

**FEDERAL REPUBLIC OF NIGERIA**

**WORLD BANK**

**PROGRAM-FOR-RESULTS FINANCING**

**NIGERIA DISTRIBUTION SECTOR RECOVERY PROGRAM  
(DISREP)**

**DRAFT REPORT**

**ENVIRONMENT AND SOCIAL SYSTEMS ASSESSMENT  
(ESSA)**

**OCTOBER 2020**

## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	4
SECTION I: BACKGROUND AND SCOPE .....	14
1.1: Program Description .....	14
1.2: Program Boundaries and Activities .....	16
1.3 Scope of the Environmental and Social Management System Assessment (ESSA) .....	20
1.4 Approach of ESSA.....	21
SECTION II: STAKEHOLDER CONSULTATION .....	23
SECTION III: DESCRIPTION OF EXPECTED PROGRAM ENVIRONMENTAL AND SOCIAL EFFECTS.....	26
3.1 Overview of Program Risks and Benefits.....	26
3.2 Expected Environmental Benefits.....	26
3.3 Expected Environmental Risks .....	27
3.4 Expected Social Benefits .....	28
3.5 Expected Social Risks .....	30
SECTION IV: OVERVIEW OF RELEVANT BORROWER'S ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS.....	32
4.1 Description of Government Policy and Legal Framework .....	32
4.1.1 Environmental Policy, Regulatory and Institutional Frameworks .....	32
Description of Environmental Institutional Framework .....	37
Federal Ministry of Environment.....	37
The National Environmental Standards and Regulations Enforcement Agency (NESREA) .....	37
4.1.2 Social Policy, Regulatory and Institutional Frameworks.....	38
Grievance Redress Mechanism in Nigeria.....	42
4.1.3 State Level Environmental Policy, Regulatory and Institutional Frameworks .....	43
5.2 Grievance Redress Mechanisms of NERC .....	45
4.3 Environmental and Social Systems of the DISCOs .....	48
SECTION V: ASSESSMENT OF BORROWER'S ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS.....	49
5.1 Summary of Systems Assessment.....	49
SECTION VI: RECOMMENDATIONS AND ACTIONS .....	60
6.1 Environmental and Social Summary and Recommendations .....	60
SECTION VII. SUPPORTING ANNEXES AND REFERENCE DOCUMENTS.....	65
Annex 1: Applicability of Core Environmental and Social Principles (CP) to Nigeria Distribution Sector Recovery Program (DISREP) Disbursement Linked Indicators (DLIs).....	65
Annex 2: Preliminary Risk Matrix.....	73
Annex 3: Information and Documents expected from DISCOs to inform the preparation of ESSA .....	76
Annex 4: Preliminary Brief and Questions for consultation with 11 DISCOS.....	77
Annex 5: Nigeria Distribution Sector Recovery P for R Consultation Notes.....	78
Annex 6: Online Virtual Meeting via Microsoft Teams with TCN, NERC and BPE of Nigeria Distribution Sector Recovery PforR. ....	93
Annex 7: List of Participants During the Consultation with DISCOS between 14 and 18 of September 2020 .....	94
Annex 8: Details of Environmental & Social Benefits and Risks Associated with Each Result Area and DLIs .....	97
Annex 9: Environmental and Social Systems of the DISCOs and the Assessment of their Strengths and Weaknesses:.....	104

## LIST OF ACRONYMS

AEDC	Abuja Electricity Distribution Company
AEDC	Abuja Electricity Distribution Company
ATC&C	Aggregate Technical Commercial and Collection
AU	African Union
BEDC	Benin Electricity Distribution Company
BPE	Bureau of Public Enterprises
CBN	Central Bank of Nigeria
CBO	Community Based organization
CCU	Customer Complaints Unit
CCU	Customer complaints Unit
CEDAW	Conventions on the Elimination of all forms of Discrimination against Women
CEO	Chief Executive Officer
COVID-19	Coronavirus Disease-19
CP	Core Principles
CRA	Child Right Act
CRM	Customer Relationship Manager
DISCO	Distribution Company
DISCOs	Distribution Companies
DISREP	Distribution Sector Recovery Program
DLI	Disbursement Linked Indicators
DT	Distribution Transformers
E&S	Environment and Social
EEDC	Engu Electricity Distribution Company
EIA	Environmental Impact Assessment
EKEDC	Eko Electricity Distribution Company
EMS	Environmental Management System
ES	Environmental Systems
ESCP	Environmental and Social Commitment Plan
ESIA	Environmental and Social Systems Assessment
ESMF	Environmental and Social Management Framework
ESSA	Environmental and Social Systems Assessment
FCT	Federal Capital Territory
FMEnv	Federal Ministry of Environment
GBV	Gender Based Violence
GenCos	Generation Companies
GHG	Greenhouse Gas
GoN	Government of Nigeria
GRM	Grievance Redress Mechanism
GW	Giga Watts
HR	Human Resources
HR	Human Resources
HSE	Health Safety and Environment
IBEDC	Ibadan Electricity Distribution Company
IE	Ikeja Electric
JED	Jos Electricity Distribution

JED	Jos Electricity Distribution Company
KDEDCO	Kaduna Electricity Distribution Company
KEDC	Kano Electricity Distribution Company
LARF	Land Acquisition and Resettlement Framework
LMP	Labour Management Plan
MDA	Ministries Department and Agency
MIS	Management Information System
MoF	Ministry of Finance
MVA	Mega-volt amperes
NBET	Nigeria Bulk Electricity Trading Company
NEMSF	Nigerian Electricity Management Stabilization Facility
NERC	Nigeria Electricity Regulation Commission
NESREA	National Environmental Standards, Regulation and Enforcement
NFP	National Forestry Policy
NGO	Non-Government Organization
NHFC	National Housing Facilitation Council
NPC	National Pension Commission
NUEE	National Union of Electricity Employees
OHS	Organizational Health and Safety
PAP	Program Action Plan
PDO	Program Development Objectives
PforR	Program for Results
PHEDC	Port Harcourt Electricity Distribution company
PIP	Performance Improvement Plans
PPA	Power Purchase Agreement
PSRP	Power Sector Recovery Program
PT	Power Transformers
PWD	People With Disabilities
RAP	Resettlement Action Plan
REDD+	Reducing Emission Deforestation and Degradation plus
SDG	Sustainable Development Goals
SEA	Sexual Exploitation and Abuse
SEF	Stakeholder Engagement Framework
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
TCN	Transmission Company of Nigeria
TSA	Treasury Single Account
UN	United Nations
UNCED	United Nations Conference on Environment and Development
VC	Vesting Contracts
YEDC	Yola Electricity Distribution company

