



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

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Appraisal Stage | Date Prepared/Updated: 25-Mar-2019 | Report No: PIDISDSA24699



**BASIC INFORMATION**

**A. Basic Project Data**

Country Sierra Leone	Project ID P166390	Project Name Sierra Leone Energy Sector Utility Reform Project Additional Financing	Parent Project ID (if any) P120304
Parent Project Name Sierra Leone Energy Sector Utility Reform Project	Region AFRICA	Estimated Appraisal Date 25-Mar-2019	Estimated Board Date 20-May-2019
Practice Area (Lead) Energy & Extractives	Financing Instrument Investment Project Financing	Borrower(s) Government of Sierra Leone	Implementing Agency Ministry of Energy, Electricity Distribution and Supply Authority (EDSA)

Proposed Development Objective(s) Parent

The Project Development Objective is to improve the operational performance of the national electricity distribution utility.

Components

- Component 1: Distribution Utility Capacity Enhancement and Performance Improvement
- Component 2: Improvement of Electricity Supply in Urban Areas
- Component 3: Sector Planning Assistance, Project Implementation Support and Monitoring and Evaluation

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	51.00
<b>Total Financing</b>	51.00
<b>of which IBRD/IDA</b>	50.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	50.00
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IDA Credit	50.00
<b>Non-World Bank Group Financing</b>	
Counterpart Funding	1.00
Borrower/Recipient	1.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. Introduction and Context**

Country Context

1. **After more than a decade of solid economic growth (7.8 percent on average over the 2003-2014 period), Sierra Leone’s economy contracted by 21 percent in 2015 due to the Ebola outbreak and downturn in international iron ore prices.** In March 2016, the country was declared Ebola free, after which an uneven economic recovery ensued, supported initially by agriculture and services. However, the recovery of the iron-ore dominated industrial sector has remained slow, buffeted by low commodity prices and deferred investments.<sup>1</sup> Compounding the challenge of post-Ebola recovery, in August of 2017, a landslide of a rare magnitude hit the country’s capital city, further disrupting economic activity and leading to significant losses of lives, productive assets, and public infrastructure. Recovery in 2016 and 2017 thus remained tepid, with economic growth remaining at 6.4 percent and 3.8 percent respectively.

2. **Sierra Leone made significant strides in poverty reduction in the decade before the Ebola crisis, which has since been reversed.** According to the last two Sierra Leone Integrated Household Surveys (SLIHS), the share of population living below the national poverty line (roughly US\$1/day) declined from 66.4 percent in 2003 to 53.8 percent in 2011. Projections based on the 2011 household survey estimated that poverty further declined to 46 percent in 2014, before increasing to over 49 percent in 2015 as the crises hit. A new Sierra Leone Integrated Household

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<sup>1</sup> Since 2011 when iron ore production started and up until the crisis, large scale mining had driven growth and exports in Sierra Leone, tripling the industrial sector’s share in GDP to over 21 percent.



Survey (SLIHS) 2018 is currently underway, and although the estimates are not directly comparable<sup>2</sup>, provisional estimate puts the overall poverty headcount at 56.7 percent. As expected, poverty is higher in the rural areas. Poverty is the lowest at 18.4 percent in Freetown, compared with 41.0 percent in other urban areas and 72.2 percent in rural areas. Poverty is also much lower in the Western region (17.7 percent) compared to other regions: 61.9 percent in the East, 65.7 percent in the South, and 67.3 percent in the North. The country ranks 151 out of 157 on the newly introduced World Bank Human Capital Index (HCI) and the provision of basic services in health and education remains far from satisfactory.

3. **Following the end of the Ebola epidemic, the Government of Sierra Leone (GoSL) initiated structural reforms to boost productivity, restore fiscal stability, and gradually rebuild buffers.** The Bank's first Productivity and Transparency Support Credit Development Policy Operation (PTSC-1), approved by the IDA Board in June 2017, supported such reforms. In addition, following the landslide and flooding of August 2017 the Bank provided a supplemental financing (in December 2017) to alleviate the human suffering and fill in the resultant financing gap. A three-year Extended Credit Facility (ECF) arrangement was approved June 2017 to help address Sierra Leone's macroeconomic weaknesses—in particular, low revenue, elevated inflation, high public debt, and inadequate foreign exchange reserve buffers—which had been exacerbated by the Ebola crisis and a collapse in iron ore prices.

