

**PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No. PIDA0129523

<b>Program Name</b>	<i>Ethiopia Electrification Program (ELEAP)</i>
<b>Region</b>	<i>AFR</i>
<b>Country</b>	<i>Ethiopia</i>
<b>Sector</b>	<i>Energy &amp; Extractives</i>
<b>Lending Instrument</b>	<i>Program-for-Results</i>
<b>Program ID</b>	<i>P160395</i>
<b>Borrower(s)</b>	<i>Ministry of Finance and Economic Cooperation (MoFEC)</i>
<b>Implementing Agency</b>	<i>Ministry of Water, Irrigation, and Electricity (MoWIE)</i>
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**I. Introduction and Context**

**A. Country Context**

1. **Ethiopia is a large, land-locked, and diverse country.** Located in the Horn of Africa, Ethiopia extends over an area of 1.1 million square kilometers - about the size of France and Spain combined. With an estimated population of about 100 million in 2015, out of which 80.5 percent are rural dwellers, Ethiopia is the second most populous country in sub-Saharan Africa. The country is a land of diverse nationalities and peoples, and its bio-physical environment includes a variety of ecosystems, with significant differences with regard to climate, soil properties, vegetation types, agriculture potential, biodiversity, and water resources. The natural resources base remains the foundation for most livelihoods, and is subject to considerable climate risks. Despite past progress, a historic legacy of under-investment still bears its mark as more than half of the adult population is illiterate, and the country's infrastructure deficit remains one of the largest in the world. Ethiopia is undergoing a faster demographic transition than the rest of Africa, with a rapidly rising working age population that presents both opportunities and challenges (more than 60 percent of the population is below 25 years of age).

2. **Ethiopia is one of the world's poorest countries, but has achieved substantial progress in economic, social, and human development over the past decade.** With a per capita income of US\$619 (2015), Ethiopia remains the 15<sup>th</sup> poorest country in the world. Nonetheless, growth averaged nearly 11 percent per year since 2004 and extreme poverty fell from 55 percent in 2000 to 34 percent in 2011, which is one of the most impressive poverty reduction results recorded internationally (within sub-Saharan Africa, only Uganda reduced poverty faster). Low levels of inequality have largely been maintained. With a few exceptions,

Ethiopia attained the Millennium Development Goals. Yet, vulnerability to return to poverty remains high, especially for those engaged in rural livelihoods depending on rain-fed agriculture. Addressing gender gaps between men and women in term of access to education and decision making, rights, employment, unpaid labor, land and productive resources is essential for economic growth in the country. World Bank (2009) estimates indicate that reducing basic gender inequalities in education and the labor market could increase the annual GDP growth in Ethiopia by around 1.9 percentage points.

3. **The Government of Ethiopia (GoE) has embarked on a structural transformation of the economy and society.** GoE has completed its first phase of the Growth and Transformation Plan (GTP-I) (2010–2015), which set a long-term goal for Ethiopia to become a middle-income country by 2025, with a growth rate of at least 11 percent per year during the plan period. During 2011-2015, Ethiopia grew at a rate of 10 percent. A second phase of the GTP (GTP-II) is under implementation for the period 2015-2020. The GTP-II puts a strong emphasis on structural transformation, industrialization, urbanization, and export promotion. Public infrastructure investment has been at the center of the country’s economic strategy. Ethiopia was able to achieve a substantial expansion of energy, road, railway, and telecom infrastructure, financed by domestic and external public borrowing. However, the investment climate for private sector remains suppressed (in 2017, Ethiopia’s ‘Doing Business’ ranking was 159). Public investments in basic service provision, such as education and health, have contributed to poverty reduction, as did the introduction of rural safety nets. GTP-II continues to commit that women and youth benefit from and participate in overall economic, political and decision-making processes in Ethiopia. In the electricity sector, GTP-II priority is to provide sufficient power for both domestic consumption and export, while significantly increasing households access.

### ***B. Sectoral and Institutional Context of the Program***

4. **Ethiopia has vast and largely unharnessed clean energy resources.** Ethiopia is endowed with significant renewable energy resources, with huge potential for hydro, solar, wind, and geothermal power. It is one of the few countries in sub-Saharan Africa, if not the world, which generates all of its electricity from renewable resources. Already, the available generation capacity, mostly hydropower, has reached 4,256 MW (second highest in sub-Saharan Africa). Other large scale hydropower projects (with capacity exceeding 6,000 MW) are now under construction. However, actual energy supplied from these hydropower plants is subject to uncertainty and fluctuations due to variations in seasonal and annual rainfall amounts, as well as climate change (e.g. impact of the El Nino factor in 2015-2016 led to country-wide blackouts). Given the expected strong growth in demand for electricity (nearly 10 percent, annually), complementary energy resources must be developed to mitigate the risk of overreliance on, and variability of hydropower.