## EXECUTIVE SUMMARY

1. The World Bank is proposing to support the Nigeria power sector distribution companies (DISCOs), through the Government of Nigeria (GoN), with a Performance-for-Results (PforR) instrument referred to as Nigeria Distribution Sector Recovery Program (DISREP) (hereafter, the Program). The Program aims to address the binding constraints for improving the performance of the electricity distribution sector to attract private financing in the sector and is consistent with the “Maximizing Finance for Development” approach. The Program is part of the Programmatic Approach of the World Bank Group to address a variety of the power sector issues. The Program, in parallel with Power Sector Recovery Program (PSRP) PforR, represents a holistic approach to support the recovery of the Nigerian power sector. The Program Development Objective (PDO) is to improve financial and technical performance of the electricity distribution companies.
2. The Program will be limited to only the distribution sector elements of the government Power Sector Recovery Program (PSRP), approved by the Federal Executive Council of the Federation in February 2018, and within the parameters of the NERC approved Performance Improvement Plans (PIP) for each DISCO. The program will focus on the improvements of the distribution sector necessary to absorb a total of 7 GW of available generation (up from current levels of around 4 GW). To improve sustainable access and reliability of power in Nigeria, the Program will contribute to three Result Areas and will achieve seven Disbursement Linked Indicators (DLIs).
3. The Bureau of Public Enterprises (BPE) will serve as the implementing Agency of the Program. The BPE will receive loan from World Bank, through the Federal Ministry of Finance, into their Treasury Single Account (TSA) at the Central Bank of Nigeria (CBN), and then on-lend to the eleven DISCOs in the form of shareholder loans. The terms of the shareholder loans, including their tenures, are to be agreed between the BPE, DISCOs and the MoF. Specific loan amounts to be allocated to each DISCO will be defined by individual investment requirements of each DISCO, based the individual PIPs approved by NERC. An initial advance of 25% is needed to provide required resources to DISCOs to start the implementation of the PIPs. The disbursement will be made followed by subsequent disbursements to the BPE-TSA account every six months after the assessment of the agreed PforR DLIs.
4. The three Results Areas of the PforR are detailed as follows:
  - (a) **Results Area 1- Improved DISCO performance:** This Result Area will focus on implementation of key PIP components in order to improve quality of service provided to customers, reduce aggregate technical, commercial and collection (ATC&C) losses in supply, regularize customers and increase connections (leading to increased access and load growth), and improve the ability to monitor and control network performance, and collection processes. ATC&C losses averages over 40%, across all the DISCOs. Through these investments, DISREP will support the increased electricity access, improved electricity service, improved network economics, and reduced GHG emissions per kWh supplied. Result Area 1 covers four DLI’s as follows:

- (i) **DLI1- Reduction in DISCOs’ metering gap:** DLI1 will be triggered by the installation of meters at currently unmetered and new customers’ residences and the resulting reduction in the DISCOs, metering gap, as defined in their PIPs. The disbursement against DLI1 will be aligned with the metering gaps defined in DISCOs individual metering plans that have been developed and submitted to NERC. Achievement of DLI1 will be monitored and verified by BPE with support of their IVA.
  - (ii) **DLI 2 – Number of new connections by DISCOs:** DLI 2 will be triggered by the connection of new customers to the DISCO distribution grid. DISCOs will provide electricity access through new low voltage feeders and medium voltage lines, which do not involve permanent land acquisition or rights of way, and new connections to existing feeders. DISCOs are also expected to consider increasing access through off-grid and mini-grid solutions where appropriate, including through renewable powered stand-alone and mini-grid systems, which can be constructed by mini-grid developers and connected to the distribution network. The disbursement against DLI2 will be aligned with the customer connection targets in DISCOs’ PIPs. Achievement of DLI2 will be monitored and verified by BPE with support of their IVA.
  - (iii) **DLI – Kilometres of medium voltage (MV) distribution lines rehabilitated by DISCOs:** DLI3 will be triggered by the rehabilitation of medium voltage (11kV) lines across the distribution network. The disbursement against DLI#3 will be aligned with the DISCOs’ line rehabilitation plans as outlined in their PIPs. Achievement of DLI3 will be monitored and verified by BPE with support of their IVA.
  - (iv) **DLI4 – Increased collection efficiency by DISCOs:** DLI4 will be triggered based on the revenue collected by DISCOs relative to power billed. Collection efficiency is a broad metric that captures multiple areas of required improvement by DISCOs including customer satisfaction, DISCO billing processes, revenue protection, theft management, etc. The disbursement against DLI4 will be aligned with the DISCOs’ planned improvements in collection efficiency as outlined in their PIPs. Achievement of DLI4 will be monitored and verified by BPE with support of their IVA.
- (b) **Results Area 2- Enabling diversification of commercial options for DISCOs to supply their demand:** This Result Area will focus on rehabilitating poor performing power transformers (PT) and distribution transformers (DT) which are limiting the ability of DISCOs to handle sufficient power supply to meet customer demand while at the same time limiting DISCOs potential to access new commercial supply options such as purchasing power directly from GENCOs or from embedded generators, such as decentralised renewables.
- (i) **DLI5 – Reduction in transformer technical losses in existing distribution networks.** DLI5 will be triggered by the rehabilitation of power transformers (PT) and distribution transformers (DT) within the distribution grids. DISCOs’ PIPs

include information on poor performing transformers along with details on the required rehabilitation and upgrade actions. The disbursement against DLI5 will be aligned with the DISCOs' transformer rehabilitation plans as outlined in their PIPs. Achievement of DLI5 will be monitored and verified by BPE with support of their IVA.

