratoma and Matoto), in the capital city. Households, which currently depend on illegal connections for electricity, will not be left without electricity but will be connected by legal connections through extension of the power network; and businesses and institutional users (local government, schools, places of worship, etc.) would also benefit from reliable service provision. The potential negative environmental and social impacts of the proposed project activities are expected to be small-scale and site-specific. These activities will be carefully reviewed following the procedures set out in the RPF to ensure compliance with the Bank's safeguards policies and Government regulations. However, any potential environmental safeguard concerns related to the project are minimal to moderate, given that the project is largely confined to rehabilitation / maintenance of the existing distribution network. Most impacts will essentially be related to safety management.

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

Given that the additional financing does not involve major civil works, no indirect or long term adverse environmental or social impacts are expected. Through consultation, the project will identify and improve other basic socio-economic issues and livelihoods of Project Affected People (PAPs).

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

The chosen activities utilize the existing distribution lines and thus minimizes adverse 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.**

EDG has an established record in implementing World Bank projects under the Bank's safeguard policies. They have a professional Environmental Officer who is responsible for infrastructure projects and who has experience in implementing Bank financed projects, but may require skills upgrade and resources. The RPF prepared under the parent project contains guidance for preparing specific Resettlement Action Plans (RAPs) for issues related to land acquisition and loss of economic activities and assets to minimize negative impacts on Project Affected Persons. Any RAPs will need to be cleared by relevant authorities in Guinea and by the World Bank and subsequently disclosed in-country and at the World Bank's website

before any civil works can begin. EDG will be responsible for the implementation and monitoring of the RAPs to ensure compliance with national and Bank policies and procedures. Training in safeguards will be provided to PIU staff (EDG's environmental and social safeguards officer) by Bank safeguards staff to facilitate these activities. Regular monitoring reports (two per year) on the implementation of environmental and social safeguards provisions will be provided to the Bank for approval. These reports will be verified during project implementation support and supervision missions, which will include environmental and social safeguard experts.

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

Key stakeholders include the Ministry of Energy and Hydraulics, the national power utility EDG, Ministry of Environment, and the potentially affected population. During the preparation of the NIES, consultations were held with these key actors in order to discuss the project contents as well as to understand any concerns the affected people may have and to ensure any concerns are taken into account in the project design. Similar consultations, including consultations with the project affected people (PAPs), will be undertaken during the preparation of RAPs and the report will be validated in a national level workshop. The safeguards instruments will be disclosed at the national, and local levels as well as in the Bank website. Places of disclosure include print media, various institutions including Ministry of in charge of energy and the affected local communities.

***B. Disclosure Requirements***

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	14-Dec-2017
Date of submission to InfoShop	18-Dec-2017
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Guinea	14-Dec-2017
<i>Comments:</i>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	14-Dec-2017
Date of submission to InfoShop	18-Dec-2017
"In country" Disclosure	
Guinea	14-Dec-2017
<i>Comments:</i>	
<b>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.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why::</b>	



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**C. Compliance Monitoring Indicators at the Corporate Level**

<b>OP/BP/GP 4.01 - Environment Assessment</b>						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
<b>OP/BP 4.11 - Physical Cultural Resources</b>						
Does the EA include adequate measures related to cultural property?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
<b>OP/BP 4.12 - Involuntary Resettlement</b>						
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is physical displacement/relocation expected?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	TBD	<input type="checkbox"/>
15 Provide estimated number of people affected to date, or to be affected.						
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	TBD	<input type="checkbox"/>
20 Provide estimated number of people affected to date, or to be affected.						
<b>The World Bank Policy on Disclosure of Information</b>						
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"/>

Public Disclosure Copy

Public Disclosure Copy

<b>All Safeguard Policies</b>						
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"/>

## V. Contact point

### World Bank

Contact: Yussuf Uwamahoro  
Title: Senior Energy Specialist

### Borrower/Client/Recipient

Name: The Republic of Guinea/Ministry of Planning and International Cooperation  
Contact: Moussa Ben Conde Ben Conde  
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### Implementing Agencies

Name: Electricite de Guinee (EDG)  
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## VI. For more information contact:

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## VII. Approval

Task Team Leader(s):	Name: Yussuf Uwamahoro
<i>Approved By:</i>	

Safeguards Advisor:	Name: Maman-Sani Issa (SA)	Date: 19-Dec-2017
Practice Manager/Manager:	Name: Charles Joseph Cormier (PMGR)	Date: 19-Dec-2017
Country Director:	Name: Jose R. Lopez Calix (CD)	Date: 02-Jan-2018