5. **A diversified mix of supply resources (including solar, wind, and geothermal power) can not only ensure continued sufficiency of supply but can also act as a mitigant to climate change.** In line with Pillar Three of Ethiopia’s ‘*Climate Resilience Green Economy (CRGE) Strategy*’ (2011), the GoE targets to have about 15-20 percent of its energy supply from non-hydropower based renewable resources (during GTP-II). Based on these planned

additions to generation capacity, including that provided by solar, wind, and geothermal sources, Ethiopia is expected to have over 9,000 MW of installed capacity by 2020, which would provide sufficient energy (over 25,000 GWh) to supply the expected demand.

6. **Ethiopia's electrification rate is at odds with its huge energy resources.** In addition to the abundant electricity generation capacity, the grid network has also expanded substantially under the GTP-I (covering nearly 60 percent of towns and villages, representing about 80 percent of the population). Despite major strides in the past decade, Ethiopia's electricity sector continues to fall short of the promise of effective service delivery, with the second highest energy access deficit in Africa (in absolute terms), and an on-grid access rate of less than 20 percent. The last-mile connections have not kept pace with infrastructure expansion due to lack of financial resources as well as weak utility capacity, posing a binding constraint to economic growth and social development. There are over 350,000 registered customers who have been waiting for a connection for the past many years, of which, about 50,000 have already paid the full connection fee. Currently, it is estimated that of the about 14.4 million unelectrified households, about 5 million customers living within connection-viable vicinity of the grid.

7. **The GoE is undertaking far reaching restructuring of the sector, focusing on electricity service delivery.** In 2013, the vertically integrated utility, Ethiopian Electric Power Corporation (EEPCo), was unbundled into two public enterprises: (a) the Ethiopia Electric Power (EEP) Company, responsible for the generation and transmission sub-sectors; and (b) the Ethiopian Electric Utility (EEU), responsible for power distribution and sales, while the Ministry of Water, Irrigation and Electricity (MoWIE) is responsible for oversight of the electricity sector. The implementation of the Universal Electricity Access Program (UEAP), which constitutes one of the most significant grid expansion programs in recent years in sub-Saharan Africa, moved from EEP to EEU in January 2016. The GoE also established an independent regulatory agency, the Ethiopian Energy Authority (EEA), responsible for developing effective rules, directives, and standards for sector.

8. **Efforts are also underway to improve the implementation capacity of the sector utilities which has, thus far, constrained the scaling-up of electrification programs.** The fast-paced growth of the sector in the past decade created capacity challenges for EEP and EEU. To address this, a management contractor was brought in for two years (Power Grid Corporation of India) after the unbundling process; however, significant improvements were not observed due to the limited scope of the engagement (there was limited delegated authority provided for some key management areas). Access expansion in Ethiopia has lagged for several reasons, including the absence of coordinated technical and planning functions (e.g. least-cost, nation-wide connections rollout program), absence of streamlined workflow and supply chain networks, and lack of efficient commercial processes. While strategic focus on various segments of the electricity sector's value chain has improved, as new agencies, EEP and EEU, are continuing to encounter significant challenges related to implementation of large-scale projects. Many efforts are now underway to address internal administrative and operational issues (e.g. complete overhaul of the systems and tools, business process reengineering, separation of financial accounts, upgrading the billing, accounting, and related management systems, etc.). Going forward, the GoE plans to continue the process of internal

reform and capacity development of the utilities.

9. **With GTP-II, the GoE's focus is on last-mile connectivity and not just infrastructure growth.** The GoE recognizes the need to focus on connecting households and has put strong emphasis on rapid scale-up of electricity connections, particularly, in areas that are already within the immediate and short-term reach of the network. Rolling out household connections is a top priority; it is also a high-impact, low-hanging fruit to be reaped in areas already served by the network, with corresponding generation capacity to serve those households already available or under construction. EEU, responsible for operating the distribution network as well as for expanding the rate of on-grid electrification, is also going through a process of departmental reorganization to align and streamline its business processes for increased service delivery.