(c) **Results Area 3- Strengthened governance and transparency:** Results Area 3 will address corporate governance and transparency in the operation of the distribution companies. Following the best practice of corporate governance engenders the trust of investors and debtors in the distribution subsector, allowing the DISCOs to be viewed as solid and credible partners both inside and outside Nigeria. Strengthening corporate governance is essential for the DISCOs to be able to raise new capital for investment in the network improvement in line PIP guidelines.

(i) **DLI6 – Compliance with NERC Code of Corporate Governance by DISCOs:** DLI6 will be triggered based on the verification of ongoing compliance with the NERC Code of Corporate Governance. The disbursement against DLI6 will be based on an assessment of compliance undertaken by NERC on a 6-12 monthly basis. The outcomes of NERC's verification of compliance will be reported to BPE for verification via the DISREP Technical Committee.

(ii) **DLI7 – Implementation of Management Information Systems (MIS) by DISCOs.** DLI7 will be triggered through the incremental implementation of a MIS by DISCOs. NERC defines the key elements of the MIS as being a Commercial Management Systems (CMS), Enterprise Resource Planning (ERP), Geographic Information System (GIS), Incident Recording and Management Systems (IRMS), Supervisory Control and Data Acquisition System (SCADA), Revenue Protection Program (RPP), and Works Management Systems (WMS). The disbursement against DLI7 will be based on a monitoring and verification of MIS implementation and will be undertaken by BPE with support of their IVA.

5. The DISREP PforR program does not support any investments that are not detailed in the approved DISCOs PIPs. The Program will only support investments in infrastructure and assets that are and will remain wholly owned by the DISCOs, irrespective of changes in DISCO operations or ownership. The Program will equally exclude activities that do not meet World Bank policy on eligibility for PforR financing. Specifically, the borrower shall ensure that the Program excludes any activity—for example large scale construction works, construction of distribution sub-stations and construction of other distribution infrastructures—which will require right of ways or which, in the opinion of the World Bank, are likely to have significant adverse impacts that are sensitive, diverse or unprecedented on the environment and/or requires significant land acquisition / large resettlement of affected people or economic impact, as defined in the World Bank policy on PforR financing (September, 2020). The PforR operations in Result Area 1 will be limited to only rehabilitation of existing infrastructure or replacement of equipment/infrastructures in already existing distribution infrastructure. This may involve additional land area in the form of additional working space during the rehabilitation of

distribution lines. It is expected that such land area will be reverted back to the owners/users after rehabilitation work. Increasing of electricity connection through grid or off-grid infrastructure may also involve minimal land acquisition without physical displacement. A resettlement action plan, in line with NERC regulation and World Bank guidelines will be prepared by DISCOs under the supervision of BPE to deal with compensation issues arising from this minor displacement. In line with DISREP PforR activities outlined above, the exclusion of the enumerated activities will not impact the achievements of the results under the Program.

6. The Environmental and Social Systems Assessment (ESSA) examines the extent to which the Federal, State Government's and DISCOs existing environmental and social management systems: operates within, an adequate legal and regulatory framework to guide environmental and social impact assessments, mitigation, management and monitoring at the PforR Program level; and incorporate recognized elements of good practice in environmental and social assessment and management. The ESSA thereafter defines measures to strengthen the system and recommend measures that will be integrated into the overall Program. The ESSA is undertaken to ensure consistency with six core principles and key planning elements of PforR ESSA.
7. In line with the six core principles and initial screening, the relevant risks within the proposed Result Areas under the PforR cover environmental and social issues and include:
  - a. Air, noise, water, soil and groundwater pollution and waste management due to rehabilitation works and possibly from polychlorinated biphenyls (PCB) contaminated oil, biodiversity loss as a result of poor vegetation management during the rehabilitation of feeder lines and other rehabilitation activities along the network, e-waste generation due to installation/replacement of meters and implementation of MIS system.
  - b. Occupational Health and Safety (OHS) issues both COVID-19 and non-COVID-19 issues during rehabilitation of distribution infrastructure, new connections and installation of meters.
  - c. Waste management and GHG emissions as a result of rehabilitation of power distribution networks.
  - d. Labour and occupational health and safety issues due to rehabilitation of distribution infrastructure, installation of meters, increasing of new connections under the program.
  - e. Risk of exclusion of vulnerable and marginalized individuals / groups/disability exclusion, etc.
  - f. Possibility of gender based violence (GBV) as the Program envisions a range of rehabilitation projects, and these are activities that can increase GBV and risks of SEA and SH due to changes in labour patterns and income, creation of new hot spots for vulnerability, and changing community dynamics.
8. Specific environmental and social risks have been assessed and deemed to be moderate. The risks were assessed as moderate because the impacts resulting from the activities are temporary, minor, and not in environmental and socially sensitive areas and can be mitigated through normal measures for minor rehabilitation/ construction activities. Although adverse environmental and social impacts are limited, some weaknesses in the borrower's system and possible lack of capacity to address the environmental and social impacts may limit the PforR's ability to achieve its environmental and social operational objectives.



