



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 02/17/2022 | Report No: ESRSA01940



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Congo, Democratic Republic of	AFRICA EAST	P173506	
Project Name	Access Governance & Reform for the Electricity and Water (Eau) sectors		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Energy & Extractives	Investment Project Financing	2/9/2022	3/31/2022
Borrower(s)	Implementing Agency(ies)		
DEMOCRATIC REPUBLIC OF CONGO	Ministère des Ressources Hydrauliques et de l'Electricité (MHRE)		

Proposed Development Objective

The development objective of the project is to (i) expand access to renewable-based electricity and drinking water services in selected urban and peri-urban areas, (ii) improve the commercial performance of the electricity and water utilities, and (iii) strengthen the capacity of selected provincial and national institutions in the electricity and water sectors.

Financing (in USD Million)	Amount
Total Project Cost	984.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The project aims to significantly scale up access to electricity and water services in selected urban and peri-urban areas of the DRC while improving utility governance and performance, and strengthening capacity of public institutions at provincial and national level. It will expand electricity and/or water services in selected cities across ten provinces (referred to as thirteen priority provincial cities), implement required reforms and operational



improvements to put both SNEL and REGIDESO on a recovery path, strengthen the capacity of key national and provincial institutions, and strengthen the legal framework for the sanitation sector. Electricity & water access expansion, along with reform and capacity building, will be pursued following the Maximizing Finance for Development (MFD) cascade approach, focusing on tiers 2, 3, and 4. As DRC's energy and water sectors cannot mobilize cost-efficient commercial financing for sustainable infrastructure development, the project components 1 and 2 will address market failures and support the regulatory environment (e.g. tariffs, regulations, private operator support), support upstream reforms of SNEL, pilot the regionalization of REGIDESO through provincial utilities, and strengthen institutional capacities at provincial level (MFD Tier 2). To provide essential electricity and water services in cities unserved or very poorly served by state-owned utilities, component 3 will use concessional financing to leverage private finance, enhance commercial credits through a portfolio partial credit guarantee, and set up risk mitigation instruments in close coordination with IFC and MIGA (MFD Tier 3). In selected cities covered by SNEL and REGIDESO with unreliable service, component 4 will finance infrastructure rehabilitation and expansion for electricity and water services and carry out investment studies and plans.

The project will leverage synergies between the energy and water sectors to provide a package of electricity, water, and sanitation services to households, productive and community users in targeted cities. In Kinshasa, the distribution network in the Western and Central communes will be rehabilitated and its operation and maintenance improved, to enhance the quality of and increase access to electricity for households and small & medium enterprises (SMEs). In Kananga, the project will construct a renewable-based decentralized power grid, a new water treatment plant, rehabilitate and expand water storage facilities and distribution network, facilitate electricity and water connections for households, productive users (new water treatment plant, pumping stations, fish and agricultural product conservation facilities, telecom towers), and WASH facilities for health centers and schools. In Goma, it will provide private electricity and water operators with subsidies, credits, and technical assistance to expand electricity and water services to households, small and medium enterprises, and productive users. Similarly, currently established private electricity operators in Butembo (Nord Kivu), Beni (Nord Kivu), and Tshikapa (Kasai) will benefit from subsidies, credits and assistance to expand electricity connections. Water treatment capacity will be expended and operators of autonomous water systems in Beni, Butembo, and Nord Goma will benefit from subsidies, credit and technical assistance to expand water supply access. In Gbadolite, the rehabilitation of one generation unit at the Mobayi-Mbongo Hydropower plant, initiated under the EASE project, will be completed and the operation and management of the associated distribution network improved. A number of health centers and school in some provincial cities will be electrified and WASH facilities will be constructed, including public/communal facilities. In preliminary selected pilot towns, including Bukavu and Goma, community awareness campaigns will be implemented, accompanied with support to private sanitation operators/emptiers and the construction of a fecal sludge treatment plant, including adequate O&M arrangements. In all targeted cities of the ten provinces, off-grid solar operators will be incentivized to disseminate solar home systems. All ten provincial governments will receive technical assistance to some extent.

The project comprises four components and a CERC component.

Component 1: Power and Water Utility Governance and Performance

This component will support the GoDRC's plan to advance reform of SNEL and REGIDESO while improving their performance, using performance-based conditions. In the electricity sector, advancing SNEL reform while improving its performance will involve supporting restructuring option studies and implementing a performance contract between SNEL and the State that will target critical aspects such as tariff setting/adjustment, Government bill payment, commercial operations & customer payment options, distribution network maintenance and



accountability/transparency. In the water sector, advancing reform and performance will require the implementation of REGIDESO's restructuring strategy/plan, which consists of establishing two autonomous provincial water utilities under service delegation contracts with their respective provincial governments as asset owners, as well as implementing an O&M contract for the Kananga provincial utility (PBC7). Reflecting lessons learned from past reform support, the component includes performance-based conditions to reward achievement of key reform/performance improvement actions.

Component 2: Institution Strengthening and Development Support

Complementing the utility governance and performance improvement (Component 1), component 2 seeks to bolster key public institutions to play their roles more effectively in accordance with the Electricity and Water Laws. It will strengthen the capacity of provincial governments (subcomponent 2.1) and sectoral ministries and agencies (subcomponent 2.2) by setting up infrastructure units, assisting in staff recruitment & training, developing regulatory and other operational tools, and providing limited office space/equipment. In addition, the component will contribute to advance planning, support portfolio development, facilitate private sector development and mainstreaming of environmental and social standards (subcomponent 2.3). It will also provide key project implementation agencies with resources for effective project management and coordination (subcomponent 2.4).

Component 3: Private Sector-based Access Expansion

The component will support the implementation of a streamlined national DRC mini-grid program that will leverage private sector investments to accelerate access in cities not served or poorly served by national utilities. The program will provide a single platform for other donors to support DRC electrification, through mini-grids or off-grid solar products, with the World Bank taking the leading role in supporting the program design and operationalization. The program will promote two approaches. The first approach (top-down) will competitively select mini-grid developers that will bring complementary financing to construct and run decentralized renewable-based grids (large mini-grids) in selected provincial capitals (sub-component 3.1). Based on agreed criteria (such as access rate, Provincial Government commitment, private sector attractiveness, synergies with other World Bank-financed projects, and security & accessibility), two provincial capitals (Kananga in the Kasai Central and possibly Mbuji-Mayi in Kasai Oriental, for a total over 3.5 million people) are being considered for electrification through this top-down approach. The top-down approach will be piloted the first time with World Bank financing leveraging the Sustainable Renewables Risk Mitigation Initiative (SRMI) program, the WBG Scaling Mini-Grid initiative and template documents while incorporating lessons learned from the FCDO-funded Essor Program. The second approach (bottom-up) will help expand mini/off grids/networks for increased electricity and water services by providing private electricity and water operators with results-based subsidies and commercial financing facilitated by a Partial Portfolio Credit Guarantee (PPCG) fund (subcomponent 3.2 on electricity and subcomponent 3.3 on water). The PPCG is being set up and operationalized under the World-Bank SME project, and the proposed project will provide dedicated funding windows for the electricity and water sector. Private capital (loans and equity) that would be mobilized through this component is estimated at US\$ 200 million.

Component 4: Public Sector-based Access Expansion with Private Sector Involvement

The component will improve the quality of and increase access to electricity and WSS services in selected areas managed by state-owned utilities. It will finance the rehabilitation and expansion of power, water, and sanitation infrastructure as well as service connections for households (including vulnerable female-headed households), businesses, and public facilities in selected SNEL & REGIDESO distribution network areas in Kinshasa (energy sector), Kananga (water/energy sector), Goma (water and sanitation), Bukavu (sanitation), Butembo (water), and Beni (water),



with private sector involvement in operation and maintenance to improve operational performance (sub-components 4.1 and 4.2). The component will also contribute to develop human capital in selected provincial cities by increasing job opportunities for women as well as electrifying and providing basic WASH facilities to selected hospitals, laboratories, health care facilities, schools and public places (markets, transport hubs) in synergy with other World Bank-financed health and education projects (sub-component 4.3).