10. **GTP-II has also put forward ambitious off-grid targets, which would continue the success achieved in the distribution of stand-alone solar systems under ongoing programs.** Currently, the off-grid expansion is implemented through two channels: (i) Rural Electrification Fund (REF), with focus on the installation of stand-alone solar systems facilitated by Regional Energy Bureaus (REBs), and public facilities program working with the Ministries of Health and Education both with geographical focus on un-electrified rural areas; and (ii) credit facilities administered by the Development Bank of Ethiopia (DBE) (since 2013 under the IDA-financed projects, Electricity Network Reinforcement and Expansion Project (ENREP) and ENREP Additional Financing (AF)), which are successfully channeling finances to support private sector enterprises (PSEs) and micro-finance institutions (MFIs) for deployment of off-grid renewable energy systems and energy efficient products. In the past three years, over a million households have benefited from improved access to renewable energy products and services, which include solar lighting and improved cooking solutions.

11. **Ethiopia aims to reach universal electricity access by 2025 in accordance with the National Electrification Program.** The GoE launched its '*National Electrification Strategy*' (NES) in June 2016. The NES defined the strategic priorities for sustainable energy sector development and scaling-up electrification. The GoE's '*National Electrification Program*' (NEP) will support the implementation of the electrification program and will be carried out in phases based on a least-cost, spatial-proximity targeting methodology. The NEP takes a comprehensive approach to electrification through a balance of on-grid and off-grid service provisioning, as well as public and private sector led interventions. Moreover, the NEP also aims to address the institutional and technical bottlenecks through a comprehensive set of program implementation support activities to be carried out in the near term to ensure the achievement of the targets. Projections indicate grid service delivery will remain primary delivery modality while off-grid is expected to reach a peak in 2025 serving 35 percent of the population and then tapering off to be a relatively marginal supply solution in 2030.

12. **The proposed Ethiopia Electrification Program (ELEAP) supports the NEP, by financing the first phase of grid intensification activities, building implementation capacity, and creating a blueprint for scaling-up electrification.** The proposed ELEAP is also designed to create the framework for crowding in resources from other development

partners. Using a Program-for-Results (PforR) instrument, ELEAP would help establish a sector-wide programmatic approach for financing electrification by demonstrating the viability of the NEP and ensuring good practices for access expansion.

### ***C. Relationship to the Ethiopia Country Partnership Framework***

**13. The proposed ELEAP is aligned with the Bank’s Country Partnership Framework (CPF) for Fiscal Years (FY) 2018-2021.** In particular, it supports Focus Area 2 (‘Building Resilience and Inclusiveness’), by providing access to electricity to the citizens of Ethiopia. It directly supports Objective 1.2 ‘Increased Access to Reliable Energy Supply’ by providing financing for the implementation of the NEP to significantly scale up energy access in the country and assisting the GoE reaching universal electrification. The operation also supports the CPF focus on building resilience and inclusiveness (including gender equality).

**14. The proposed ELEAP supports the Bank’s twin goals of poverty reduction and shared prosperity and is aligned with Sustainable Development Goal 7 (SDG7), Sustainable Energy for All (SE4ALL), and the Bank’s Energy Sector Directions Paper (ESDP).** Provision of last-mile electrification under the proposed ELEAP will increase access to electricity services for poor households, particularly in rural areas, enabling opportunities to study and work, contributing to raising quality of life and improving safety at night and stimulating off-farm activity and economic interaction. Increased access to reliable electricity supply will not only lower costs and improve the profitability of business enterprises, but is also key to enabling the set-up of new private sector-led enterprises, which stimulate GDP growth. In addition, the Program will contribute to the cross-cutting issues, such as, gender and climate change, by supporting expansion of low-emission renewable energy, which reduces women’s exposure to indoor air pollution and time-burden associated with obtaining alternative energy sources. In addition, improved electricity access for social services, such as, health clinics, will promote gender equality through gains in maternal health outcomes.

**15. The Bank is well placed to support the GoE’s NEP.** There is a strong development rationale for the public-sector support to the proposed ELEAP. The Bank has broad experience supporting the design and implementation of access programs around the world, such as, in Vietnam, Bangladesh, Kenya, Tanzania, and Rwanda. Under these programs, the Bank has provided support for the establishment of an adequate framework and financing for investments, to ensure sustainability of investments. Such experiences have allowed the Bank to identify lessons learnt and best practices at the technical, institutional, financial levels, factoring in the specific context of each country.