4. **Faced with an upcoming election (in March 2018), the government was reluctant to take corrective measures to contain the deterioration in public finances and the broad macroeconomic policy environment.** Indeed, as in previous electoral cycles (2007 and 2012), spending pressures led to a deterioration in the fiscal position, governance slippages, and slow implementation of programs. In response to these concerns, the IMF put on hold its first review of the Extended Credit Facility Program toward the end of 2017. As the Bank and other development partners subsequently delayed or withheld their budget support to the government, the financing gap widened resulting in significant build-up of suppliers' arrears (amounting to about 4 percent of GDP) as of the first half of 2018.

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<sup>2</sup> This ratio may not be directly comparable to the ratio based on the 2011 household survey. The SLIHS 2018 analysis sets a provisional food poverty of Le 1,919,000 per adult equivalent per year, and a total poverty line of Le 3,665,000 per adult equivalent per year. To address this divergence, the 2011 poverty estimate will be recomputed later in 2018 to reflect the new poverty line.



**Following the election of March 2018, a new Government assumed office on April 4, 2018, ushering in the second democratic change of party in power since the end of the civil war in 2002.** Recognizing the need to restore macroeconomic stability and improve public services, the Government has undertaken some critical steps. For the energy sector, the new government recognizes the critical importance of increased electricity access in fostering economic development and improving people's living standards. It has started to embark on the ambitious agenda to significantly increase over the next decade and pay equal attention to districts and areas which are far from the main grid.

#### Sectoral and Institutional Context

5. **Progress on sector reforms has been made albeit at a very slow pace.** Some progress has taken been made recently while the Electricity Act approved in 2011 has been implemented since early 2015 and resulted in the unbundling of the integrated utility National Power Authority (NPA) into a generation/transmission company and a distribution company: Electricity Generation and Transmission Company (EGTC) and Electricity Distribution and Supply Authority (EDSA). EGTC is in charge of generation and transmission at high voltage levels whilst EDSA is in charge of sub-transmission at 33 kV and electricity distribution. The two utilities became functional on 1<sup>st</sup> January 2015. Oversight of the sector falls under the Ministry of Energy (MOE) whilst a newly set up body Electricity & Water Regulatory Commission (EWRC) created by the National Electricity Act 2011 (2011 Act) has the mandate to independently regulate the sector. The mandate of MOE includes sector policy formulation, sector planning and coordination. Due to the non-performance of the former utility NPA and over reliance on the funding interventions from Government, the MOE is still involved in the day-to-day operations of the newly created two entities. This phenomenon is expected to diminish overtime as the utilities become financially self-sustainable. The newly established EWRC commissioned in 2014 is under-capacity and has little influence on the sector currently. Regulatory issues including tariff setting, licensing procedures for potential developers and technical regulation are currently co-administered by the MOE.

6. **Sierra Leone still has one of the lowest electricity access rates in the world.** The Sierra Leone's main power network consists of a 161kV radial single circuit transmission line connecting the existing Bumbuna hydropower to the distribution network in Freetown, which is made up of 33 kV, 11 kV and low voltage network covering most part of the Urban Western Area. The electricity access rate is about 12 percent, with about 90 percent of the 172,000 customers located in the urban parts of Freetown<sup>3</sup>. Only five of the 16 district capitals are partially supplied by a combination of small diesel units and mini hydro plants. The electrification rate in the vast rural parts of the country is almost zero. The connected customers suffer from daily and long hours of power cuts. The current installed capacity connected to the main grid is about 104 MW consisting of 50 MW hydro (Bumbuna) and 24 MW Heavy Fuel Oil (HFO) (Kingtom and Blackhall Road) owned and operated by the government owned EGTC, and a 30 MW biomass (Adax) owned by the private sector. In addition, EDSA signed a 2/3-year contract for supplying 50 MW HFO in the dry season and 30 MW in the rainy season from two bulges owned by the private sector. But the available generation capacity, including the bulges, in the wet season is about 80 MW and only about 70 MW or even lower in the dry season as Bumbuna II could only supply 10-15 MW in the dry season, Addax is short of biomass and EGTC's HFO has very low availability due to poor maintenance and lack of spare parts. In addition to Freetown, Mekani and Magburaka are supplied by a shield wire from

<sup>3</sup> 2017 Annual Performance Monitoring Report on Management Contractor by the Supervision Consultant



Bumbuna hydropower.