9. The ESSA was prepared through a combination of reviews of existing program materials and available technical literature, interviews and consultations with various stakeholders. An environmental and social risk screening was undertaken at the concept stage. In the assessment of the DISCOs and given the limitations imposed by COVID-19 pandemic, the team visited some of the DISCOs prior to covid 19 pandemic, had consultations virtually with the relevant managers and officers in the DISCOs, and reviewed the relevant E&S documents and other institutional documents submitted by the DISCOs in line with the request of the World Bank team. The ESSA process was informed by the Bank Guidance on PforR Environmental and Social System Assessment (Sept, 2020).
10. Consultations were carried out prior to the development of the ESSA despite the COVID-19 pandemic. The consultations, which were conducted online via Microsoft Teams, were carried out in line with the World Bank's guideline on consultation during the pandemic. Those consulted include the management of each of the eleven DISCOs in Nigeria, representatives of relevant Ministries in States within their jurisdiction, and with the management of BPE, NERC, and TCN. Consultations with the DISCOs and representatives from relevant government ministries in the States was held between September 14-18, 2020 while consultations with BPE, NERC and TCN was carried out on September 22, 2020. Prior to the consultations, the DISCOs were presented with the consultation plan which included a list of documents required for the assessment and a preliminary brief and questions that guided the discussion. During the consultations with the DISCOs, the details of the DISREP PforR Program were presented to them. The representatives of the DISCOs also responded to the questions presented to them by the World Bank team. The DISCOs were thereafter requested to respond to the questions in writing and forward them to the World Bank team. Further consultation will be carried out with these and additional stakeholders.
11. Some analysis was carried out to determine the range of environmental and social risks and benefits that are associated with the PforR program based on each of the DLIs. The PforR program will significantly deliver some environmental benefits especially providing climate co-benefits because of reduction in the use of fossil fuels (petrol and gas) by households and business and also due to reduction in the consumption of electricity propelled by efficiency in metering. For example, regarding DLI1, there could be climate co-benefits due to reductions in the per/kWh GHG emissions associated with the network as a result of reduced use of fossil fuels as consumption of power decreases following the Program. The achievement of this DLI aligns with the Multilateral Development Banks' (MDB) list of eligible mitigation activities under Category 1.3: New information and communication technology, smart grid and mini grid, as well as Category 2.1: Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability or reliability.
12. The Program is expected to have direct and indirect risks and these risks are deemed to be moderate. For example, activities for the achievement of DLI 2 (Number of new connections by DISCOs) and DLI 3 (Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs) could lead to increased noise levels and air pollution from heavy duty vehicles and machines that will be used in the operation, wastes during rehabilitation activities, possibility of traffic obstruction, impact on workers, community and public health and safety,

electrocution and fire incidents. Achievement of DLI 5 could also lead to pollution and health problems due to possible exposure of workers to polychlorinated biphenyls (PCB) contaminated oil. Also, installation of new feeders into underserved areas near the existing distribution infrastructure may lead to cutting down of Trees/vegetation.

13. The social benefits of the Program will be significant when considered within the perspective of the current situation of power and in Nigeria and also given the huge benefits from a stable and reliable power sector. With the evidence that welfare of the poor improves significantly with electricity access, and given the high poverty rate in Nigeria (poverty head count rate is 40.1% translating to 82.9 million Nigerians) which has been exacerbated by COVID-19 pandemic, improving access to electricity thorough new connections and enhancing distribution efficiency, as envisage in Nigeria DISREP PforR, will facilitate poverty reduction and economic growth. It will also impact education and health. In fact, achievement of DLI 1 will eliminate the practice of issuing estimated bills to customers and which could lead to excessive billing, loss of income and poverty. Effective metering will help to reduce technical and non-technical losses thus enhancing distribution efficiency. Increased distribution efficiency and reliability will increase the number of hours that electricity is available and thus increase opportunities for children to study thereby enhancing educational outcomes. It will also be beneficial to women as studies have shown that profits are higher for women using electricity for enterprises.
14. Also, moderate social risks are associated with the Program and the activities under the DISREP PforR. Power sector workers (especially technical workers) and public safety may be affected during the installation of meters, installation of new feeders and connection of new customers, rehabilitation of distribution lines and Power Transformer (PT) and Distribution Transformer (DT) given the nature of electricity and dangers associated with it. Workers may also be exposed to hazardous substances especially PCB contaminated oil during the rehabilitation of PT and DT and distribution lines. Also, there could be SEA and SH during the distribution and installation of meters in homes and offices, extension of power to underserved areas and localities, and rehabilitation of distribution lines especially giving the influx of power sector workers into the communities and localities. In addition, although it is expected that all customers will be connected to a meter, there could be discrimination against vulnerable people and elite capture in the distribution and installation of meters and in connection of new lines especially if meters are in short supply. Besides, there could be bias—for example, gender, ethnic, religious bias or segregation—due to social stratification in choosing locations where distribution networks will be rehabilitated given that resources may be limited. The DISCOs may choose locations where customers use more electricity and pay more money and neglect areas where poor and vulnerable people reside as the returns from those areas will be less. Indirectly, there could be conflicts between customers and DISCOs as some unscrupulous customers may quarrel with DISCO staff to prevent disconnection after electricity theft or tampering with meters, especially non-smart meters.
15. Following the identification of environment and social risks, the E&S management system in place to manage the identified risks were assessed. The assessment was done in line with the following criteria: strengths of the system, or where it functions effectively and efficiently and is consistent with Bank Policy and Directive for Program-for-Results Financing;

inconsistencies and gaps between the principles espoused in Bank Policy and Directive for Program-for-Results Financing and capacity constraints; and actions to strengthen the existing system.

16. Based on the review of the system, in line with the six core principles espoused in the Bank Policy and Directive for Program-for-Results Financing, we found that the six core principles will be applicable to the program. The findings of the assessment of government and DISCO's systems in line with the core principles are summarized as follows:
17. **Core Principle 1 (General Principle of Environmental and Social Management):** Regarding government systems, the national policies, regulations and other legislation for environmental management are well defined and consistent with Core Principle 1 of the Bank Policy and Directive, while the Power Sector Reform Act 2005 and accompanying regulations are in place to guide effective E&S management. However, capacity of the federal and state ministries of environment to monitor and enforce EIA requirements is weak. Regarding the DISCOs, most of the DISCOs have HSE and OHS procedures and manuals that guide environmental and social management. However, most of the DISCOs have weak environmental and social management procedures as the HSE and OHS manuals and procedures have gaps and are often focused on health and safety, even as the capacity for management of environmental issues is weak.
18. **Core Principle 2 (Natural Habitats and Physical Cultural Resources):** Regarding government system, and besides the EIA systems mentioned earlier, the federal and state governments also have introduced a number of forest policies, programs and instruments to facilitate the management of forests and other natural habitats. However, some of them are outdated and deforestation and forest degradation is on the increase. Nigeria has a lot of biodiversity sites including sacred groves as detailed in the National Biodiversity Strategy, however, it is not envisaged that the program will have any adverse impact on biodiversity. Regarding the DISCOs, many of them work with the Federal and State forest departments and commissions in vegetation management along electricity lines to ensure proper vegetation management. However, many of the DISCOs do not have or have weak vegetation management procedure.
19. **Core Principle 3 (Public and Worker Safety and Workers Right):** The legal/regulatory system includes provisions for protecting worker, community and public safety. Some legislation to ensure worker protection includes the Labour Act of 2004, the Trade Union Amended Act of 2005, and the Employees Compensation Act of 2010. DISCOs have HR policies that guide recruitment, staff promotion, compensation, and discipline etc. Some have guidelines and procedures for handling of hazardous chemicals especially PCB contaminated oil. Also electricity workers in Nigeria have two unions (National Union of Electricity Employees (NUEE) and Senior Staff Association of Electricity and Allied Companies, that fight to protect the rights of workers. However, although they have HR policies, some DISCOs' HR policies lack procedures in specific areas to facilitate worker security and performance, for example, in areas of GRM, welfare in terms of participation in trade union activities, etc. Also, emergency preparedness procedures are non-existent in some DISCOs while many have weak