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project will expand electricity and/or drinking water services in 13 cities in 10 provinces: Bandundu (950,683 ppl.); Thsikapa (970,831 ppl.); Kananga (1,524,234 ppl.); Mbuji-Mayi (2,642,794 ppl.); Goma (670,218 ppl.); Kikwit (526,217 ppl.); Butembo (744,838 ppl.); Beni (311,723 ppl.); Gbadolite (1,482,076 ppl.); Bukavu (1,133,371 ppl.); Mwene-Ditu (1,252, 469 ppl.); Bunia (900,666 ppl.), Kabinda (1,430,504 ppl.). In the city province of Kinshasa, the activities will be carried out in ten (10) communes (Kalamu, Bumbu, Mont-Ngafula, Selembao, Ngiri-Ngiri, Makala, Bandalungwa, Kintambo, Ngaliema and Barumbu) with an estimated population of 4,944,175 inhabitants in 2020 (Cellule Infrastructures -ESIA report, 2021). Population growth in Kinshasa and other provinces (Goma, Bukavu, Mbuji Mayi, etc.) has led to densification of already crowded areas, and high rates of unemployment and lack of lighting has led to increasing insecurity and gang violence in poorly-planned neighborhoods.

Targeted cities are at risk of natural hazards including earthquake, landslide, severe storms, gases accumulation in Kivu, Lake floods, and coastal and soil erosion. Earthquakes occurred in 2021 (Goma), 2008 (Bukavu district), and 2015 (Kabare, Bukavu). Severe storms incurred in Kikwit district in 2008, and floods constituted the most frequent disaster in Kinshasa, Goma, Kananga, etc. The water sources to be used include Lake Kivu (additional abstraction of 12,000 m³/ per day); Tshibatshi river (rehabilitation of the water intake station in Kananga), and Tabi -Luhule and Talihiya rivers (abstraction of 30,000 m³/per day). These potential drinking water sources are not properly protected from encroachment and pollution, posing further risks to drinking water hygiene and safety. The physical environment in the project area and in locations in the targeted cities is broadly characterized by a strong existing anthropogenic imprint typical of provincial capitals, intra-urban, suburban and rural areas, including transport infrastructure and residences. However, the "Generation Sites" including transmission lines for the Kananga and Mbuji-Mayi mini-grids may require greenfield lands in Kananga where the total area of humid primary forest decreased by 25% between 2002-2020 (WRI, 2021). A state of siege has been declared for the provinces of North Kivu and Ituri, and the security situation may prevent or delay the civil works and achievement of project objectives. North Kivu and Gbadolite are the sites of an Ebola epidemic, and a new case was recently detected in Butembo. Regarding COVID19, North Kivu and Haut Katanga account for 17,7 percent and 20, 4 percent of confirmed cases in DRC. Kinshasa accounts for 16,3 percent of confirmed cases.

According to the monograph on the city of Kinshasa (S. Shomba et al. 2015) and the report entitled " Profil résumé pauvreté et conditions de vie des ménages 2009" published by the UNDP, Kinshasa has an incidence of poverty of approximately 41.6%. However, given that it represents 10.7% of the national population, it concentrates 6.1% of the Congo poor. In this regard, surveys conducted by ICREDES (2017) show that the largest number of poor people are found in the category of inactive, unemployed, and retired households. In Goma, the poverty rate is estimated at 67.7% (INS, Enquête 1-2-3), while in South Kivu it is 84.7%. In the provinces of Kasai and Kasai Central, the incidence of poverty is estimated at 55.8%. The poverty rate is 62.3% for the provinces of Kasai Oriental and Lomami. Overall,



except for South Kivu province, these rates appear to be below the national average of 70%. However, poverty is more prevalent in female-headed households than in male-headed households (ICREDES, 2017). The causes of poverty are high household size, high unemployment, and income insecurity of working people. The social structures of the ethnic groups in the project area can be analyzed through two sets of criteria, one related to time: clan, family; the other related to space: village, land group, grouping. These two sets often coincide in content, but the case is far from general. Thus, the same individual belongs to a family and a clan through his ancestry, to a village and a land grouping through his residence, and to a group through his political affiliation. Each group membership gives the individual specific rights and duties. The relationships between these different groups are complex depending on the case. The DRC is made up of more than 275 ethnic groups and tribes. The Bantu constitute most of the population in the project area. They are organized into tribes, each with its own vernacular language. The official language is French. However, local communication in the eastern towns (North Kivu, South Kivu and Ituri) is in Swahili. In Kasai, the language generally spoken is Tshiluba, followed by Songe in Lomami. For Kwilu, it is Kikongo followed by Lingala, which is also spoken in Kinshasa. Project activities will take place in urban and peri-urban areas, which are not Indigenous Peoples' areas. Access to electricity is a key challenge in many targeted cities. For e.g. in Kinshasa City, 55 percent of households do not have access to electricity while in Mbuji-Mayi, about 87 percent of households lack access to electricity (USAID, 2019). IFC will initially support Government of DRC, alongside IDA, in tendering the mini-grid projects for Kananga and Mbuji Mayi, aiming at connecting up to 350,000 households. While access to improved water is overall much better in urban than in rural areas, smaller towns are doing worse than larger cities. For e.g., in North Kivu (Goma, Butembo, Beni) and Kasai Central (Kananga), access to improved water sources is 68.5 percent and 21.1 percent, respectively (MICS 2018).

Financing Partners will include MIGA and IFC. OP 4.03 is triggered and the project will apply World Bank Group (WBG) Performance Standards for Private Sector Activities, including relevant WBG Environment, Health, and Safety (EHS) Guidelines, to the financing to concessionaires that will also be supported by MIGA and IFC's lending under subcomponent 3.1 (Top-down Electrification of two Provincial Capitals). The financing of Viability Gap Financing (VGF) and some accompanying TA to selected private operators under component 3.1 will also be governed under the WBG Performance Standards.

The Bank's Environmental and Social Framework (ESF) will apply to activities under responsibility of the government. Project activities carried out by the Borrower under the ESF in which the Environmental and Social Standards (ESSs) apply include Component 1: Power and Water Utility Governance and Performance, Component 2: Institution Strengthening and Development Support, sub component 3.2 & 3.3 (Financing Support for bottom-up electrification / water service provision by Private Operators not covered under component 3.1) and activities under Component 4 (Public Sector-based Access Expansion). Under component 4, subcomponent 4.1, a draft ESIA/ESMP was prepared for rehabilitation and expansion segments of the Kinshasa's Western and Central distribution network. Component 1 and 2 activities that have relevance for the ESF include Technical Assistance for Provincial Governments; Technical Assistance for Central National Sectoral Agencies; planning and Investments Development Support, the establishment of two autonomous provincial water utilities; study and pilot the involvement of the private sector in the maintenance and operation of a selected rehabilitated perimeter in the Kinshasa distribution network, etc. Sub-component 3.2 and 3.3 will involve provision of results-based grants to private electricity and water operators through the Mwindu Fund to be managed by an international Fund Manager under the oversight/decision of "Agence Nationale des Services Énergétiques en Milieu Rural et Péri-Urbain (ANSER)", which is the national agency for rural energy services (for electricity sector) and Office Congolais des Eaux (OCE), which the Congolese water authority, established and operating under the MRHE (for water sector). The Fund Manager will decide on the investments to be made, within the limitations of its mandate and the strategic guidance defined by ANSER and OCE. Once decisions on eligible investments are made, ANSER will enter into performance-based Grant Agreements with the eligible private



electricity for rural and peri-urban investments, while UCM will enter into performance-based grant agreements with eligible private electricity, and OCE will enter into such agreements with private water operators for (peri-)urban investments.

Project activities to be implemented under the component 4 include rehabilitation and expansion of power, water, and sanitation infrastructure as well as service connections for households, businesses, and public facilities in selected SNEL-national electricity utility distribution areas, and in (REGIDESO- national water utility, and its future subsidiaries, distribution network areas in Kinshasa (energy sector), Kananga (water sector), Goma (water and sanitation), Bukavu (sanitation), Butembo (water), and Beni (water). In Kinshasa, it will rehabilitate segments of the distribution network in the western and central communes. In Kananga, it will rehabilitate/construct a water treatment plant, segments of existing distribution networks and storage capacity (including dismantling of the asbestos pipe network) and connections. In Bukavu and potentially Goma, the project will support Fecal Sludge Management (FSM) by constructing a small-scale fecal sludge treatment plant, sludge transfer station as well as sanitation awareness campaigns and assistance to professionalize private sector sludge service companies.