7. **The limited distribution capacity and poor reliability of the distribution network is a bottleneck to expanding electricity access and improving service quality.** During the last five years, the modest investment in the distribution network under the Energy Access Project (EAP-P126180) together with funds from the Japanese International Cooperation Agency (JICA) and the Islamic Development Bank (IsDB) has helped increase the distribution network's maximum capacity in Freetown from around 40 MW to about 75 MW. It is not yet adequate to deliver all the available generation capacity in the rainy season to customers. The investment was only able to finance about 10% of the nearly 1,000 km dilapidated low voltage lines/cables which have high technical losses and low reliability. Most of the lines and cables are single circuit and some are already overloaded. Despite some improvement, the distribution network remains limited and quite weak and operates with reliability well below internationally accepted standards. There is a great need for more investment to rehabilitate and strengthen the existing network to improve services quality of existing customers and to expand the network to provide electricity access to new customers.

8. **The sector's sustainable development could be achieved only through significantly improving EDSA's technical and financial performance and developing/acquiring low cost generation.** There have been some improvements on EDSA's technical and financial performance. During the last two years, the total technical and commercial (T&C) losses have been reduced to around 36% from about 40% and the overall collection rate has increased from about 78% to about 85%. But the Aggregated T&C and Collection (ATC&C) losses is still over 45% and is much higher than the average losses of 20-25% in even many sub-Africa countries. At such high losses, the current average weighted consumer prices of US\$0.18/kwh (excluding Goods and Service Tax) will not financially support the operations of any liquid fuel fired generation capacity. The tariff for commercial and industrial consumers is around US\$0.20/kwh and there is little room for further increase. Currently the sector's deficit is financed by the government's budget which is already bleeding the financial purse of the Government. The government's limited fiscal space will not be able to sustain its subsidy at current level, let alone increase the subsidy amount as the sector grows. While liquid fuel power plants are essential to meet the minimum electricity service in the short-term and probably also mid-term, particularly during the dry season, the GoSL needs to adopt a strategy to move towards low cost power in the future. The power from the Cote d'Ivoire-Liberia-Sierra Leone-Guinea (CLSG) interconnection, scheduled to be commissioned in 2020, and possibly some solar PV plants, are expected to address the demand growth in the medium term. On the other hand, it is critical for EDSA to significantly reduce ATC&C losses. The technical losses are estimated at around 15% which could be reduced by up to 5% through rehabilitation of the remaining outdated LV network and optimization of load flow to minimize overloading. The commercial losses are estimated at around 20% which could be reduced substantially through replacing all outdated meters and faulty meters and ensuring meters for all new consumers, and crackdown on illegal connection and meter bypassing and tempering. The collection losses could be reduced substantially by substituting prepaid meters for postpaid meters of the remaining large customers, particularly government entities which account for about 65% of the total receivables.

9. **Weak institution and staff capacity of key stakeholders is a key constraint to the development of a sustainable sector.** Overall, there is inadequate capacity of the stakeholders to carry out sector planning, develop and implement sector strategies and policies, and procure, evaluate and implement generation projects by private sector. NPA's endemic structural and operational challenges such as lack



of adequate technical, operational and financial management capacity has been inherited by the two newly established entities with little change in overall staffing at all levels. Ongoing interventions such as the Operations and Maintenance (O&M) contract with an international firm for Bumbuna hydropower plant owned by EGTC and Management Contractor (MC) for EDSA funded by IDA credit is helping to improve the situation. But the full benefits of the MC for EDSA in improving its technical and financial performance is expected to be realized in the medium term. The MC has a three-year contract to help improve EDSA's technical and financial performance and enhance EDSA's managerial and staff capacity. The current contract is set to expire in November 2019. There is a continued need to build up the managerial and staff capacity in both EGTC and EDSA as well as build the policy making, planning and regulatory capacity in MOE and EWRC.