**16. The proposed ELEAP will build on the Bank’s ongoing support to the Ethiopian electricity sector value chain.** The Bank’s support to the energy sector includes over US\$1 billion of IDA financed projects under implementation which include energy resource development, network rehabilitation and expansion, as well as access enhancement. The Bank’s portfolio is well aligned with principles of ‘Maximizing Finance for Development’ under IDA-18. This includes supporting increased commercial financial flows to the electricity sector in power generation (development of IPPs), as well as supporting increased private sector participation in off-grid service delivery (under ENREP and NEP). The proposed ELEAP provides public sector financing for electrification initiatives where commercial financing is not considered viable, while also supporting utility reforms and institutional

strengthening which can further support increased commercial financial flows in the future. The Bank's comprehensive engagement has allowed it to gain deep understanding of the electricity sector and enables it to effectively support the implementation of the NEP, from the strategic perspective of overall universal electrification. Through its technical assistance engagements (e.g. ESMAF-funded Africa Renewable Energy Program, Africa Energy and Gender, and the State and Peacebuilding Fund), the Bank is already supporting the GoE fine-tune a comprehensive and coordinated electrification program (NEP-IRM). The proposed ELEAP will also help strengthen the institutional and technical capacity to define, implement and oversee the NEP, optimizing the allocation of financial, technical and institutional resources, and mobilizing investments from development partners.

17. **The PforR instrument is well suited to support the NEP.** The PforR instrument rewards achievement of and accountability for results. The NEP's primary objective to expand electrification through measurable targets, with clear outputs, and beneficiaries. In addition, the instrument provides the Bank with leverage to inform and influence key strategic and policy orientations necessary to implement a viable electrification program. The PforR instrument allows the establishment of high-level, programmatic targets, compared with the traditional investment approach, with focus on project-based implementation. As such, the PforR instrument provides a unique opportunity to influence system-wide improvements by supporting the GoE's flagship engagement in the electricity sector, i.e., the NEP. The results-based financing approach can drive momentum behind these objectives by incentivizing key outcomes that usually do not get sufficient attention. The PforR approach would allow the Bank's intervention to better align with the GoE's goals. The improvements expected as part of the proposed ELEAP at the institutional level will strengthen the sector. In this context, the sector institutions would also be incentivized to address the challenges of a growing sector, by focusing on improving their technical and operational performance. The PforR allows the GoE to use and strengthen its own systems, which not only ensures longer term sustainability of the NEP, but also provides a unique window of dialogue on core issues (e.g. utility reform, institutional capacity development, etc.). The implementation of the proposed ELEAP as a PforR, can also create a compelling vehicle for syndication of funds from other development partners.

## **II. Program Development Objective and Results**

### ***A. Program Development Objective (PDO)***

18. The Program Development Objective (PDO) of the proposed ELEAP is to increase access to electricity in Ethiopia and to enhance institutional capacity for planning and implementation of the Government's electrification program.

19. The following outcome indicators will be used to measure achievement of the PDO:

- **PDO Indicator 1:** Number of people provided with on-grid electricity service;
- **PDO Indicator 2:** Number of people provided with off-grid electricity service;
- **PDO Indicator 3:** Improved planning and implementation capacity of the electricity sector.

## B. Key Program Results

20. The proposed ELEAP will contribute to three key result areas formulated under the NES which are integral to the NEP's objectives of increasing access to electricity through coordinated on- and off-grid activities. These are summarized as follows:

**Program Results Chain**

<i>Results Area</i>	<i>Activities</i>	<i>Intermediate Indicators/Outputs</i>	<i>Outcomes</i>
Results Area 1: Increase access to on-grid electricity in areas covered by the grid	<ul style="list-style-type: none"> <li>• Service drops, including meters, and ready-boards.</li> <li>• LV and MV lines constructed or rehabilitated</li> </ul>	<ul style="list-style-type: none"> <li>• Cumulative number of non-residential grid connections made under the Program</li> <li>• Households connected to the grid under the Program that are female-headed</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Establish on-grid electricity connections</b></li> </ul>
Results Area 2: Increase access to off-grid electricity	<ul style="list-style-type: none"> <li>• Preparation of feasibility studies and implementation plans for mini-grids and stand-alone solar systems</li> <li>• Installment of renewable energy/hybrid mini-grids</li> <li>• Installment of stand-alone solar systems</li> </ul>	<ul style="list-style-type: none"> <li>• Households provided with electricity via mini-grids and stand-alone solar systems.</li> <li>• Cumulative number of mini-grids installed.</li> <li>• Cumulative number of stand-alone solar systems installed.</li> <li>• Cumulative capacity of renewable energy installed through mini-grid projects under the Program</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Provide off-grid electricity access</b></li> </ul>
Results Area 3: Strengthen sector capacity and institutional reform	<ul style="list-style-type: none"> <li>• Staff training &amp; annual capacity building activities</li> <li>• Preparation of studies on: <ul style="list-style-type: none"> <li>- Affordable customer connection policy</li> <li>- Low cost electrification/technical standards</li> <li>- Long-term financial sustainability</li> <li>- Power system rehabilitation</li> </ul> </li> <li>• Establishment of minimum entry conditions for procurement</li> <li>• Preparation of off-grid strategy</li> <li>• Establishment of gender and citizen engagement</li> </ul>	<ul style="list-style-type: none"> <li>• DoE with an integrated M&amp;E system established and maintained</li> <li>• Least cost GIS expansion updated yearly by MoWIE.</li> <li>• Annual connection roll-out plans adopted by EEU</li> <li>• Audited financial statements (compliant with International Financial Reporting Standards, IFRS) submitted</li> <li>• Acceptable performance of procurement processes and audit system</li> <li>• Reports on F&amp;C approved by FEACC</li> <li>• Adoption of accountability and grievance redress</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Sector capacity and institutional reform strengthened:</b> <ul style="list-style-type: none"> <li>- <b>Sector institutional capacity (including M&amp;E)</b></li> <li>- <b>Sector planning capacity</b></li> <li>- <b>Fiduciary Systems</b></li> <li>- <b>Gender and Citizen engagement systems</b></li> <li>- <b>Safeguards systems</b></li> </ul> </li> </ul>

	framework	mechanisms <ul style="list-style-type: none"> <li>• Increase in women’s employment at EEU</li> <li>• Reports on CE and gender published</li> <li>• ESMS per adopted guidelines established and maintained</li> </ul>	<ul style="list-style-type: none"> <li>• Improved cost-effectiveness of Program</li> <li>• Improved skill development</li> <li>• <b>Increase in customer satisfaction in key aspects</b></li> </ul>
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**III. Program Context and Design**

**A. Program Background**

***The Government’s Program - NEP***

21. The NEP aims to achieve universal electrification by 2025. The NEP will be carried out in phases, with the initial focus being on the first five years of the Program (2018-2023). The NEP is organized into three pillars addressing the dominant challenges of the sector: (i) Pillar 1: On-grid electrification; (ii) Pillar 2: Off-grid service expansion; and (iii) Pillar 3: Sector capacity and institutional reform. Each of the pillars provides a specific menu of activities to be carried out to reach universal electrification. The phased focus under the NEP also allows for enhanced technical planning and fund mobilization.

22. **Pillar 1 - On-grid electrification:** Given the unique situation of the electricity sector in Ethiopia (sufficiency of supply and vast grid network footprint), the core focus of the NEP in the early years will be around on-grid access provision. The execution will be carried out as follows:

- (i) **Densification:** Given the status of the electricity supply as well as grid coverage in Ethiopia, the NEP, in the early years, will be targeting last-mile connections to nearly 5 million households that are in close vicinity to the existing network infrastructure of EEU. These connections mostly require short low voltage (LV) expansion, service drops, and meters.
- (ii) **Expansion:** The second phase of the NEP will target connecting new customers who are not proximate to the existing grid. These connections will require both medium voltage (MV) and LV extensions (as well as possible reinforcement of the transmission network and energy generation). Detailed network design for grid expansion will be informed by completion of the comprehensive geospatial least-cost roll-out plan (under development).

23. **Pillar 2 - Off-grid service provisioning:** Understanding that the expansion of on-grid service is a multi-decade undertaking, support for sustainable and affordable off-grid service provision (e.g. stand-alone solar systems or mini-grid systems) will be implemented under the NEP alongside the on-grid connections rollout. Pillar 2 of the NEP targets communities for which the grid still represents the optimal technology solution, but would not be reached



within the next 5-10 years (pre-electrification beneficiaries) as well as communities and villages for which grid is not the least-cost solution. Two main sub-programs are:

- (i) **Stand-alone solar:** Targeting the rollout of solar photovoltaic (PV) systems through a combination of public and private sector led approaches. The private sector would be supported by a combination of market development support and access to finance programs (such as, credit facilities provided by the DBE). In remote areas of the country, where private sector has not established distribution channels, public program will be implemented (for instance, through the EEU or the MoWIE. The implementation modalities for public and private provision of stand-alone solar systems will be defined in the planned off-grid strategy (as part of the NEP).
- (ii) **Mini-grids:** Targeting the roll-out of micro/mini-grids with local LV networks and powered by appropriate renewable energy resources (solar or hybrid), implemented through a combination of public and private sector led approaches. Deployment of a nationwide mini-grid program in remote areas will require clarity on tariffs, grid integration protocol, quality of service, etc.; these issues will be addressed in the planned off-grid strategy under the NEP.