D. 2. Borrower's Institutional Capacity

The project will be anchored in the ministry of water resources and electricity (MRHE). MRHE's implementing unit—UCM—will lead the implementation with UCM taking the overall project coordination role. UCM has experience implementing Bank-financed energy projects including the IDA-financed EASE project (P156208) and the IDA-financed energy subcomponent of the Kinshasa Development and Urban Resilience project (Kin Elenda, P171141). Similarly, CEP-O under REGIDESO implemented the IDA-financed Urban Water Supply Project (PEMU, P091092) from 2009 to June 2021 and is implementing the water component of the Kin Elenda project (P171141). Other key stakeholders include Comité de Pilotage de la Réforme des Entreprises Publiques (COPIREP), concessionaires/developers, private electricity and water operators (Virunga SARL, Ime Jibu, Congo Maji, SOCODEE, Energie du Nord Kivu, Nuru, Electricité Du Congo, etc.) SNEL, Autorité de Régulation de l'Électricité (ARE)/electricity regulatory agency, REGIDESO and ANSER.

A Memorandum of understanding (MoUs) between the implementing agencies—UCM, CEP-O, COPIREP, ANSER, and ARE—will be prepared and signed by effectiveness. An MOU will then be signed between OCE and UCM. UCM and CEP-O are familiar with World Bank safeguard policies. CEP-O/ REGIDESO has two environmental and social (E&S) specialists that support projects on E&S risk and impact management. SNEL has three 03 environmental specialists and 03 social experts with acceptable level of expertise on Bank safeguards policies. Their role and responsibilities include review of Terms of References and ESA instruments, identification and evaluation of agricultural and land assets, implementation of resettlement action plans, joint supervision mission with the implementing units. In addition, implementing units rely on the SNEL local offices for the E&S oversight.

The Mwindu Fund Manager will be competitively recruited and have experience in vetting sub-projects for their environmental and social impacts under the ESF. OCE and ANSER have no experience in assessing capacities and managing risks of the water private operators and will require substantial support and capacity building in environmental and social management systems. ANSER and OCE will provide oversight responsibilities for Environment, Social, Health and Safety (ESHS), with technical assistance from the Mwindu Fund Manager. They will report measures to manage E&S risks and impacts to UCM. The reporting process and formats will be reflected in the Project Implementation Manual (PIM) and Results-based Manual.

The capacity of the private electricity and water operators is highly variable, they generally do not have experience with the ESF, and lack policies and procedures to manage E&S risks. Virunga SARL, a private electricity operator, has a safeguards team (12 staff) and prepared two ESIA reports under the IDA-financed EASE project (P156208). Nuru, a



private hybrid solar off-grid developer and operator, staffing includes one safeguards specialist. SOCODEE and Ime Jibu, both private water operators, staffing do not include a safeguards specialist. The E&S capacity of all private electricity and water operators need to be strengthened, in order to comply with ESF requirements. Considering the scope of the new project, UCM’s safeguards staffing will be increased. A GBV Specialist, under social specialist coordination, will be recruited within 90 days from the Effective Date to complement the two UCM E&S Specialists based in Kinshasa. Safeguard Specialists will be recruited and based in Goma, Kananga, and Mbuji-Mayi, where substantial infrastructure will be built.

The Ministry of Environment and Sustainable Development (MEDD) governs environmental policies and compliance through its Congolese Agency for the Environment (Agence Congolaise de l’Environnement). ACE is responsible for monitoring and management of E&S impacts for all projects in accordance with national regulations. It approves and monitors implementation of Environmental and Social Impact Assessments (ESIAs) and Resettlement Policy Frameworks (RPF). The agency is understaffed, has limited capacity, and still largely relies on donor and project funds to carry out its field supervision duties. Its capacity and powers are constrained due to limited staff and funding.

The following capacity building approach has been agreed : (i) a dedicated safeguards budget will be earmarked, under subcomponent 2.4 to enable adequate safeguards supervision, provide private operators with training and assistance on ESF, provide holistic assistance to GBV survivors, and facilitate activation of grievance redress mechanism (GRM) committees to be established in many provincial capitals; (ii) additional capacity needs assessment of the above listed entities, including the Mwindi Fund Manager, ANSER, OCE, the private electricity and water operators, and concessionaires will be conducted, and a capacity building plan developed no later than 03 months from the Effective Date. It will include an end-to-end task-based evaluation of E&S supervision needs to be made based on activities selected by the project. It will also include the services of an experienced and reputable consulting firm to build E&S capacity of the Fund Manager, ANSER, OCE and private electricity and water operators. Capacity development and support for the operators is expected to include support for development of environmental and health and safety management systems consistent with ISO 14001 and 45001 standards. Concessionaires selected to build and operate the two large decentralized mini grids over 25 years under component 3.1 will be required to have in place an environmental and social management system (ESMS) to identify, assess and manage risks associated with investments made using proceeds of the WB financing. The ESMS would include among others, the requirement that a disposal/recycling plan for PV panels and batteries as well as for the asbestos content material in the pipes be prepared.

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II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) High

Environmental Risk Rating High

The overall environmental and social Categorization under OP 4.03 World Bank Group Performance Standards for Private Sector Activities is Category A, as the private sector operators activities may present significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented due to scope and complexity of works in numerous locations. The environmental risk rating for public sector project elements covered under the ESF is Substantial at this stage. The combined Categorization and environmental risk classification is High, based on (i) magnitude and size of planned physical works (over 1,062 km of secondary and tertiary water lines;



18,265 off-grid solar panels and 35,630 lanterns ; number and length of electricity distribution networks to be constructed/ upgraded/ rehabilitated, abstraction of 12,000 m³/day from the Lake Kivu (international waterways), construction of two intake stations with a total water production capacity of 30,000 m³/day; sanitation treatment facilities to be constructed with 60,000 m³ annual volume of sludge treated and disposed; size of Solar/Hydro mini grids to be constructed/expanded, aiming at connecting up to 350,000 households, (ii) potential downstream environmental implications that may arise if technical assistance leads to future investments, (iii) private sector operators and borrower’s capacity to implement mitigation measures and (iv) key environmental risks and impacts. Key environmental risks and impacts are anticipated to result mainly from Components 3 and 4. Activities planned under these components involve civil works that will entail risks related to labor and working conditions including traffic safety, occupational health and safety (e.g., Unexploded/Abandoned Ordnance risk, working at heights, trenching and ditching, etc.); resource efficiency and pollution, mainly due to disposal and management of hazardous waste, including asbestos and used batteries; nuisances related to air and noise emissions; etc.; cumulative impacts on water use upon communities. Additionally, maintenance of the distribution line Right of Way (ROW) might result in terrestrial (including avian) and aquatic habitat alteration. During rehabilitation and operation, disposal of hazardous chemicals used in transformers and substations, such as mineral insulating oils, polychlorinated biphenyl (PCBs), sulphur hexafluoride (SF₆) and disposal of faulty meters might also pose environmental risks. Where wood poles are used for distribution network, use of chemicals for wood preservation and disposal of chemically processed poles might pose environmental, health and safety risks. Operation of water facilities will entail other direct, indirect environmental risks (risk of disposal of final effluent/sludge management; impacts on drainage and hydrology at intake sites; pollution from grey water due to increased water use and back wash water disposal at the treatment plants; handling of chemicals used for water treatment and management of incidents affecting drinking water and water treatment systems). If technical studies (electricity/water access and sanitation expansion plans, develop policies and investments) leads to future investments, the scale of environmental issues from investments may be an order of magnitude and size greater than risks associated with this project. However, they will not have large scale impacts beyond their direct footprint, will not change the nature of project activities and will not lead to complex and/or unproven mitigation, compensatory measures or technology. This classification takes also into account the capacity of the designated PIU, as well as all stakeholders involved in project preparation and implementation.