10. **The proposed activity builds on a sustained engagement in the power sector by IDA in Sierra Leone.** IDA has been a partner of Sierra Leone's power sector with a portfolio of projects and continuing support to the government reform agenda. It has built a close working relationship with all sector stakeholders and has become a trusted partner with regards to policy, institutional development and sector investment. Over the past few years, IDA has supported the following activities: (i) the US\$16 million Energy Access Project funded by a DFID grant through the Sierra Leone Infrastructure Development Fund (SLIDF), which supported the rehabilitation of the distribution network in Freetown to increase distribution capacity and improve supply reliability; (ii) the US\$40 million IDA funded Energy Sector Utility Reform Project (ESURP) to further increase the network capacity in Freetown and improve the technical and financial performance of EDSA; (iii) an additional financing of US\$59.2 million of IDA for the CLSG interconnection which would link the transmission network in Sierra Leone with the West African Power Pool (WAPP) network in facilitating power trade; and (iv) IDA is also assisting the government to promote solar PV development by the private sector through both the regional initiative and a technical assistance funded by Public-Private Infrastructure Advisory Facility (PPIAF). While IDA is exploring option to support government's efforts to provide electricity access in districts and areas which are not going to be connected to the main grid in the foreseeable future, the proposed activity will further extend the distribution capacity and improve the reliability and service quality of the main distribution network, and improve financial performance of EDSA which is vital to the financial sustainability of the sector.

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

#### Original PDO

The Project Development Objective is to improve the operational performance of the national electricity distribution utility.

#### Current PDO

The current Project Development Objective is to improve the operational performance of the national electricity distribution utility.



#### Key Results

The key results are as follows:

- a. Reduction in total technical, commercial and collection losses of EDSA
- b. Increase in the distribution capacity of the 33 kV and 11 kV network in Freetown (MW)
- c. Reduction in average duration of outages per year at the 33 kV and 11 kV network in Freetown
- d. Reduction in average interruption frequency per year at the 33 kV and 11 kV network in Freetown
- e. People provided with new and improved electricity service

#### **D. Project Description**

The parent project is comprised of three components: (i) Distribution utility capacity enhancement and performance improvement; (ii) Improvement of electricity supply in urban areas; and (iii) Sector planning assistance, project implementation support and monitoring and evaluation, and each of which is described below.

- **Component 1: Distribution utility capacity enhancement and performance improvement.** This component would support the establishment of a fully functioning and effective national electricity distribution utility through a three-year performance-based contract for utility operation and management between the utility and a competitively selected firm (Management Contractor) specialized in management of power utilities in developing countries. The MC was expected to provide management, operation and capacity building services with clearly identified result targets. The MC would be given fully delegated authority to run the utility's business and would be solely authorized agent to administer its assets and implement its functions for the duration of the contract.
- **Component 2: Improvement of electricity supply in urban areas.** This component would support an investment program targeting the rehabilitation and upgrade of the national distribution network from 33 kV to the low voltage level as a first step to improve the quality and reliability of electricity supply. It has two subcomponents: Sub-component 2.A: Primary medium voltage (MV) distribution (33kV Sub transmission) network reinforcement and extension and Sub-component 2.B: MV secondary (11kV) and low voltage (LV) distribution network reinforcement and extension. The investments financed under the component would contribute to increasing the distribution capacity of the system, as well as to improving service quality and reducing technical losses.
- **Component 3: Sector planning assistance, project implementation support and monitoring and evaluation.** This component would support: (i) policy making, planning and capacity building of the Ministry of Energy through advisory services; (ii) the strengthening of the Project Management Unit (PMU) through the provision of technical advisory services, goods, non-consulting services, training and operating costs; and (iii) the monitoring and assessing the performance of the MC.