plans and procedures for managing emergencies as some DISCOs do not have clear procedures for handling PCBs.

20. **Core Principle 4 (Land Acquisition):** Nigeria has the Land Use Act of 1978 which was modified in 1990. It is the legal basis of land acquisition. A Presidential Technical Committee on Land Reform (PTCLR) is working on issues regarding land reform in Nigeria due to weaknesses in the Act. Acquisition of Land and Access Rights for Electricity Projects Regulations, 2012, provides a robust legal and regulatory framework for the acquisition of land and access rights for electricity projects in Nigeria. Some of the DISCOs do not have procedures for land acquisition and did not indicate that they apply the 2012 regulation. However, there will be minimal land acquisition in the Program and the NERC 2012 regulation will guide it.
21. **Core Principle 5 (Social Considerations - Indigenous Peoples and Vulnerable Groups):** Chapter IV of the Nigerian Constitution contains a variety of fundamental rights set out in Sections 33 - 44. Most DISCOs have a procedure for consultation with their customers and the general public on electricity matters. However, many of the DISCOs do not have procedures for dealing with vulnerable people and PWDs regarding electricity issues to ensure that they are not treated with contempt and partiality. Also, most of the DISCOs do not have procedures or have inadequate procedures for handling SEA and SH which are part of gender constraints to access to electricity.
22. **Core Principle 6 (Social Conflict):** The program will be implemented in areas that could be considered as fragile areas in Nigeria, mainly in North East and North West. However, the federal and State presence is strong throughout the country with well-trained police and security forces who maintain the rule of law and also provides security against bandits, and armed insurgents. There is also a justice system with courts where people can seek redress. The federal government also has the public complaints commission where people can make complaints regarding administrative injustices. NERC has a regulation, Customer Complaints Handling: Standards and Procedure 2006, which guides all distribution Licensees in Nigeria in terms of resolving customer complaints. Most of the DISCOs have GRM mechanisms. Although, most of the DISCOs have some grievance redress mechanism and complaints procedure, some of the procedures are weak. Even a DISCO recommended only informal approach. There is disdain for DISCO officials by customers and the general public probably because of the erratic power supply and alleged billing of customers when they did not receive electricity. This perception often results in conflict when DISCOs want to disconnect customer electricity because of non-payment of bills or other issues.
23. The information from this analysis, identification of gaps and opportunities/actions, were used to inform the recommendations and Program Action Plan (PAP).
24. The recommendations are as follows:
25. BPE and NERC, in collaboration with the Federal Ministry of Environment, should develop a protocol/standard in line with WB and Nigeria requirements that will serve as E&S benchmark to guide DISCOs in updating their E&S instruments and systems. Each DISCO will take into

consideration annex 9 and the identified gaps / gap filling actions in updating their system in line with the protocol/standard that will be developed.

26. DISCOS should update, harmonize and strengthen their E&S instruments and systems in line with the benchmark of E&S for DISCOs.
27. BPE should conduct annual monitoring of progress and performance on environmental and social issues, especially regarding the compliance of the Program activities with the environmental and social standards and procedures.
28. DISCOs should provide on-site training/capacity building to electricity workers, contractors and laborers that will be involved in rehabilitation and upgrading of distribution lines and grid transformers and those that will be involved in expanding and setting up new connections so that they will be familiar with OHS issues at their workplace/site.
29. DISCOs in collaboration with BPE should work with the local authority in their sub-units to set up local level (through relevant traditional rulers/ institution, Ministry of Chieftaincy Affairs and LGA Chairmen) conflict resolution committee to address conflict related to the program.
30. DISCOs in collaboration with BPE should embark on community-based enlightenment campaign to strengthen citizen engagement through different channels, produce and distribute leaflets and brochures so as to create awareness and familiarize the citizens of the Program.
31. BPE and DISCOs should engage suitable Environmental and Social Risk Management Specialists (could be consultants) as part of the Program Implementation Team in a manner that will be satisfactory to the Bank.
32. The DISCOs in collaboration with BPE should institute a gender-based violence response committee to ensure that survivors can easily and freely report to immediately they experience any assault.
33. The program action plan is presented in Table 1ES below. The PAP will be part of the verification protocol by BPE and IVA.

**Table 1ES: Program Action Plan (PAP) for Environmental and Social Management**

Action Description	Due Date	Responsible Party	Completion Measurement	Actions to be include in PAD PAP / DISCOs IPAP
Develop a protocol/standard that will serve for benchmarking E&S system, performance and M&E of DISCOs (including but not limited to OHS, community Health and safety, e-waste and hazardous waste	Prior to signing on lending agreement / shareholders loan agreement with each DISCO.	BPE	Document acceptable to the Bank containing E&S benchmarks for DISCOs	To be included in PAD PAP