Social Risk Rating

High

The social risk classification for the project under ESF is considered High. As the project will take place in an urban or peri-urban environment, and due to the high population density in the project towns and the poverty level of this population, the implementation of the project is expected to have potential negative impacts on people and their environment. Key social risks are those related to: (i) land acquisition needs, (ii) loss of property or assets, (iii) restricted access to sources of income due to economic displacement, (iv) sexual exploitation and abuse or sexual harassment (SEA/SH), (v) lack of social inclusion for vulnerable groups in terms of project-related employment and other benefits of the project (including equitable access to energy, water and sanitation services), (vi) the potential for conflict if project benefits are not seen as being equitably provided to all key stakeholder groups, or due to other community tensions or conflicts exacerbated by project activities, (vii) exposure to communicable diseases such as Ebola and COVID-19, and (viii) exposure to hazardous materials (asbestos). The project will finance civil works mainly in Component 3: Private Sector-based Access Expansion and Component 4: Public Sector-based Access Expansion. These works could lead to the impacts cited above. These risks and impacts will be site-specific and will be managed systematically throughout the project cycle with robust mitigation measures commensurate with the nature and magnitude of the impact. Many development projects in the region do not always pay special attention to

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disadvantaged groups in their implementation. Thus, the project will need to ensure that it protects vulnerable people such as women living in extreme poverty and without assistance, people living with disabilities and without any assistance, people of advanced age, girl mothers and victims of GBV, children (of working age, according to ESS 2), migrant workers, as well as contract, community, internally displaced people, people with albinism, and key vendor workers. In addition, the project shall introduce measures to ensure that poor and vulnerable households, including female headed households, will receive additional support to overcome connection barriers to water systems and electric grids. The classification for the project also took into account the capacity of the Project Management Unit and project stakeholders to manage potential social risks and complaints related to project implementation. An internal security Due Diligence Assessment (SDA) outlining risks inherent to some of the provinces project activities was prepared. This assessment will guide the client during the preparation of its own site specific and more up to date Security Risk Assessment (SRA)/Security Management Plan (SMP) prior to contractors contract bidding to ensure that costing of the proposed mitigation measures are reflected in relevant Contract Tenders.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The scope of the World Bank's E&S due diligence of the project included review of the environmental and social instruments, including the draft Environmental and Social Management Framework (ESMF) with a SEA/SH Action plan annexed, the draft Environmental and Social Impact Assessment (ESIA)/ESMP/RAP for rehabilitation and expansion segments of the Kinshasa's Western and Central distribution network, Terms of Reference (ToRs) for generation Sites' assessment study, and conducting meetings with key stakeholders.

ESS1 applies to activities under components 1, 2, 4, 5, and subcomponent 3.2 and 3.3, which will be implemented by UCM, and CEP-O supported by OCE, ANSER, ARE and COPIREP Subcomponent 2.3 technical assistance to private operators is provided in support of technical design and preparation of ESS required instruments.

Activities under sub component 3.1 will involve concessionaires/developers who will comply with WBG's Performance Standards and relevant EHS Guidelines. Sub-projects under 3.1 will be developed by private operators. The Borrower has prepared the following risk management instruments: a draft ESMF, including annexed a Sexual Exploitation and Abuse, and Sexual Harassment Action Plan (SEA/SH AP); a Resettlement Policy Framework, a stakeholder engagement plan, Labor Management Procedures, and draft Environmental and Social Impact Assessment (ESIA) for rehabilitation and expansion segments of the Kinshasa's Western and Central distribution network under component 4.

To contribute to the ongoing public consultations and stakeholder engagement process of local government officials and communities in the challenging context of COVID-19, the ESIA/ESMP and the ESMF were disclosed in their preliminary versions on November 8, 2021 for the purpose of meeting the Pelosi Amendment requirements. Final versions and other ESA instruments will be finalized, consulted, approved/adopted prior to effectiveness. Final versions of the framework instruments shall reflect project design changes.

The draft ESMF covers all the project's components and identifies key risks and impacts related to: (i) occupational and community health & safety issues related to increased access to electricity and water works ; (ii) disposal and



management of hazardous waste ; (iii) soil and water pollution, and cumulative impacts on drainage, water use upon communities and hydrology at intake sites.

Key social risks relate to: (i) physical and economic displacement, (ii) sexual exploitation and abuse or sexual harassment, (iii) social exclusion , and (iv) social conflict that could be exacerbated by project activities.

The draft ESMF also outlines implementation arrangements to be put in place for E&S management and also includes a CERC section; all activities under this component will be subject to World Bank E&S measures, including paragraph 12 of the IPF Policy. Additional instruments will be prepared during implementation for activities under component 4 and component 3 (3.2 , 3.3 and 3.1).

The ESMF provides a description of E&S screening and due diligence to be carried out for activities under subcomponent 3.2 , 3.3 and 3.1. However, Bank review of the ESMF identified the follow gaps that will be addressed prior to finalization: provides a clear and full picture of what will be covered, the steps to address E&S issues, and requirements for OCE and the Mwindu Fund Manager responsibilities; impacts related to Hazardous Waste Management, impacts on aquatic fauna and flora were omitted; labour influx issues and community health and safety issues, e.g. traffic management and community safety; issues related to involuntary displacement, loss of property and assets, and loss of livelihoods should also be identified; additional work is needed to include measures related to the implementation of the Security Management Plan;

In addition, the ESMF requires updating to address E&S requirements and instruments applicable to the private electricity and water operators as grantees related to operation and potential expansion as a result of WB financing. The draft ESIA report for rehabilitation and expansion segments of the Kinshasa's Western and Central distribution network , identified significant adverse impacts including the clearance of 869 trees, as well as occupational and community health & safety issues, including road safety. It also includes E&S clauses for contactors and provides a comprehensive description of relevant information concerning the legal, policy and administrative framework, the environmental and social baseline, assessment of risks and impacts. Access roads and accommodation camps for construction the electrical and water facilities will be built under the project. Under ESS1 and ESSs, where relevant, impacts generated from the ancillary works and accommodation camps will be explicitly discussed and addressed in the final ESIA/ESMP for rehabilitation and expansion segments of the electricity distribution network in Kinshasa under component 4, and will be addressed in any subsequent ESIAs/ESMPs. Construction Contractors will be required, as a condition of their contracts, to develop and implement an ESMP and site-specific Occupational Health and Safety Plans. Civil works contracts will incorporate E&S mitigation measures in the contractor's ESMP.

During implementation, the project will ensure application of stringent measures appropriate to the nature and scale of the risk and impact, including:

- Avoiding involuntary resettlement or if unavoidable, minimizing land acquisition.
- Mitigating the adverse social and economic effects of land acquisition or land use restrictions. A RPF will be disclosed by effectiveness and will screen for and identify potential land and displacement risks for activities that have not yet identified specific sites. A draft site specific RAP was prepared, consulted upon and disclosed in November 8, 2021. An updated version reflecting new changes will be disclosed prior to Effectiveness. For sites identified after appraisal, the project will prepare, consult, obtain approval and disclose the RAPs and implement them before the start of civil works.
- Conduct an SEA/SH risk assessment to identify GBV, including SEA/SH risks and how project activities could create or exacerbate them. The results will be used to update the mitigation and response measures developed in the action plan , including the introduction of women's empowerment actions that will be integrated into other relevant activities and programmed for both women and men.
- Prepare, have approved, disclose and implement the GRM sensitive to SEA/SH complaints in the project area.



The scope of the TA under component 1, 2, and 4 includes the development and preparation of follow-on projects through prefeasibility/feasibility studies, which may generate downstream and cumulative environmental or social impacts. ToR for TA activities, including the feasibility studies, will be consistent with the ESF.

The draft project Environmental and Social Commitment Plan (ESCP) was developed, consulted, approved and will be disclosed by appraisal. . The Bank will supervise the E&S performance of the project as per Borrower commitments in the Environmental and Social Commitment Plan (ESCP), including key milestones for preparation and implementation of deferred E&S instruments.

The World Bank’s E&S review and due diligence of the two proposed decentralized mini-grid concessions will commence during project implementation at the initiation of the bidding process. The winning concessionaires will be required to comply with the WBG Performance Standards and relevant EHS Guidelines. Sites E&S Screening, Scoping studies and site-specific E&S studies under OP / BP 4.03. IFC as potential is currently carrying out a preliminary screening and evaluation of all known project sites on key E&S risks and impacts (including biodiversity, land acquisition, indigenous peoples) to understand their E&S risks (and future E&S requirements). Based on the list of screened sites, a Scoping Report will be prepared providing a preliminary assessment of the main E&S impacts and mitigation measures for the selected sites and a Terms of Reference for the ESIA (based on the output of the scoping report) will be produced. IFC will share this screening and scoping studies with the Borrower and the WB. The Borrower may decide to adopt and use the scoping studies with including them in the tender package towards better informing prospective bidders of the E&S situation of the project, hereby participating to the broader de-risking strategy. The final ESIA would then be developed by the winning bidder/concessionaire, based on the existing information available for the project. The concessionaires will be required to develop and implement an ESMS consistent with the requirements of PS1. A sample of E&S assessment and risk management instruments previously financed by lenders as well as concessionaire’s HR, E&S Policy, and labor-related policies and practices for its workforce will also be reviewed.