The activities under the Additional Financing are scaling-up of the activities of the three components in the parent project and are described below

#### *Component 1: Distribution utility capacity enhancement and performance improvement*

- The new activities under this component will further support EDSA to hire a professional management team to strengthen its commercial management and continue to build the local capacity within the utility to ensure sustainability of the results. Improving commercial performance of EDSA is a necessary condition for the utility to become financially viable. It is not however sufficient as good management of





the utility will need to be complemented by the commitment and actions of the GoSL to ensure that Government Agencies pay their bills, and there exists a functional legal regime to effectively tackle power theft and illegal connections. The additional activities include:

- *Sub component 1-A: Incorporation of a modern management information system.* This sub component will assist EDSA to improve its operational performance in the key areas of commercial management and attention and resolution of incidents in electricity supply to its customers. This will be achieved through the acquisition and incorporation of an Integrated System comprising Enterprise Resource Planning (ERP), a Commercial Management System (CMS) and an Incident Recording and Management System (IRMS) and a Complaints and Grievance Redress system (GRM). Creating an avenue for public feedback and complaints of incidents in electricity supply including report of power theft, illegal connections etc. will allow for real time course of correction leading to more responsive service delivery. If more funds become available, the model for geospatial network capture and configuration would be included for effective utilization of the systems;
- *Sub component 1B: Technical Assistance to EDSA.* This would help build local management capacity within EDSA at the mid and top levels to ensure sustainability of its operations once the management contract ends in November 2019. In particular, it will support the incorporation of qualified experts with managerial experience who will partner the local management staff to constitute the new EDSA management team (MT). The individual experts would be competitively selected by a search firm that is being procured under ESURP. The AF will finance this professional management team during the initial phase of its work (between two and three years), after which they will shift to be on the payroll of EDSA, should EDSA decide to maintain their services.

#### *Component 2: Improvement of electricity supply in urban areas*

- The additional activities under this component would finance the upgrading and expansion of the 33kV, 11kV and low voltage network, including connection of new customers, and project management by EDSA. New activities to be added for each sub-component are described below:
- *Sub-Component 2.A: Primary medium voltage distribution network upgrade and extension.* This sub-component will finance the construction of four new 33/11kV substations and upgrade of one existing 11kV switching station to a 33/11kV substation as well as construction of new 33kV sub-transmission lines to link the proposed substations. This would help to increase the capacity of the network to evacuate power from the bulk electricity supply point to the load centers in the distribution network.
- *Sub-Component 2.B: Secondary and low voltage distribution network extension.* This sub-component includes investments on extension of the 11 kV and Low Voltage network and customer connections, complementary to those in the parent project, to major unserved residential, commercial and industrial centers, which are the most critical constraints to increase the distribution capacity and supply reliability of the network in Freetown. It would also include the supply and installation of prepaid meters to replace all existing faulty meters, non-STS meters and postpaid meters for large consumers, including government entities, to reduce commercial losses and increase collection rate. The increased network capacity is critical for the national distribution network to take and distribute the expected new generation capacity, including power import from the WAPP CLSG interconnection. The extension of electricity services to new high demand industrial and commercial customers will also help improve EDSA's revenue base.



- *Sub-Component 2.C: Project Implementation Support.* This sub-component is newly added and will cover the cost of strengthening the capacity of the project implementing team in EDSA to manage and monitor project implementation. It will include the financing of the necessary safeguard studies (RAP) and the costs of employing specialized consultants (technical, financial, procurement, audit, social, etc.), including young professionals to support the project management team.

*Component 3 Sector Planning assistance, project implementation support and monitoring and evaluation.* The additional activities include consulting services for preparing and implementing strategies and projects for electrification through mini-grid solution, training, study tours and other capacity building for MOE and other sector players.

## **E. Implementation**

### Institutional and Implementation Arrangements

#### Institutional and Implementation Arrangements

The MoE and the legally established national electricity distribution utility, EDSA will continue to be the two implementation agencies in charge of implementing the project and the AF. MoE is the agency in charge of the coordination of the overall project with a Director of Energy designated as the Project Coordinator. EDSA will be responsible for the implementation of the activities under components 1 and 2. At preparation of the project, EDSA was not fully established and so the implementation arrangement was centered around the PMU at MoE that was implementing the SLIDF project to spearhead the procurement of the initial activities including procurement of the MC, the Supervision Consultant for the MC the carrying out of preparatory engineering and tendering activities for the emergency investments under component 2. Now with EDSA fully functional and most of the critical activities under component 3 completed, the Implementation arrangement was streamlined during the midterm review on May 9 – 18, 2018 to provide more implementation control of activities under component 1 & 2 by the MC.