management and disposal, SEA/SH, resettlement				
Build the capacities of the DISCOs in terms of environmental and social safeguards of WB and Nigeria.	During Project Implementation	BPE	Records of trainings	To be included as part of action 5 of the PAD PAP and DISCOs IPAPA
Develop, update, harmonize and strengthen E&S instruments and systems in line with the benchmark of E&S for DISCOs taking into consideration annex 9.	During Program Implementation	All DISCOs	Copies of reviewed documents, documented process of review (review committee list, minutes of meeting, or letters of appointment of Consultants, TOR used in engaging the consultant or review committee).	To be included as part of Action 5 of the PAD PAP and DISCOs IPAP.
Conduct annual monitoring of progress and performance on environmental and social issues, especially regarding the compliance of the Program activities with the environmental and social standards and procedures	At the end of every year	BPE / IVA	Monitoring report, Minutes of meeting during monitoring exercise, pictures taken during monitoring.	To be included in the verification protocol and DISCO's IPAPs.
Provide on-site training/capacity building to electricity workers, contractors and labourers so they can be familiar with OHS issues at their workplace/site. <sup>1</sup>	During Project Implementation	All DISCOs	Submit Capacity /Training plans /Modules, Lists of participants, pictures during training program.	To be included as part of item 5 of PAD PAP and DISCOs IPAP
Set up local level (through relevant traditional rulers/ institution and LGA Chairmen) conflict resolution committee to address conflict related to the program.	Prior to rehabilitation of distribution lines / installation of meters.	All DISCOs, LGA Chairmen, Ministry of Local Government and Chieftaincy Affairs.	List of committee members, minutes of committee meetings, photos of inauguration of committee members, attendance list at committee meetings.	To be included as part of item 5 of PAD and DISCOs IPAP
Embark on community-based awareness-raising campaign and citizen engagement through different channels, produce and distribute leaflets	Prior to commencement of the rehabilitation works of the lines	All DISCOs, BPE	Copies of radio and television jingles, copies of leaflets and brochures, photos of town hall meetings	To be included as part of item 5 of PAD PAP and DISCOs IPAP

<sup>1</sup> The program IPF/TA component include capacity building activities to strengthen the DISCOs to manage environmental and social risk

and brochures so as to create awareness and familiarize the citizens of the Program.				
Engage suitable Environmental and Social Risk Management Specialists – one E&S per each DISCO. (Consultants) as part of the Program Implementation Team in a manner that will be satisfactory to the Bank.	Prior to program implementation / prior on lending to specific DISCOs	BPE, All DISCOs	Letters of appointment of Consultants/Specialists, TOR for engagement of consultant, CV of consultant, Annual reports of activities, and maintained throughout the life of the program	To be included as a standalone action in the PAD PAP and at DISCOs IPAP (as condition for signing shareholders loan agreement.
Institute a gender-based violence response Committee	During program implementation s	BPE, All DISCOs	List of Committee Members, document detailing the operations of the committee approved by top management.	To be included as part of item 5 of PAD PAP and as part of DISCOs IPAP and at BPE level
Prepare site specific E&S safeguards instruments relevant to rehabilitation of meters, transformers, rehabilitation of lines etc.	Prior to commencement of civil works/ rehabilitation	BPE, All DISCOs	Relevant safeguards instruments.	To be included in the PAD PAP and as DISCOs IPAP

## SECTION I: BACKGROUND AND SCOPE

### 1.1: Program Description

34. World Bank is proposing to support the Nigeria Power Sector Distribution companies (DISCOs), through the Government of Nigeria (GoN), with a Performance-for-Results (PforR) instrument referred to as Nigeria Distribution Sector Recovery Program (DISREP) (hereafter, the Program). The Program aims to address the binding constraints for improving the performance of the electricity distribution sector to attract private financing in the sector and is consistent with the “Maximizing Finance for Development” approach. The Program is part of the Programmatic Approach of the World Bank Group to address a variety of the power sector issues. The Program, in parallel with Power Sector Recovery Program (PSRP) PforR, represent a holistic approach to support the recovery of the Nigerian power sector. While the PSRP PforR focuses on improving the policy and regulatory environment, enforcing regulation and addressing tariff-related shortfalls, the proposed DISREP focusses on improving DISCOs operational performance and providing resources for infrastructure investment to improve operational efficiency and achieve financial sustainability of the sector. The Program Development Objective (PDO) of the PforR is to improve financial and technical performance of the electricity distribution companies. The PDO will be monitored through the following PDO level outcome indicators:

- a. Percentage of metered customers increases;
- b. Annual electricity billed increases;

- c. Annual collection of billed electricity increases;
  - d. Annual verification of DISCOs compliance with Corporate Code of Governance.
35. The DISREP operation is a hybrid one with a PforR component and IPF component. Relevant safeguard instruments, namely, an ESMF, SEP, ESRS, LMP, and ESCP have been prepared for the IPF component.
  36. The PforR Program will be limited to only the distribution sector elements of the government Power Sector Recovery Program (PSRP), approved by the Federal Executive Council of the Federation in February 2018, and within the parameters of the NERC approved Performance Improvement Plans (PIP) for each DisCo. The program will focus on the improvements of the distribution sector necessary to absorb a total of 7 GW of available generation (up from current levels of around 4 GW).
  37. To improve sustainable access and reliability of power in Nigeria, the Program will contribute to three Result Areas and will achieve seven Disbursement Linked Indicators (DLIs). The proposed Result Areas and DLIs and how they relate to the PSRP is shown in Table 1.1 below
  38. The Bureau of Public Enterprises (BPE) will serve as the implementing Agency of the Program. The BPE will receive loan from World Bank, through the Federal Ministry of Finance, into to their Treasury Single Account (TSA) at the Central Bank of Nigeria (CBN) and then on-lend to the eleven DISCOs in the form of shareholder loans. The terms of the shareholder loans, including their tenures, are to be agreed between the BPE, DISCOs and the MoF. Specific loan amounts to be allocated to each DISCO will be defined by individual investment requirements of each DISCO, based the individual PIPs approved by NERC. An initial advance of 25% is needed to provide required resources to DISCOs to start the implementation of the PIPs. The disbursement will be made followed by subsequent disbursement to the BPE-TSA account every six months after the assessment of the agreed PforR DLIs.