An Environmental and Social Action Plan (ESAP) will be developed with each concessionaire during implementation by the Recipient to enable the implementation of Component 3.1 of the Project in compliance with the WBG Performance Standards. A preliminary exclusion list of high risk environmental and social activities that will not be financed by the Project has been prepared and included in the ESMF. This includes the ineligibility of activities having significant adverse impacts on human populations and/or environment, such as irreversible social (e.g., involve significant displacement or involuntary resettlement of large number of people, give rise to significant social conflict) and environmental (e.g., transboundary impacts, impact high value and sensitivity risks - valuable ecosystems, critical habitats) impacts.

ESS10 Stakeholder Engagement and Information Disclosure

Since the international Mwindu Fund manager and OCE will not be operational by Board approval and the specific activities and sites are undetermined at this point, A Stakeholder Engagement Plan (SEP), proportional to the nature and scale of the project and associated risks and impacts, containing a GRM sensitive to SEA/SH, was prepared, consulted upon and disclosed locally and on the external website of the Bank on December 17, 2021. Also, drafts ESMF and ESIA/ESMP report for “travaux d’électrification des poches noires, d’assainissement, de réhabilitation et de mise en conformité des réseaux SNEL des Directions de Kinshasa Centre et Ouest (DKC-DKO) were published and updated versions will be disclosed prior to effectiveness. The consultations took place amid restrictions put in place on local travel and public gatherings due to COVID-19. The SEP includes both a summary of the stakeholder



engagement activities that have been undertaken as part of the preparation of the project to date, and a plan for further engagement during implementation. Also, this plan will be updated as and when necessary, throughout the project lifecycle. The following stakeholders were consulted: community members (including specific focus groups with women), municipal leaders, the mayors, NGOs, and line ministries. The SEP also identified and engaged potentially vulnerable groups including, but not limited to women, youth, elderly, those with physical, mental or other disabilities and individuals who may need additional attention to ensure that they have full access to the benefits of the project and that their particular needs are taken into account. The SEP provides the roadmap for project communications and active consultations with stakeholders to engage them in the design and delivery of the project and management of E&S risks and impacts. Stakeholder engagement will entail surveys of beneficiaries (private operators, and fund manager) to assess their satisfaction with the products and services (guarantee and training programs) and share lessons learned. Private electricity and water operators will also need to demonstrate that a grievance mechanism appropriate to the scale of their operations is in place

The objective of the SEP is to have an overview of the key project stakeholder groups and to establish a systematic approach for stakeholder engagement, maintain a constructive relationship with stakeholders, take into account their views and concerns related to project activities, promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life-cycle, and ensure that appropriate project information is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner.

UCM, ANSER, OCE and the Fund Manager will ensure that private electricity and water operators engage with stakeholders in a manner proportionate to the potential risks and impacts of the subprojects and in accordance with ESS 9 and ESS 10.

Requirements for Stakeholder Engagement and Information Disclosure for private sector-led activities (under Performance Standard 1):

Concessionaire-led project activities must also include stakeholder engagement for all concerned parties including those affected by subcomponent activities and other parties that may be involved in service delivery. For example, in a project involving land acquisition, the project affected persons, relevant civil society organizations (CSOs) and government entities that are involved in land issues would be included among the stakeholders to be engaged. Since not all subprojects may be known until implementation, the degree and specific approaches for stakeholder engagement requirements will be determined based on each subproject's nature and circumstances. Specifically, requirements under PS1 call for the following (i) identification and mapping of expected types of key stakeholders; (ii) requirements for the subproject implementers to engage with the stakeholders, and other vulnerable groups; (iii) the requirement for concessionaires to develop an SEP scaled to the project risks and impacts of the project, and tailored to the characteristics and interests of the Affected Communities; (iv) requirements for frequency of engagement throughout the project cycle; (v) procedures for feedback solicitation, recording and monitoring; (vi) the need to define the responsible party for stakeholder engagement; (vii) timeline for the engagement; (viii) budget and human resources needed to implement the SEP. It is expected that concessionaires will effectively abide by these stakeholder engagement requirements.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions



Overview of the relevance of ESS2 for the project:

The PIUs, contractors, supervisory engineering firms, Fund Manager, and private electricity and water operators will engage different categories of workers: direct workers, contracted workers, primary supply workers and community workers. The available site-specific ESIA/ESMP study for the Kinshasa sub-project indicates that about 150 contracted workers and 300 direct workers are expected to be introduced to the site for rehabilitation and expansion of the distribution network in Kinshasa. As for other direct workers (project staff), the project will support around 30 workers for the PIUs. The Borrower prepared a Labor Management Procedures (LMP) that set out the ways in which project workers will be managed in accordance with the requirements of national law and ESS2. It was disclosed on December 3, 2021. The LMP includes key potential labor risks for example: risk of exposure to communicable diseases such as Ebola, Malaria, COVID-19, risk of asbestos contamination during the dismantling of piping, risk of SEA / SH in a work context, risk of agent exploitation community, risk of exposure to intense heat during construction, OHS and health and safety risks during the rehabilitation of the hydropower plant, risks posed by having security agents and the potential risk of negative interactions with communities, etc., and includes measures to ensure that community labor is provided on a voluntary basis and will further ensure protection for the health and safety of workers, including prevention of SEA/SH risks among workers. It also provides details of a grievance redress mechanisms (GRM) for workers, and the roles and responsibilities of contractors and the PIUs in managing ESS2. The project will require contractors (both local and international), including private sector's contractors, to develop their own labor management procedures that are acceptable to the project and the World Bank.

The Fund Manager will develop Labor Management Procedures (LMP) consistent with ESS2 and require each private electricity and water operator to do the same. All eligible private electricity and water operators will shall prepare and implement Labor Management Procedures (LMPs) appropriate to the scale and nature of their business, for their own staff in accordance with ESS2, including occupational health and safety (OHS) measures (and measures on emergency preparedness and response) and complaint resolution mechanisms for their own staff.

The project will ensure that regular trainings for workers are conducted by the contractor, in local languages, on labor provisions, signing of codes of conduct with clauses against SEA/SH behaviors and sanction case of non-compliance, SEA/SH mitigation measures, including SEA/SH-sensitive grievance redress mechanisms (GRM), etc.

A workers' GRM will be put in place specifically to manage the various employers (contractors, national and private agencies)/workers related grievances, including but not limited to: misconduct, wages, overtime, injuries/accidents, worker relations with neighboring communities, SEA/SH incidents against or by project workers, etc. This GRM will be included in the LMP and managed by the relevant implementing agency for each component.

For SEA/SH related incidents, the GRM managers will be trained on a survivor-centered approach, including non-judgmental and empathetic listening and referral pathways, and the appropriate channels for managing grievances will be set up. The project will partner with local service providers to ensure that basic services are provided to survivors (these include medical, psychosocial, livelihoods, and judicial services).

Occupational Health and Safety (OHS): To ensure the health and safety of workers during the construction and operational phases, contractors will develop and implement site-specific Health, Safety and Environmental (HSE) plans in line with World Bank Group Environment, Health and Safety (EHS) Guidelines and International Good Practices, including emergency preparedness and response measures. The plans will include procedures on incident investigation and reporting, recording and reporting of non-conformance, emergency preparedness and response



procedures and continuous training and awareness for workers. The Fund Manager, ANSER, and OCE will also include Environmental, Social, Health and Safety (ESHS) procedures including specific conditions to protect the health and safety of workers. The procedure will spell out how workers are contracted and provide details on basic occupational health and safety requirements, such as job safety risk assessments, training, provision of appropriate protective equipment, safe workplace practices, documentation, and emergency prevention and response procedures. The project will support and provide capacity building for the private electricity and water operators to develop OHS management systems consistent with ISO 45001 standards.

Workers Accommodation: where on-site workers accommodation is confirmed, a Labor Camp Management Plan will be required as part of the C-ESMP.

Capacity Assessment: As part of the planned institutional capacity assessment, the client’s capacity to manage labor, working conditions and community health and safety will be assessed.

