

Initial Project Summary

Project Location: Malicounda, Mbour, Senegal

Name of the Applicant: Actis Energy 4 Fund

Name of the Project: Malicounda Thermal Power Plant

Project Description:

The Project involves the construction and operation of a 120 mega Watts (MW) thermal power plant that is located in the Commune of Malicounda of the Mbour Department in Senegal. The Project consists of the installation of seven combustion engines of 18 MW each, a steam turbine, and a short transmission line of approximately 200 meters in length connecting the power generation units to an existing substation. The main fuel for the entire power plant will be heavy fuel oil. The power plant site is located near the village of Malicounda Wolof in an area comprising of a mix of agricultural fields and empty, uninhabited residential plots. Water will be used for cooling, steam generation, and other uses at the plant. The thermal power plant will be located on a 18-hectare plot of land. The construction period is estimated to last 22 months with peak construction requiring about 400 workers.

Environment and Social Categorization and Rationale:

The Project has been reviewed against the DFC's categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because the Project involves greenfield construction that has the potential to result in significant environmental and social impacts and has the projected greenhouse gas emissions (of approximately 720,000 tons of carbon dioxide equivalent [CO_{2eq}] per year) exceed the 100,000 tons of CO_{2eq} per year threshold established under the DFC's Environmental and Social Policies and Procedures (2020).

The primary environmental and social issues associated with the thermal power project are: air emissions (especially particulate matter, sulfur oxides, and nitrogen oxides) and ambient air quality impacts; groundwater abstraction and its impact on the existing users; surface water quality impacts from the discharge of wastewaters; waste disposal; process safety hazards associated with the handling of fuel oil and other petroleum (inflammable) products; waste disposal; occupational, health and safety during both construction and operations; life and fire safety; influx and management of construction workers; noise; community health, safety, and security; land acquisition; and traffic impacts both during construction and operation of the power plant. The Project will limit its water abstraction rates to levels recommended by the hydrogeological study which has been prepared as a part of the ESIA disclosure package.

The process for acquisition of parcels of land, including the 6 ha for the power plant, was managed by the national electricity company, SENELEC, starting in 2011 as part of the acquisition of a total area of 15ha earmarked for development. SENELEC's land acquisition resulted in economic displacement for 46 Project Affected Persons (PAPs) who engaged in agricultural activities on the site. There was no physical displacement. The Project has developed a Resettlement Action Plan to document the land acquisition process to date and to outline the additional compensation

payments planned to meet international standards. A Stakeholder Engagement Framework was also prepared as part of the ESIA disclosure package.

Due to the ongoing restrictions related to COVID-19, further data collection was not feasible at the time of posting. A third-party consultant was engaged to review the ESIA package and identify gaps and corrective actions. The Environmental and Social Action Plan (ESAP) is also disclosed.

Environmental and Social Standards:

International Finance Corporation's (IFC) Performance Standards (January 2012) 1 (Assessment and Management of Environmental and Social Risks and Impacts), 2 (Labor and Working Conditions), 3 (Resource Efficiency and Pollution Prevention), 4 (Community Health, Safety, and Security), and 5 (Land Acquisition and Involuntary Resettlement) are triggered by the Project. However, the Project is not expected to have any direct impacts on biodiversity, Indigenous Peoples or cultural heritage as defined by the IFC. Therefore, Performance Standards (P.S.) 6, 7, and 8 are not triggered by this Project at this time. The guidelines applicable to the Project include the IFC's Environmental, Health, and Safety (EHS) General Guidelines (April 2007), IFC's Environmental, Health, and Safety Guidelines for Electric Power Transmission and Distribution (April 30, 2007), and the IFC's Environmental, Health, and Safety Guidelines for Thermal Power Plants (December 19, 2008).

Location of Project Information in the Local Area:

Mairie de Malicounda (Hotel de Ville), Municipal Office, Malicounda, Mbour, Senegal