24. In addition, the NEP targets to achieve universal access for all social services delivery institutions, especially, in the health and education sector, as well as ensure adequate and reliable services for new established ones. Under the NEP, secondary schools and health centers are expected to achieve universal access by 2022; primary schools and remote health posts by 2025.

25. **Pillar 3 - Sector capacity and institutional reform:** Focuses on providing the necessary technical assistance and capacity building support required by the sector institutions to achieve the ambitious targets set under Pillar 1 and Pillar 2 - directly supporting the achievement of outcomes from the first two pillars. This includes a comprehensive program with focus on utility reform and skill development in the following areas: (i) planning capabilities; (ii) technical and commercial capacities; (iii) financial management functions; (iv) streamlining procurement; (v) transparency, accountability, and governance; (vi) safeguarding the environment and society; (vii) gender equity; and (viii) long term sector financial viability.

### ***B. Environmental and social systems aspects***

26. The proposed ELEAP supports last-mile electricity service delivery through on-grid and off-grid electrification activities which are likely to have limited environmental and social impacts during the construction and operation phases. An Environmental and Social Systems Assessment (ESSA) was carried out to assess the institutional capacity of the implementing agencies (EEU and MoWIE) as well as the respective regional and local level counterparts, to plan, monitor, and report on environmental and social management measures and address social and environmental issues associated with the Program (see Annex 6 for details).

27. Both positive and negative impacts could result from the Program activities. The environmental and social benefits will be derived from substitution of hydrocarbon based fuels (e.g. kerosene) of electricity for household and business electricity sources and increased reliance on renewable energy sources and access to electricity. However, poor planning and implementation of the proposed ELEAP could adversely affect the biophysical and social environment, on which the population relies. The potential adverse environmental and social impacts of the Program are likely to be associated with construction and rehabilitation of MV and LV distribution lines, upgrade of substations, installation of transformers, construction of mini-grids, and disposal and replacement of spent lead-acid batteries from stand-alone solar systems. The potential adverse social impacts are likely to be associated with land acquisition for mini-grids and possible acquisition of way leaves (rights of way) for MV and LV distribution lines. The anticipated impacts of the proposed ELEAP are expected to be minimum and most of them may stem from ground disturbance due to vegetation clearance and excavation/digging for pole erection; masonry activities to reinforce the electric pole; onsite concrete mixing; transportation and distribution of solar systems; installation of equipment; and waste management within and around the core activities area. These are also not anticipated to be of large-scale but could affect individual Program Affected Persons (PAPs) that may lose assets, including, structures, crops and trees, and the use of portions of their land. It is anticipated that most of the adverse effects, associated with the construction and operation will be reversible in nature and there are no impacts that will lead to irreversible negative permanent change.

28. The overall risk rating for the environmental and social safeguards under this Program is rated 'moderate', reflecting primarily the lack of technical personnel, knowledge, budget and other facilities for overall safeguards management, particularly at the local and regional levels of EEU and Regional Energy Bureaus (REBs). The ESSA has identified the key measures to help the implementing agencies overcoming gaps related to environment, social, and safety aspects and improvements of the implementing agencies system on safeguards management. To mitigate the risks and weaknesses noted, carefully selected actions as shown in the Program Action Plan and DLIs seek to address these challenges.

29. Activities that could have significant adverse impacts, are sensitive, diverse, irreversible or unprecedented on the environment, and/or affected people are not eligible for ELEAP financing, and are excluded from the Program. Screening of risk will be part of the implementation of the ESMS for which training will be provided. The draft ESSA was disclosed in country and at the Bank's external website on June 23, 2017. Public consultations on the draft ESSA took place on July 6, 2017. Following incorporation of the feedback received, the revised ESSA was disclosed at the Bank's external website on August 22, 2017.

30. **Grievance redress:** Communities and individuals who believe that they are adversely affected because of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance redress mechanism or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Affected communities and individuals may submit their complaint to the Bank's independent Inspection Panel which determines whether harm occurred, or could occur, because of Bank's non-compliance with its

policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## II. Program financing

USD 250,000,000.00

Source:	(\$m.)
Borrower/Recipient	247.5
IDA	375.0
Others	54.0
Total	676.5

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