**MoE:** The Director of Energy at the MoE would head the PMU as the General Project Coordinator (GPC) to oversee the overall implementation of the project. The Financial Management specialist at the PMU supported by a Finance Assistant would provide financial management of component 3. They would continue to support EDSA with financial management of component 2 until EDSA's FM system is adequate to take over the FM responsibility. The FMS would be located at the MoE and would report to the GPC. When the PFMU becomes effective, they would be relocated to the PFMU but would continue to be financed under the project. The Supervision Consultant of the MC would continue to report to the EDSA board and to the MoE through the GPC.

**EDSA:** The Project Implementation Unit in EDSA that was made up of individual professionals has been replaced with a Project Management Team (PMT) comprising mainly of the Engineering Department (Planning & Projects) to be supported by EDSA's Finance Department and the Procurement Unit as well as an Environmental & Social Management Unit (ESMU) to be setup under the Engineering Department. Specialized Consultants would be hired to support implementation and build the capacity of the EDSA project implementation team. The PMT would be headed by the Director of Technical Services.



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

Project activities will be undertaken in the Greater Freetown Area. Freetown is the capital city of Sierra Leone and is located in the Western Area (which is divided into two districts: Western Area Rural and Western Area Urban). Freetown is on a peninsula with an area of 557 km<sup>2</sup> and a population estimated by the UN at 875,000 (2009 figures). Freetown is densely populated with homes, community structures, kiosks (permanent and semi-permanent), and permanent buildings around the distribution network. The proposed additional activities include the construction of substations, sub-transmission and distribution lines within the western urban and western rural districts respectively. The line routes around the Western Urban District are proposed along the Right-of-Way (RoW) of the roads but these routes have a high density of occupancy with residential houses, kiosks, and makeshift structures. The line routes are only tentative and the RoW on either side of the road could be used depending on the obstacles on the RoW. The exact location of the poles and towers for the lines would be determined during the detailed design stage. As such, the ESHIA considered the general corridors of the lines, rather than specific design-mapped sites. All the proposed substations are on lands that is either owned by Government Agencies or by EDSA. The ESHIA indicates that the additional activities are expected to be moderate with respect to environmental and social aspects. The additional activities cover the construction and upgrading of 33/11 kV substations, construction of new 33 kV overhead distribution lines, and expansion of the low voltage distribution lines and cables in the urban areas of Freetown. The project primary adverse environmental impacts identified include noise, emissions and dusts and solid wastes generated during construction activities, which could impact air quality and environmental conditions of the communities. These impacts are likely to be temporary nature. The main social impacts include occupational safety and health of workers during construction, public safety and health caused by truck movements and construction activities, potential damages of shelters, assets and loss of incomes as a result of the construction activities. Damage and losses of shelters are expected partially and losses of income sources may be temporary. The overall environmental and social footprints of the project are assessed to be moderate.

#### **G. Environmental and Social Safeguards Specialists on the Team**

Gloria Malia Mahama, Social Specialist  
Sekou Abou Kamara, Environmental Specialist  
Alidu Babatu Adam, Social Specialist



**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Component 2 of the project will support the rehabilitation of one existing 33/11kV substation and construction of four new 33/11kV substations. Construction and extension of existing distribution lines including underground cablings will also be financed under this component. Related activities such as excavations, erection of poles and distribution lines could adversely impact the environment as well as pose health and safety risks to workers and surrounding communities. The adverse impacts on the environment are expected to be minimal and short-term, and mostly related to the construction phase. Issues such as generation of construction wastes, and dust and noise pollution will need to be managed. Health and safety risks and hazards, including workers' exposure to energized lines and hazardous substances, as well as community health and safety concerns, including traffic management, exposure to open excavations and trenches will need to be addressed. No specific impacts or risks to the biological environment is envisaged since the works will be carried out in a built environment. The project has prepared an Environmental Social and Health Impact Assessment (ESHIA) to manage these potential impacts, risks and hazards. The ESHIA has been disclosed in-country on March 13 and in Infoshop on March 14, 2019. The ESHIA complements the Parent Project ESMF and ESMP.
Performance Standards for Private Sector Activities OP/BP 4.03	No	This does not apply. The project will not involve private sector as defined in OP/BP 4.03.
Natural Habitats OP/BP 4.04	No	Project will not support activities in natural habitats.
Forests OP/BP 4.36	No	The project activities will not involve investment in forest or protected areas or related forestry activities.
Pest Management OP 4.09	No	The project activities will not involve procurement, transportation or storage of pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	Project activities will involve excavation works. Chance find procedure is included in the project's ESMPs.