Overview of the relevance of PS 2 for the project:

The concessionaires will develop and implement Human Resource (HR) policies and procedures consistent with the requirements of PS2. The HR policies and procedures will include terms and conditions of employment, prohibitions on child and forced labor, nondiscrimination and equal opportunities, grievance mechanisms. Concessionaires will also develop and implement occupational health and safety (OHS) management programs that include provisions for Job Safety and Analysis and PPE/compliance; monitoring and reporting, training, and emergency response.

Given that the project will support the construction and operation of large-scale mini-grids, contracted workers and primary supply workers are expected to be hired. Concessionaires will be required and to have in place an ESMS that is robust and in line with the WBG’s PS requirements. The ESMS shall guide in the management of risks associated with issues such as labor influx, conditions of work, SEA/SH risk, and security of workers, and to have codes of conduct for interaction with local communities and proper worker accommodations at construction camps. For these and other related risks, detailed employment and labor management procedures, including procedures for the management of sexual harassment in the workplace and the prevention of child and forced labor, will need to be put in place. Concessionaires will be expected to share their codes of conduct and other labor management plans. These will be required to be part of the financing agreements.

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 is relevant for this project. Assessment of risks and impacts and proposed mitigation measures related to relevant requirements of ESS3, including raw materials, water use, air emissions, construction and hazardous waste are included within scope of the ESMF, and will be included in site specific ESIA/ESMPs, as relevant. The required construction material will potentially include stones, sand, concrete blocks and timber. The project, including UCM, ANSER, OCE, the Fund Fund manager, and private electricity and water operators will request all contractors to have a legal authorization to exploit material (in case of public quarries yet to be identified) or a proper agreement with quarry owners (in case of private quarries).



Air emissions: during the construction phase, air emissions will include exhaust from vehicles and machinery, and fugitive dust generated by construction activities. Those most likely to be affected are workers and people living within proximity of the work sites. The implementation of mitigation measures such as dust suppression and vehicle maintenance will be applied to minimize the impact of air emissions during construction and transportation of material; residual impacts are expected to be limited in scope and duration.

Noise: During the construction phase, noise may be generated from construction machinery and vehicle movements. The relatively short-term and small-scale nature of the works suggest that noise levels will not be excessive or cause long-term nuisance. The construction works will, however, be a short-term nuisance to the public and to property owners adjacent to some of the project sites. The ESMF addresses the issue, and other instruments to be prepared will include mitigation measures to minimize and manage the noise levels such as applying standard restrictions to site work hours.

Construction waste management: construction activities will generate solid waste, which will primarily consist of excavated soil, and hazardous waste such as hydrocarbon oils from construction machinery and vehicles. The waste generated by construction works will largely be disposed of at approved sites in accordance with national laws and regulations.

Hazardous material and waste: while replacing old electrical equipment (e.g. Transformers) during the rehabilitation of distribution networks and upgrades of overloaded substations, there are serious health and environmental risks related to the presence of polychlorinated biphenyls (PCBs), which are Persistent Organic Pollutants (POPs). The use of PCB in transformer oil or any other equipment is prohibited and this will be specified in the bidding documents. PCBs will be identified in decommissioned transformers; PCB transformers will be examined for leaks and disposed of properly. During the operation of wastewater and water treatment facilities, chemicals will be used for disinfection and a proper chemical residuals management plan will be prepared as part of the site-specific ESIA/ESMP. Replacement of asbestos pipe networks will be financed, and an Asbestos and other fibrous materials Management Plan (AMP) will be prepared, consulted upon and disclosed as part of the instrument to be prepared for the demolition and replacement of existing pipe networks. UCM, the Fund Manager, ANSER, and OCE shall ensure that all activities supported under the project, including the private electricity and water operators, are managed in accordance with hazardous and municipal waste management plans where applicable. Energy saving will be considered as a key criterion throughout the electrical design under component 3 and 4.

Water Use and sanitation: Water use efficiency will be taken into consideration in the designs of the sanitation treatment plant and water treatment plant designs. Some areas of cities concerned by this project are facing serious problem of access to potable water. The Borrower will ensure that adequate measures will be taken to avoid activities related to the construction or rehabilitation, repair and maintenance of pipelines and manholes that (i) pose safety risks to local communities in terms of open ditch and open manholes, and (ii) damage existing water pipelines. About 12,000 m³/day of water will be abstracted from Lake Kivu, and 30,000 m³/day of water will be abstracted from the Tabi -Luhule and Talihiya rivers. Therefore, a detailed water balance should be prepared during implementation. In addition, the Borrower will assess, as part of the E&S, the potential cumulative impacts of water consumption on communities, other users and the environment, and will identify and implement appropriate mitigation measures identified as part of the ESIA. A sludge and effluent management disposal and/or reuse plan will be developed as a part of the ESIA/ESMP and referred to in the ESCP. It will focus on the sludge quantity estimate,



handling, transportation and disposal arrangements, and supervision requirements. The monitoring for sludge quality on regular basis will be incorporated into the environmental and social management plan. Thus, the Effluent will not be discharged without pretreatment into rivers because they are identified as natural habitats with high biodiversity value.

Raw materials use will be relevant to the construction and operation of project supported works. Raw materials will then be assessed as part of ESIA processes considering the mitigation hierarchy and efficient use and management of all types of material, including waste.

GHG emissions: The project is not expected to generate significant greenhouse gas emissions.

Overview of the relevance of PS 3 for the project:

Relevant requirements of PS3 will be expected to apply to concessionaires in the energy sector. Concessionaires will not be known until implementation; however, given that the project will support mini-grid infrastructure, a wide range of pollution and resource efficiency issues are expected to arise in the supported projects. Site-specific ESIA/ESMPs and the ESMS to be developed by concessionaires shall include specific measures regarding the prevention or mitigation of pollution or degradation of natural resources (mainly soil and water) when handling hydrocarbons (oil and gas) in construction activities. The use of water, energy and raw materials should be assessed considering the mitigation hierarchy, as well as the efficient use and management of all types of material, including waste.

ESS4 Community Health and Safety

Due to the increased presence of workers and security personnel in the areas of implementation, measures to protect communities from harm will need to be taken. The project will need to put in place security and safety provisions to ensure the security of personnel and community members, and to conduct worker training on appropriate behavior during the implementation of the project. In regards to security, the relevant contractors will need to ensure that there be no use of force while on premises (except for defense purposes); that interactions with local community be limited to a minimum; and that the work site is off-limits to non-authorized personnel. These measures and more will be included in the ESMPs, including mitigation measures, community protection, labor influx, health (transmission of infectious diseases), OHS measures, etc. The ESMP will be integrated into the bidding documents and contracts of the Contractors, and will be monitored and reviewed by the supervising engineer as well as the project team.

The water supply pipelines and electricity distribution lines will be constructed along roads that will disturb local traffic during the construction phase. In addition, increased movement of vehicles transporting equipment and materials on roads near communities, particularly schools, may pose safety issues. A traffic management plan will be developed as an integral part of site-specific ESIA/ESMP. During operation, repair and maintenance of pipelines and manholes may pose safety risk to local communities from open ditches and open manholes etc. Measures will also be developed to protect the communities from being injured during repair and maintenance works.

The rehabilitation of the Mobayi-Mbongo Hydropower plant will be completed under this project. The dam safety conditions and plans (instrumentation, O&M plans and Emergency preparedness plan) will be assessed by an independent dam safety specialist. During implementation, he/she will provide written reports of findings and



recommendations for any remedial work or safety-related measures necessary to upgrade the existing dam to an acceptable safety standard. Site-specific ESIA/ESMPs will include public perceptions of the electric and magnetic field impacts of existing and future substations.

Ecosystems services will be assessed as part of the final ESIA and any subsequent ESIA.

Potential conflicts may arise as a result of the external workers being recruited instead local residents. The project will look at ways to maximize use of local labor, including requirements in bidding documents that specify hiring percentages for local labor. Additionally, the project will need to ensure that a robust project-level GRM is operational to manage potential complaints, including those related to SEA/SH, that might arise from the community due to poverty, deviations from the cultural behavior of workers from elsewhere, or gender discrimination. A community awareness-raising strategy will be developed to inform the communities about identified risks and consequences, prohibited behaviors, and GRM procedures to report SEA/SH incidents safely and confidentially. The project will identify the GBV services providers in the areas of intervention. In addition, the project will elaborate a referral pathway for SEA/SH survivors which will include at least quality medical services, psychosocial assistance, and legal support. Finally, the ESIA/ESMPs will include measures to address the risks of SEA/SH according to the Good Practice Note for Addressing Gender Based Violence in Investment Project Financing involving Major Civil Works (GPN-SEA).