**Table 1.1. DISREP Result Areas and DLIs and how they relate to the PSRP**



Nigeria Distribution Sector Recovery Program	PSRP Component	PSRP Sub-Component	PforR Areas	Proposed DLIs
	<b>II. Operational /technical interventions</b>	<b>Improved DISCO performance</b>	Result Area 1: Improved DISCO operational performance	DLI#1: Reduction in DISCOs' metering gap
				DLI#2: Number of new connections by DISCOs
				DLI#3: Kilometres of medium voltage (MV) distribution lines rehabilitated by DISCOs
				DLI#4: Increased collection efficiency by DISCOs
	<b>III. Governance interventions</b>	<b>Restore proper sector governance</b>	Results Area 2: Enabling diversification of commercial options for DISCOs to supply their demands	DLI#5: Reduction in transformer technical losses in existing distribution networks
				DLI#6: Compliance with NERC Code of Corporate Governance by DISCOs
<b>III. Governance interventions</b>	<b>Restore proper sector governance</b>	Result Area 3: Strengthened governance and transparency	DLI#7: Implementation of Management Information Systems (MIS) by DISCOs	

### 1.2: Program Boundaries and Activities

39. The three Results Areas of the PforR and summary of the DLIs are as follows:

- a. **Results Area 1: Improved DISCO performance-** This Result Area will focus on implementation of key PIP components in order to improve quality of service provided to customers, reduce aggregate technical, commercial and collection (ATC&C) losses in supply, regularize customers and increase connections (leading to increased access and load growth), and improve the ability to monitor and control network performance, and collection processes. ATC&C losses averages over 40%, across all the DISCOs. Through these investments, DISREP will support the increased electricity access, improved electricity service, improved network economics, and reduced GHG emissions per kWh supplied. Result Area 1 covers four DLI's as follows:
  - i. **DLI1- Reduction in DISCOs' metering gap:** DLI1 be triggered on the installation of meters at currently unmetered and new customers and the resulting reduction in the DISCOs, metering gap, as defined in their PIPs. The disbursement against DLI1 will be aligned with the metering gaps defined in DISCOs individual metering plans

that have been developed and submitted to NERC. Achievement of DLI1 will be monitored and verified by BPE with support of their IVA.

- ii. **DLI 2 – Number of new connections by DISCOs:** DLI 2 will be triggered on the connection of new customers to the DISCO distribution grid. DISCOs will provide electricity access through new low voltage feeders and medium voltage lines, which do not involve permanent land acquisition or rights of way, and new connections to existing feeders. DISCOs are also expected to consider increasing access through off-grid (through investments in solar power) and mini-grid<sup>2</sup> solutions where appropriate, including through renewable powered stand-alone and mini-grid systems, which can be constructed by mini-grid developers and connected to the distribution network. The disbursement against DLI2 will be aligned with the customer connection targets in DISCOs' PIPs. Achievement of DLI2 will be monitored and verified by BPE with support of their IVA.
- iii. **DLI3 – Kilometres of medium voltage (MV) distribution lines rehabilitated by DISCOs:** DLI3 will be triggered on the rehabilitation of medium voltage (11kV) lines across the distribution network. The disbursement against DLI#3 will be aligned with the DISCOs' line rehabilitation plans as outlined in their PIPs. Achievement of DLI3 will be monitored and verified by BPE with support of their IVA.
- iv. **DLI4 – Increased collection efficiency by DISCOs:** DLI4 will be triggered based on the revenue collected by DISCOs relative to power billed. Collection efficiency is a broad metric that captures multiple areas of required improvement by DISCOs including customer satisfaction, DISCO billing processes, revenue protection, theft management, etc. The disbursement against DLI4 will be aligned with the DISCOs' planned improvements in collection efficiency as outlined in their PIPs. Achievement of DLI4 will be monitored and verified by BPE with support of their IVA.

**b. Results Area 2:** Enabling diversification of commercial options for DISCOs to supply their demand- This Result Area will focus on rehabilitating poor performing power transformers (PT) and distribution transformers (DT) which are limiting the ability of DISCOs to handle sufficient power supply to meet customer demand while at the same time limiting DISCOs potential to access new commercial supply options such as purchasing power directly from GENCOs or from embedded generators, such as decentralized renewables.

- i. **DLI5 – Reduction in transformer technical losses in existing distribution networks.** DLI5 will be triggered on the rehabilitation of power transformers (PT) and distribution transformers (DT) within the distribution grids. DISCOs' PIPs include information on poor performing transformers along with details on the required rehabilitation and upgrade actions. The disbursement against DLI5 will be aligned with the DISCOs' transformer rehabilitation plans as outlined in their PIPs. Achievement of DLI5 will be monitored and verified by BPE with support of their IVA.

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<sup>2</sup> Mini-grid solutions will be established by private developers. DISCOs will not develop mini-grid solutions directly but may consider increasing access through the solutions where appropriate and convenient.

**c. Results Area 3:** Strengthened governance and transparency- Results Area 3 will address corporate governance and transparency in the operation of the distribution companies. Following the best practice of corporate governance engenders the trust of investors and debtors in the distribution subsector, allowing the DISCOs to be viewed as solid and credible partners both inside and outside Nigeria. Strengthening corporate governance is essential for the DISCOs to be able to raise new capital for investment in the network improvement in line PIP guidelines.

- i. **DLI6 – Compliance with NERC Code of Corporate Governance by DISCOs:** DLI6 will be triggered based on the verification of ongoing compliance with the NERC Code of Corporate Governance. The disbursement against DLI6 will be based on an assessment of compliance undertaken by NERC on a 6-12 monthly basis. The outcomes of NERC’s verification of compliance will be reported to BPE for verification via the DISREP Technical Committee.
- ii. **DLI7 – Implementation of Management Information Systems (MIS) by DISCOs.** DLI7 will be triggered through the incremental implementation of a MIS by DISCOs. NERC defines the key elements of the MIS as being a Commercial Management Systems (CMS), Enterprise Resource Planning (ERP), Geographic Information System (GIS), Incident Recording and Management Systems (IRMS), Supervisory Control and Data Acquisition System (SCADA), Revenue Protection Program (RPP), and Works Management Systems (WMS). The disbursement against DLI7 will be based on a monitoring and verification of MIS implementation and will be undertaken by BPE with support of their IVA.