Indigenous Peoples OP/BP 4.10	No	There is no indigenous people identified in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	The construction of the 33KV distribution lines will be undertaken in the Greater Freetown area which is densely populated with structures and small business activities. This may damage shelters and properties, and will trigger temporary disruption of access and economic activities. OP 4.12 was triggered for the parent project and remain relevant for this AF. Even though the MV lines are expected to be constructed on either side of the Right-of-Way (RoW) of the main roads, a determination of the best route has not yet been made. The scale and scope of resettlement impacts will be known when detailed and construction design are firmed up the route determined. The RPF for the parent project has been updated to reflect the additional activities of the AF and was disclosed March 13, 2019 and in Infoshop on March 14, 2019. A Resettlement Action Plan (RAP) will however be prepared, disclosed and implemented prior to construction commencement on the specific sites.
Safety of Dams OP/BP 4.37	No	Project activities do not involve construction of new dam or renovation of existing dams.
Projects on International Waterways OP/BP 7.50	No	The project activities will have no impact on international waterways.
Projects in Disputed Areas OP/BP 7.60	No	Project activities are not within disputed areas.

**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:

Under Component 2, the additional project activities will finance the construction and upgrading of five 33/11 kV substations, construction of new 33 kV overhead distribution lines, and expansion of the low voltage distribution lines and cables and connections to customers in the urban areas of Freetown. The project primary environmental impacts include noise, emissions and dusts and solid wastes generated during construction activities. These impacts are of temporary nature. The main social impacts include occupational safety and health of workers during construction, public safety and health caused by truck movements and construction activities, potential damages of shelters and properties, assets and loss of incomes as a result of the construction activities. Damages of shelters are expected to be partial and losses of income sources may be temporary. The overall environmental and social footprints of the project are expected to be moderate. No significant and/or irreversible adverse social and environmental impacts have been identified. The moderate environmental and social impacts can be mitigated through implementation and monitoring



of Environmental and Social Management Plan.

The ESMF of the parent project was prepared and disclosed in country and on the Bank website for the parent project. An Environmental, Social and Health Impact Assessment (ESHIA) for the additional activities has been prepared to assess the potential environmental, social and health impact of the project activities. As part of the ESHIA, an Environmental, Social and Health Management Plan (ESMP) was prepared to mitigate and manage the moderate potential adverse impacts. The ESHIA identified the potential impacts of the project activities and the severity of each impact, proposed the mitigation measures to minimize the impacts including likely costs, and set out the monitoring and evaluation plan. There is very little probability to face labor influx impact that might originate from the migration of laborers to the work site. Generally speaking, such impact is expected in remote areas where thousands of workers invade rural and small community areas causing disturbance to the surrounding community and absorb resources. The project is located in crowded urban/peri-urban areas and the small number of outside workers can not cause any labor influx impacts. There is a small risk of gender-based violence. The supervising engineer and the safeguards specialist will assist EDSA in monitoring instance of possible violence and in providing for risk mitigation.

The construction and upgrading of the substations do not require the relocation of any person or the acquisition of any new private land. However, it is anticipated that the construction of the 33 kV lines and the expansion of the low voltage network shall have impacts on individuals including damages of shelters and properties, loss of assets, and loss of income sources. Damages of shelters and assets are expected to be partial and loss of income sources may be temporary. But the precise level and specific nature of impacts are not known until the detailed design of each segment of lines is completed. Thus, the RPF is updated to reflect the activities of the project. The updated RPF provides procedures and principles, as per the Bank Policy on Involuntary Resettlement (OP4.12) for preparing site-specific RAPs where required and will provide guidance on the scope and scale of resettlement plans as detailed designs are firmed up.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The project is expected to have indirect impacts on: (i) socioeconomic conditions; (iii) land use and public recreation; and (iv) utilities. There could be short term but temporary negative impacts during construction stage on air quality, soil, landscape, workers health and safety, public services, traffic and transportation, and livelihoods. These adverse impacts have been assessed to be not significant and will be addressed through implementation of appropriate mitigation measures.