An initial Security Due Diligences (SDA) was conducted by the Bank and will provide guidance to the client as they prepare site specific Security Risk Assessments (SRA)/Security Management Plan during implementation. UCM, ANSER and the Fund Manager shall ensure that that the private electricity and water operators develop instruments and management tools per the ESMF that include measures and actions to assess and manage specific risks and impacts to the community arising from subproject activities, e.g. behavior of workers, risks of labor influx, response to emergency situations.

ANSER, UCM, and OCE shall work with the Fund Manager to ensure that the private electricity and water operators' instruments and management tools include measures and actions to assess and manage specific risks and impacts to the community arising from subproject activities, e.g. behavior of workers risks of labor influx, response to emergency situations.

Overview of the relevance of PS 4 for the project:

Relevant requirements of PS4 will be expected to apply to concessionaires.

As the project will support mini-grid infrastructure, a broad range of community health and safety issues are expected. E&S risks that are typical of infrastructure subprojects in the operator's geographic areas are also expected. These include influx of labor (in-migration), traffic safety, issues of sexual exploitation and abuse (SEA) and sexual harassment (SH), transmission of communicable diseases from incoming workers to local communities and vice versa, security risks, and conflict over resources. The list of excluded activities includes subprojects having direct adverse impact on ecosystem services that may result in adverse health and safety risks to affected communities.

To ensure the health and safety of the community, the WBG will require concessionaires to include requirements and procedures for the management of SEA/SH risks, community health & safety, and labor influx risks in their ESMS. Equipment selection and infrastructure design will be made in accordance with Good International Industry Practice (GIIP), taking into consideration safety risks to third parties and Affected Communities. Concessionaires will be required to engage one or more external experts with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in subproject development and throughout the stages of subproject design, construction, operation, and decommissioning. For sub-projects that operate moving equipment on public roads and other infrastructure,



concessionaires will avoid the occurrence of incidents and injuries to members of the public. Concessionaires will prepare an emergency preparedness and response plan prior to commencing site activities. A third-party security services provider will be engaged. Guards will be unarmed.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Due to civil works, measures to avoid or minimize impacts are needed for land acquisition, loss of assets, limited access to sources of income, various conflicts such as interference with pastoral uses and other access to common-pool resources, the interruption or disruption of activities, even if the land is not directly or fully acquired, and for obstruction to access roads and associated/ancillary facilities. Electricity grid works will include construction of a number of 10 m² electricity cabins to hold low watt transformers, many of which will need to be placed on newly-acquired private land. Electricity poles and wires, as well as water and sanitation infrastructure, are expected to be installed in public rights of way. However, some rights of way in crowded urban areas with narrow streets may be encroached upon by residential or business structures. These structures may need to be moved temporarily or permanently to allow the new construction. Not all sites intended for project subcomponents or activities were known with precision at the time of project preparation, so a Resettlement Policy Framework (RPF) will be prepared, consulted upon and disclosed prior to effectiveness. The RPF identifies screening procedures to assess the risks and impacts of activities which may lead to temporary or permanent physical or economic displacement. The RPF identifies measures to be applied during project design and implementation, in particular:

- Avoiding involuntary resettlement or, where unavoidable, minimizing it by considering alternatives when designing the project.
- Avoiding forced eviction.
- Mitigating the adverse social and economic effects of land acquisition or land use restrictions, as well as temporary income losses from economic displacement (such as loss of customer access to businesses along corridors that will be affected by construction activities).

At this stage, the number of people likely to be affected by land acquisition, land use restrictions, or involuntary resettlement has not been determined.

The number of PAPs and the overall cost of resettlement and compensation will be determined following socio-economic studies of proposed project corridors. Once specific project sites are confirmed, the project will prepare, consult, and disclose relocation action plans (RAPs). One subproject site requiring resettlement was identified and selected during project preparation, and a RAP for rehabilitation and expansion of the distribution network in Kinshasa was prepared, consulted upon, and will be cleared and disclosed in-country and on the Bank's external website by project effectiveness. The RAP for this site estimates that approximately 730 PAPs may be impacted by land acquisition, restrictions on land use or involuntary resettlement.

Overview of the relevance of PS 5 for the project:

Under the terms of PS 5, similar approaches to those required under ESS5 must be used by concessionaires carrying out activities that lead to land acquisition and/or temporary or permanent economic or physical displacement. PS5 requires a series of measures to be followed by concessionaires in the following areas:

- Project Design - concessionaires will consider feasible alternative project designs to avoid or minimize physical and/or economic displacement, while balancing environmental, social, and financial costs and benefits, paying particular attention to impacts on the poor and vulnerable.



- Compensation and Benefits for Displaced Persons - When displacement cannot be avoided, the client will offer displaced communities and persons compensation for loss of assets at full replacement cost and other assistance to help them improve or restore their standards of living or livelihoods, as provided in this Performance Standard. Compensation standards will be transparent and applied consistently to all communities and persons affected by the displacement. Where livelihoods of displaced persons are land-based, or where land is collectively owned, the client will, where feasible, offer the displaced land-based compensation. The client will take possession of acquired land and related assets only after compensation has been made available and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons in addition to compensation. The client will also provide opportunities to displaced communities and persons to derive appropriate development benefits from the project.
- Community Engagement - Concessionaires will engage with Affected Communities, including host communities, through the process of stakeholder engagement described in Performance Standard 1. Decision-making processes related to resettlement and livelihood restoration should include options and alternatives, where applicable. Disclosure of relevant information and participation of Affected Communities and persons will continue during the planning, implementation, monitoring, and evaluation of compensation payments, livelihood restoration activities, and resettlement to achieve outcomes that are consistent with the objectives of this Performance Standard.
- Grievance Mechanism — Concessionaires will establish a grievance mechanism consistent with Performance Standard 1 as early as possible in the project development phase. This will allow the client to receive and address specific concerns about compensation and relocation raised by displaced persons or members of host communities in a timely fashion, including a recourse mechanism designed to resolve disputes in an impartial manner.
- Resettlement and Livelihood Restoration Planning and Implementation - Where involuntary resettlement is unavoidable, either as a result of a negotiated settlement or expropriation, a census will be carried out to collect appropriate socio-economic baseline data to identify the persons who will be displaced by the project, determine who will be eligible for compensation and assistance, and discourage ineligible persons, such as opportunistic settlers, from claiming benefits. In the absence of host government procedures, concessionaires will establish a cut-off date for eligibility. Information regarding the cut-off date will be well documented and disseminated throughout the project area. Concessionaires will establish procedures to monitor and evaluate the implementation of a Resettlement Action Plan or Livelihood Restoration Plan and take corrective action as necessary.

Overview of the relevance of PSS5 for the project

Larger site projects – A preliminary list of potential “screened” and selected sites would be proposed by the client/country/public authorities. If screening on E&S grounds has not been conducted at the Pre-Feasibility stage, IFC would then work with the authorities to screen the sites based on technical and E&S criteria’s (mainly land and biodiversity aspects), leading to the production of a Screening Report presenting the selected sites on E&S grounds. Lenders would then work with the client/authorities to develop a Scoping Report, providing a preliminary assessment of the main E&S impacts and mitigation measures for the selected sites and the terms of reference for the ESIA (based on the output of the scoping report). Relevant ESMPs will be required for the management of identified risks and impacts. Should it be required, a Resettlement Policy Framework (that provides guidelines for development of appropriate mitigation and compensation measures, for land acquisition impacts caused by project activities whose exact locations are not known) could also be developed by the public entity, with the support of lenders. The final ESIA would then be developed by the winning bidder/concessionaire, based on the existing information available for the project.



For the concessionaire off-grid private operators, stakeholders are likely to include consumers who use the products as well as local community representatives especially in rural areas while mini-grid companies may also need to consider neighboring communities and landowners/users.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Water use and sanitation investments will affect Lake Kivu and sections of rivers (Tshibatshi river, Tabi -Luhule and Talihiya rivers).

