

**INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE**

Report No.: AC6403

Date ISDS Prepared/Updated: 07/21/2011

I. BASIC INFORMATION

A. Basic Project Data

Country: Africa	Project ID: P126579
Project Name: Regional Eastern Africa Power Pool Project (APL1)	
Task Team Leader: Paivi Koljonen	
Estimated Appraisal Date: January 10, 2012	Estimated Board Date: May 29, 2012
Managing Unit: AFTEG	Lending Instrument: Adaptable Program Loan
Sector: General energy sector (100%)	
Theme: Regional integration (90%);Infrastructure services for private sector development (10%)	
IBRD Amount (US\$m.): 0.00	
IDA Amount (US\$m.): 500.00	
GEF Amount (US\$m.): 0.00	
PCF Amount (US\$m.): 0.00	
Other financing amounts by source:	
BORROWER/RECIPIENT 110.00	
<u>Financing Gap</u> 490.00	
600.00	

B. Project Objectives [from section 2 of PCN]

Program Objective: To improve the reliability of electricity supply in the East Africa region.

Project Objective (APL 1): (a) transfer electricity between Ethiopia and Kenya; (b) and facilitate the integration of the power grids of the East African countries.

C. Project Description [from section 3 of PCN]

The project has three components:

Component 1. Construction of a 1,100 km, transmission line with 2,000 MW of transfer capacity to connect Ethiopia and Kenya (US\$820 million). This component will construct the necessary transmission lines and substations in Kenya and Ethiopia to provide a strong electrical link between their power systems and to serve as an anchor to the development of a regional transmission backbone in the East Africa region.

Component 2. Institutional Capacity Building (US\$20 million). This component will provide capacity building and technical assistance to the EAPP Secretariat and the transmission companies of Kenya and Ethiopia primarily in generation and transmission planning, energy dispatching, and operational procedures for power trading. The contents of the capacity building will be finalized during preparation in consultation with the countries concerned, the EAPP Secretariat, the transmission companies and Development Partners. The overall objective is to grow the human capacities needed for the development of a sound regional power market.

Component 3. Environmental and Social Mitigation Plan (US\$60 million). This component will finance the necessary activities to mitigate the environment and social impacts of the project, including, the implementation of an Environmental and Social Management Plan and a Resettlement Action Plan for the affected areas and mitigation measures to offset possible damage on the environment. The details of this component will be developed after the ESIA/RAP studies are completed.

D. Project location (if known)

The interconnector will run from Southern Ethiopia (Sodo region) crossing the border into Kenya and delivering energy to Nairobi. About 400 km of the line are in Ethiopia and 700 km in Kenya. The precise routing of the line is not yet known and four routing alternatives are being analyzed. The most likely routing involves a Direct Current (DC) line from Sodo to Jenya in Ethiopia, crossing the border and reaching Dikama in Kenya. From this point, the line will follow a straight line south to Rumuruti, finally landing in Longonot, about 100 km northwest of Nairobi. In Longonot, the DC line is converted to Alternate Current (AC) line, which will take the power to Isinya where it connects to Kenya's national grid.

The line routing will be selected to avoid, as much as possible, crossing environmentally sensitive areas and to minimize resettlement in the Nairobi area. The ESIA and RAP will be prepared based on the agreed route selection. Consultants have been recently hired by EEPCo and KETRACO to carry on the environmental and social studies.

E. Borrower's Institutional Capacity for Safeguard Policies [from PCN]

On the Kenyan side, the Kenya Transmission Company (KETRACO) will be the implementing entity. It is a state-owned company, established in 2008, responsible for building and operating new transmission lines. Under the ongoing IDA-supported Electricity Expansion Project, KETRACO is receiving capacity building in environmental management and monitoring. It is the implementing entity for the Mombasa-Nairobi 220 kV high voltage line (financed by AfDB, EIB, and AFD) and thus has experience in implementing environmental and social management activities. As part of project preparation, the WB will carry out an assessment of KETRACO's environmental and social management capacity to confirm the company's capacity to fulfill its role as an implementing entity.

On the Ethiopian side, EEPCo is staffed with competent environmental and social professionals to implement the recommendations of the EA report and arrange for the preparation and implementation of RAPs.

F. Environmental and Social Safeguards Specialists

Ms Yasmin Tayyab (AFTCS)
Mr Edward Felix Dwumfour (AFTEN)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
<p>This policy is triggered due to the construction of the interconnector, requiring the identification, mitigation and monitoring of potential adverse environmental and social impacts.</p> <p>An Environmental and Social Impact Assessment (ESIA)/Environmental and Social Management Plan (ESMP) will be prepared. It will include an analysis of cumulative impacts, associated impacts, and alternatives.</p>			
Natural Habitats (OP/BP 4.04)	X		
<p>The EA consultants are in the process of determining whether the interconnector will have adverse impacts on protected areas, wetlands and other natural habitats that might be located in the vicinity of the interconnector. Some impact on natural areas is expected, but it will be minimized as part of the route selection. The line will traverse the Marsabit and Losai Natural Reserves in (Kenya).</p>			
Forests (OP/BP 4.36)			X
<p>The EA consultants are in the process of determining whether the interconnector will have adverse impacts on forests that might be located in the vicinity of the interconnector. Given the size of the line and right-of-way, some impact on forests is expected. The line may traverse the Matthews Range Forest Reserve in (Kenya).</p>			
Pest Management (OP 4.09)			X
<p>The EA consultants are in the process of determining whether herbicides might be used in the maintenance of the interconnector.</p>			
Physical Cultural Resources (OP/BP 4.11)			X
<p>The EA consultants are in the process of determining whether physical cultural resources are located in the vicinity of the interconnector. A team of archeologists and a GIS expert will conduct a rapid archeological impact assessment in the project area, the converter stations and the transmission lines. If the project affects Physical Cultural Resources, the impacts and mitigation measures will be addressed in the ESIA/ESMP.</p>			
Indigenous Peoples (OP/BP 4.10)			X
<p>Given the presence of diverse ethnic groups in both countries, Bank screening will be necessary to determine if the project will traverse areas where vulnerable ethnic groups that meet the Bank's criteria for triggering OP 4.10 are located.</p>			
Involuntary Resettlement (OP/BP 4.12)	X		
<p>The route of the interconnector, with 400 km in southwestern Ethiopia and 700 km in Kenya is being selected to minimize displacement of the existing population or direct impact on their economic activities. The metropolitan areas near Nairobi will bear the greatest (impact). The project will prepare a Resettlement Action Plan before appraisal.</p>			
Safety of Dams (OP/BP 4.37)		X	
Projects on International Waterways (OP/BP 7.50)		X	
Projects in Disputed Areas (OP/BP 7.60)		X	

Environmental Category: A - Full Assessment

III. SAFEGUARD PREPARATION PLAN

- A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: 10/26/2011
- B. For projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A
- C. 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. A preliminary Environmental and Social Impact Assessment (ESIA) and a Resettlement Action Plan (RAP) were prepared in early 2009. An updated ESIA and RAP based on a new line routing are under preparation. The draft ESIA will be available for review by September 2011. The ESIA and RAP will be disclosed in both countries and at the Bank's Infoshop prior to appraisal after review and clearance by the Bank.

IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Ms Paivi Koljonen	07/18/2011
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Ms Alexandra C. Bezeredi	07/21/2011
Comments:		
Sector Manager:	Ms Anna M. Bjerde	07/21/2011
Comments:		

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.

