Early Warning System

MIGA-12582

Amandi Energy Limited

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Quick Facts

Countries	Ghana
Specific Location	Aboadze
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Proposed
Bank Risk Rating	A
Voting Date	2015-07-30
Borrower	A. Energy Development Limited
Sectors	Energy
Potential Rights Impacts	Healthy Environment, Housing & Property, Right to Water
Investment Type(s)	Loan
Investment Amount (USD)	$ 360.00 million

Project Description

Amandi Energy Limited (AEL) is a power company incorporated in Ghana to construct and operate a new 190MW power plant capable of operating on both natural gas and fuel oils (Light Crude Oil and Diesel Fuel Oil). The power plant comprises one turbine coupled with a generator, one heat recovery steam generator and one steam turbine. The light crude oil will be delivered by tankers and via a 4.5km pipeline to the existing Takoradi Thermal Power plant station complex. From there, a new 1.3km pipeline will be constructed to the project site and the crude oil will be stored in tanks on-site. The project also includes the construction of a 1.2km sea water intake pipeline, 600m discharge pipeline, water treatment plant, approximately 2km of site access roads, a new 330kV sub-station, and up to 1.3km 330kV overhead transmission lines to the existing 330kV sub-station. The project is intended to produce electricity for sale solely to the Electricity Company of Ghana.

Location: The project is located in the Western region of Ghana at Aboadze, approximately 12km from Takoradi, the western regional capital. The other site boundaries are the Anankwari river to the west, beach and Atlantic Ocean to the south and further marshland (including forest and mangrove) with bare/scrub ground to the north.

Resources needed: 62.55 acres of land

Early Warning System Project Analysis

Risk Assessment: Category A.

The Multilateral Investment Guarantee Agency (MIGA) classifies proposed projects based on the type, location, sensitivity, and scale of the project and the nature and severity of its potential environmental impacts. Category A is assigned to a project only if it is likely to have “significant adverse environmental impacts that are sensitive, diverse, or unprecedented.”

APPLICABLE SOCIAL AND ENVIRONMENTAL STANDARDS

PS3 Resource Efficiency and Pollution Prevention:

This safeguard is triggered due to “air emissions that include dust particles and stack emissions (sulphur dioxide, nitrogen oxides and carbon monoxide). During construction, the plant will release sanitary waste, oily water and storm water run-off which may contaminate the water sources. Parts of the project site are waterlogged due to storm water drainage from the adjacent VRA Takoradi complex and the high water table

PS4 Community Health, Safety and Security:

This safeguard is triggered due to the existence of eleven households and an orphanage with close proximity to the proposed sites for the power plants. The need for skilled labor is likely to lead to an influx of migrant workers in the surrounding areas leading to increased crime and pressure on land and existing facilities.
PS5: Land Acquisition and Involuntary Resettlement- this safeguard is triggered because “the project needs to have a 50 meter right of way for the 1.3km transmission lines (one segment of 600m and another of 700m).”

PS6 Biodiversity Conservation and Sustainable Management of Living Natural Resource:

This safeguard is triggered due to “potential loss of 75ha of wetland habitats (including lagoons, streams, mangroves and swamps) along with potential losses and disturbances of flora and fauna which may result in a change in habitat and species composition.” Influx of workers may compound the habitat loss through actions like bush meat hunting, collection of charcoal/ firewood and materials needed for housing.

PS8 Cultural Heritage:

This safeguard is triggered because Anankwari river is considered sacred by the local populations and bound to be affected by project activities.

People Affected By This Project

OUR RISK ASSESSMENT

Based on the MIGA's project documents, this project poses potential risks to the following human rights:

Right to a Healthy Environment:

- Burning of gas/oil is likely to increase the emission of sulphur dioxide, nitrogen oxides and carbon monoxide as well as particulate matter which can adversely affect the health of the people in the project area.

Right to Water:

- Quality of water in Anankwari river is likely to reduce due to contaminated run off, high sediment loads, oil and grease from the project site. This is likely to increase risk of pollution to other surface or ground water features.

Right to Property & Adequate Housing:

- Acquisition of land for the Right of Way and involuntary resettlement of communities close to the project site (eleven households and an orphanage) is likely to disrupt their livelihoods.

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

Bank financing: MIGA

Borrower: Amandi Energy Limited

Amount of bank loan or investment: $360 million

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Amandi Energy Limited	Client	-
-	-	-	-	Electricity Company of Ghana Limited	Contractor	-

Contact Information

*No contact available at time of writing.

1. Details on any consultations with communities that are planned;

The first round of public consultations was held between 06/06/2013 and 30/09/2013 within communities that would be affected by the project. The second round of consultations held between 06/10/2013 and 23/12/2014 involved community members, District Officials and Project officials. The consultations were in form of presentations of findings from the consultations held in the first round and progress of project implementation. The third round of consultations held between 26/04/2015 and 27/04/2015 involving representatives from affected communities, government and AEL aimed at monitoring progress of the project by MIGA.

As per the Ghana Environmental Protection Agency (EPA) environmental permit, Amandi Energy Limited will supply EPA with a Construction/Works Program ahead of construction. Monitoring reports and annual environmental reports during operations, an operations Environmental and Social Management Plan (ESMP) as well as Environmental and Social monitoring reports during construction and operations covering compliance with Ghanaian requirements will be provided.

2. Details on any grievance mechanisms to be established;

The project has a Grievance Management Committee comprising two members of the Royal Family's Land Committee, an officer of the Lands Commission, two officials from AEL and the Assemblyman (a government representative in the community). The committee receives and manages concerns and complaints from project affected persons from communities. In addition, AEL's Project Development Manager is expected to be in regular contact with members of the community and they have been promised unrestricted access to him during the day.

3. Summary of the bank's accountability mechanism.

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA-financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC/MIGA is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Project documents accessible at: https://www.miga.org/pages/projects/project.aspx?pid=1430

ACCOUNTABILITY MECHANISM OF MIGA

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Campaign Documents

- ECG Workers Get Hiv/Aids Policy Document [Ghana]