The construction of new substations, MV distribution lines and LV distribution lines to expand and reinforce the Freetown distribution network will enable expanded, stable and more reliable electricity supply to Freetown residents.

No long-term adverse impacts are anticipated due to future project activities in the area.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The distribution facilities to be constructed under AF are the extension and expansion of the existing distribution network to new industrial, commercial and residential areas. There are no alternatives to alternate project areas for the substations which are all located on public land and no private land acquisition is required. The general routings of the lines and cables will be along existing roads. The precise locations of the lines, cable and towers will be selected to avoid buildings and minimize adverse impacts. But it is impossible to completely avoid disruption to properties and assets and access to business activities. In order to avoid adverse impacts, the project will take measures to ensure that construction activities are conducted in an appropriate manner and consistent with the guidelines defined per the applicable safeguards Policies. An ESHIA and RPF have been prepared and disclosed.



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 prepared an ESHIA and updated RPF to mitigate impacts under OP 4.01 and OP 4.12 for the additional activities.

Implementation arrangements of the ESHIA and RPF are as follows:

- The preparation and implementation of relevant instruments for the investments under Component 2 are undertaken by EDSA. Safeguards consultants are employed to assist EDSA in preparing and implementing the instruments. The ESMP will be included in the bidding documents for the procuring the EPC contractors. The EPC contractors will be responsible for implementing the ESMP with costs of implementation included in the contracts. International supervising engineer is engaged to assist EDSA in monitoring EPC contractors' work, including the implementation of the ESMP.
- Capacity building for strengthening EDSA's long-term capacity to manage social and environmental impacts of their work is under way and will be continued throughout project implementation. EDSA currently has one environmental specialist and one environmental consultant, and on social/gender safeguards specialist is being procured.
- In addition, an inter-ministerial committee has been specifically set up under the parent project for monitoring the RoW of distribution lines in urban areas and ensuring that encroachments are controlled.

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 for the project are individuals in the project area, including those who will be affected by the project, relevant ministries, government departments and agencies (such as the Ministry of Energy; Ministry of Land, Country Planning and the Environment; Ministry of Works, Housing and Infrastructure; Ministry of Local Government and Rural Development; Freetown City Council - including the markets division; etc.), and relevant trader associations.

During preparation of the ESHIA and updating of the RPF, consultations were undertaken with various stakeholders, including environmental agencies, local civil society groups, and community leaders, to discuss project contents and potential impacts as well as to understand any concerns the affected people may have to ensure any concerns are taken into account in the project design. The people conveyed broad support for the project. The final ESHIA is disclosed and now available to the public, government, non-government representatives and communities to be affected. EDSA will continue to organize meetings with potentially PAPs along the RoW and around construction sites to inform them about the required safety and health procedures.

The updated RPF provides consultation guidelines and emphasizes the need for regular consultation with Project Affected People using locally relevant and context specific forms. Similar consultations, including consultations with PSPs will undertaken during the preparation of the RAP.

In an effort to ensure effective communication and consultation with project affected people, a communication specialist is employed under the project, who helps prepare communication plan and strategy to ensure that, among other things, timely and relevant information related to environmental, social, and safety issues are disseminated





among PAPs in a form and manner that is accessible.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
19-Feb-2019	14-Mar-2019	

**"In country" Disclosure**

Sierra Leone  
13-Mar-2019

Comments

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank	Date of submission for disclosure
19-Feb-2019	14-Mar-2019

**"In country" Disclosure**

Sierra Leone  
13-Mar-2019

Comments

**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 (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

Yes





If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

Is physical displacement/relocation expected?

No

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

Yes

Provide estimated number of people to be affected 200

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

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



### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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**APPROVAL**

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