Impact assessment. Environmental and social due diligence including consultation with relevant stakeholders will determine if sections of the lake and the rivers (upstream and downstream) within assessment areas are sites for breeding of aquatic animals, spawning of fish or zoned for any beneficial use. In addition, the assessment will consider not only fauna, flora, species of conservation concern, but also the integrity/fragmentation of habitats. Impacts resulting from both construction activities and O&M activities, emergency events such as forest fire, and indirect impacts such as increased access to previously inaccessible high-biodiversity areas will be considered as part of any subsequent ESIA's. Ecosystem Services will be identified within the project area, and will include fishing, sand mining, tourism, traditional medicines, and freshwater. This project will neither introduce alien species nor purchase and use natural products. To understand to what extent the water quality will be impacted by concentrated discharge of treated effluent from project sanitation facilities, static modelling of the effluent impact on water quality in the river will be conducted.

Using the ESMS, ANSER/international Mwindi Fund manager, OCE, and private operators (where applicable) will screen and identify the potential biodiversity risks of activities and determine relevant risks assessment and mitigation plans as appropriate. The draft ESMF outlines guidance measures to avoid and minimize predicted negative impacts on terrestrial biodiversity, and subsequent ESIA's/ESMP's will provide mitigation measures to ensure that subproject activities, especially those related to the construction of water intakes, water and wastewater treatment facilities, do not alter or cause destruction of critical and/or natural habitats. The ESIA report for rehabilitation and expansion segments of the distribution network in Kinshasa concluded that 869 trees will be cut down. Impacts to protected species and areas, or on protected areas of international importance, were not identified.

Biodiversity Management Plan (BMP). With the aims of achieving net gains and no significant degradation or conversion of critical habitats, a Biodiversity Management Plan will be prepared as part of the ESIA/ESMP in a manner acceptable to the World Bank. It will fully reflect the mitigation hierarchy, long term biodiversity monitoring and evaluation program, with capacity building plan and budget estimates committed. The process will consider relevant threats to biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution.

Stakeholder engagement: Throughout the baseline studies, impact assessment and BMP development process, consultations with experts, authorities and communities will be conducted.

Overview of the relevance of PS 6 for the project:

The exact subprojects will not be known until implementation; however, given that the project will support relatively mini-grid infrastructures, biodiversity issues are expected to arise in many supported subprojects. Any sites found to have fatal flaws (e.g., in the case of E&S - if the plot is confirmed to be in a legally protected / internationally recognized biodiversity area that qualifies as Critical Habitat per WB PS6) will be discarded and, if necessary, substituted with additional potential sites. Using the ESMS, concessionaires will screen and identify the potential



biodiversity risks of activities and determine relevant risks, assess risks and develop mitigation plans as appropriate. Where required, a Biodiversity Management Plan will be prepared in a manner acceptable to the World Bank Group.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Project activities will take place in urban and peri-urban areas, which are not Indigenous Peoples' areas.

The cities concerned by the project are:

: Bandundu / Kitwit (Kwilu), Bukavu (South Kivu), Bunia (Ituri), Goma / Butembo / Beni (North Kivu), Kabinda / Mwene Ditu (Lomami), Kinshasa (Kinshasa), Kananga (Kasai-Central), Mbuji-Mayi (Kasai-Oriental) and Tshikapa (Kasai).

Overview of the relevance of PS7

Not currently relevant.

Project activities will take place in urban and peri-urban areas, which are not Indigenous Peoples' areas.

The cities concerned by the project are:

Bandundu / Kitwit (Kwilu), Bukavu (South Kivu), Bunia (Ituri), Goma / Butembo / Beni (North Kivu), Kabinda / Mwene Ditu (Lomami), Kinshasa (Kinshasa), Kananga (Kasai-Central), Mbuji-Mayi (Kasai-Oriental) and Tshikapa (Kasai).

The presence of Indigenous Peoples (IP) is not reported in these towns.

ESS8 Cultural Heritage

The standard is relevant since the activities of end-borrowers and contractors may involve construction works and excavations or other activities that may have impacts on the cultural sensitivities of communities. A chance find procedure has been developed and incorporated into the ESMF. As part of ESIA/ESMPs to be prepared by end-borrowers, a 'chance find' procedure will be required to provide guidance for notifying, evaluating, recording and managing previously unknown artifacts that may be discovered during construction. Contractors will be required to develop a site-specific 'chance find' procedure as part of their ESMPs.

The ANSER and UCM shall respectively work with and the Fund Manager/OCE to ensure that the private operators' ESMPs include a chance find procedure to the extent required by ESS9 and the ESMSs of the and the Fund Manager in a manner acceptable to the Association.

Overview of the Relevance of PS8 for the project

Concessionaire ESMS prohibit financing of any subproject impacting upon World heritage sites and other protected areas. Any gaps in concessionaire ESMS will be supplemented by the requirements of PS8. The List of excluded activities includes subprojects having significant adverse impacts on critical cultural heritage.

ESS9 Financial Intermediaries

Project activities do not include financial intermediation.

Overview of the relevance of PS 9 to the project

Not relevant.



B.3 Other Relevant Project Risks

An initial security Due Diligence Assessment (SDA) outlining risks inherent to some of the provinces project activities was carried out and prepared. This assessment will guide the client during the preparation of its own site specific and more up to date Security Risk Assessment (SRA)/Security Management Plan (SMP) prior to contractors contract bidding to ensure that costing of the proposed mitigation measures are reflected in relevant Bills of Quantities. Risks may include attacks by armed groups or bandit gangs on project sites and on workers or nearby communities, civil unrest and government security force responses to such unrest

Given the high exposure of the area to natural risks disasters/events, facilities to be constructed/rehabilitated should consider best practices in terms of climate resilient infrastructures. The sub-project ESMPs to be developed shall also have specific mitigation measures to limit damages caused by natural disasters.

Borrower capacity in implementing ESF will need to be strengthened, as well as the capacity of ACE to monitor project activities. Given the expanded scope of the ESF and the client’s lack of familiarity with the new ESF, the Bank team is planning capacity building for all coordination units during project preparation and throughout the entire project cycle life.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

Yes

Given that the Project includes a set of water supply and energy investments that involve the use of waters in the Congo River, Nile River and Lake Kivu basins, the Policy on Projects on International Waterways (OP/BP 7.50) is triggered. As per the Policy notification requirement, riparian countries (including Angola, Burundi, Cameroon, Central African Republic, Republic of Congo, Egypt, Rwanda, South Sudan, Sudan, Tanzania, Uganda, and Zambia) were notified on October 19, 2021. No responses or comments were received by the deadline of November 18, 2021. The Project team determined that the proposed Project will not cause appreciable harm to the interests of other riparian countries or be appreciably harmed by other riparian countries’ possible water use. The AFE Regional Vice President’s approved the memo summarizing the riparian notification process on January xx, 2022. The rehabilitation of the water intake station of the city of Kananga will aim to restore the nominal capacity of 24,000 m3 of water per day of the city's water production system. The rehabilitation will make it possible to capture an additional 16,000m3 of water per day from the Congo watershed, representing about 0.001% of the average flow of the Congo River (40,000 m3/s). The construction of a Lake Kivu water intake station in Goma will increase water supply in the city of Goma by taking about 12,000 m3 of water per day representing an additional abstraction of about 0.0001 % of the overall storage volume in the lake (roughly 64,000 m3). The Project will finance the installation of two compact water treatment plants in Beni and Butembo. The installation of the water treatment unit in Beni will take a total of 15,000 m3 of water per day, representing about 0.001% of the average flow of the Congo River. The installation of the water treatment unit in Butembo will take a total of 15,000 m3 of water per day, representing about 0.01 % of the average flow of the Nile River. The Project will provide financial support to private electricity mini-grid developers and operators. Some of the mini-grids supported may be powered by hydro-powered generation, which is a non-consumptive use.

OP 7.60 Projects in Disputed Areas

No

Public Disclosure



B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?

No

Areas where “Use of Borrower Framework” is being considered:

The Borrower Framework is not being used for this project.

IV. CONTACT POINTS

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Borrower/Client/Recipient

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Implementing Agency(ies)

Implementing Agency: Ministère des Ressources Hydrauliques et de l'Electricité (MHRE)

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VI. APPROVAL

Task Team Leader(s): Patrick Goy Ndolo, Alain Ouedraogo, Thomas Flochel
Practice Manager (ENR/Social) David Seth Warren Cleared on 16-Feb-2022 at 10:20:51 GMT-05:00

Public Disclosure



Safeguards Advisor ESSA

Peter Leonard (SAESSA) Concurred on 17-Feb-2022 at 08:41:27 GMT-05:00

Public Disclosure