40. The typology of investments that will be covered by the Program in line with Result Area (RA 1-RA3) and DLI described above is presented in Table 1.2.

41. The DISREP PforR will provide funds to the early stages of PIP implementation to improve DISCOs technical and financial performance, enabling them to raise the private financing required to fully realize their PIP targets. The total funds that will be committed to Nigeria DISREP PforR is US\$ 345 million.

#### **Excluded Activities**

42. The DISREP PforR component does not support any investments that are not detailed in the approved DISCOs PIPs. The Program will only support investments in infrastructure and assets that are and will remain wholly owned by the DISCOs, irrespective of changes in DISCO operations or ownership. The Program will equally exclude activities that do not meet World Bank policy on eligibility for PforR financing. Specifically, the borrower shall ensure that the Program excludes any activity, for example large scale construction works, construction of distribution sub-stations and construction of other distribution infrastructures which will require right of way or which, in the opinion of the World Bank, are likely to have significant adverse impacts that are sensitive, diverse or unprecedented on the environment and/or requires significant land acquisition / large resettlement of affected people or economic impact, as defined in the World Bank policy on PforR financing (September 2020), as well as works, goods and consultancy contracts above the Operations Procurement Review Committee

thresholds. The PforR operations in Result Area 1 specifically will be limited to only rehabilitation of existing infrastructure or replacement of specific equipment/infrastructures in already existing distribution infrastructure. This may involve minimal land requirement as working space during the rehabilitation of distribution lines. Increasing of electricity connection through grid, or off-grid infrastructure may also involve minimal land requirement without physical displacement of people. In line with DISREP PforR activities outlined above, the exclusion of the enumerated activities will not impact the achievements of the results under the Program.

**Table 1.2: Typology of investments to be supported by the DISREP**

Potential investments	RA1	RA2	RA3
<b>Infrastructure investments</b>			
Upgrade of existing injection substations	•		
Medium-voltage (33kV and 11kV) line rehabilitation	•		
Low-voltage (0.415kV) line rehabilitation	•		
Distribution transformers	•	•	
Customer metering	•		•
Theft reduction technology	•		
Connections to feeders	•		
Feeders	•		
Supply points for grid connections		•	
Supply points for GENCOs to support direct power purchasing		•	
<b>Commercial and management investments</b>			
Customer services	•		•
Technologies and processes for the management of requests for new connections	•		
Deployment of Commercial Management System (CMS)	•		
Customer Relationship Management (CRM)	•		•
Deployment of Enterprise Resource Planning (ERP)	•		•
Deployment of Geographic Information System (GIS)	•		•
Deployment of Project Management and Works Management Systems	•		•
Deployment of Incident Recording and Management Systems (IRMS)	•		•
Deployment of Supervisory Control and Data Acquisition System (SCADA) to operate high-voltage and medium voltage infrastructure	•		•
Revenue Protection Planning	•		•
Health, Safety and the Environment (HSE) applications/implementation	•		
Outage management systems for Quality of Service (QoS) tariff application	•		
Distribution management system/Distribution automation	•		•
Data Aggregation Platform			•
Technologies and processes to manage supply from grid connections, including renewable generation		•	
Technologies and processes to manage supply from direct power purchasing from GENCOs, including from renewable generation		•	
Capacity building	•	•	•

### 1.3 Scope of the Environmental and Social Management System Assessment (ESSA)

43. The ESSA for the program examines the extent to which the Federal and State Governments and DISCOs existing environmental and social management systems operate within, an adequate legal and regulatory framework to guide environmental and social impact assessments, mitigation, management and monitoring at the PforR Program level; and incorporate recognized elements of good practice in environmental and social assessment and management, including: (i) early screening of potential impacts; (ii) consideration of strategic, technical, and site alternatives (including the “no action” alternative); (iii) explicit assessment of potential induced, cumulative, and transboundary impacts; (iv) identification of measures to mitigate adverse environmental or social risks and impacts that cannot be otherwise avoided or minimized; (v) clear articulation of institutional responsibilities and resources to support implementation of plans; and (vi) responsiveness and accountability through stakeholder consultation, timely dissemination of the PforR Program information, and responsive grievance redress mechanisms; among others<sup>3</sup>.
44. The ESSA has been prepared to ensure consistency with the “core principles” outlined in the World Bank’s policy for Program-for-Results Financing to effectively manage Program risks and promote sustainable development: The ESSA thereafter identified gaps, defined measures to strengthen the system and recommended measures that will be integrated into the overall Program.
45. The six core principles are:
- a. **Environment:** Promote environmental and social sustainability in the Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the Program’s environmental and social impacts.
  - b. **Natural Habitats and Cultural Resources:** Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program.
  - c. **Public and Worker Safety:** Protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.
  - d. **Land Acquisition:**<sup>4</sup> Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards.
  - e. **Vulnerable Groups:** Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups.
  - f. **Social Conflict:** Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

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<sup>3</sup> See World Bank (2019) Bank Directive: Program-for-Results Financing

<sup>4</sup> Land acquisition involving displacement/resettlement is excluded and not applicable for this operation (see excluded activities in paragraph 36 and annex 11)

46. In line with the six core principles the relevant risks within the proposed Result Areas under the PforR cover environmental and social issues and include:
- a. Air, noise, water, soil and groundwater pollution and waste management due to rehabilitation works and possibly from polychlorinated biphenyls (PCB), contaminated oil, biodiversity loss as a result of poor vegetation management during the rehabilitation of feeder lines and other rehabilitation activities along the network; and e-waste generation due to installation/replacement of meters and implementation of MIS system.
  - b. Occupational Health and Safety (OHS) issues including COVID-19 and non-COVID-19 issues during rehabilitation of distribution infrastructure, new connections and installation of meters.
  - c. Waste management and GHG emissions as a result of rehabilitation of power distribution networks.
  - d. Labour and occupational health and safety issues due to labour related rehabilitation of distribution infrastructure, installation of meters, and new connections under the program.
  - e. Risk of exclusion of vulnerable and marginalized individuals / groups/disability exclusion, elite capture, etc.
  - f. Possibility of gender based violence (GBV) as the Program envisions a range of rehabilitation projects, and these are activities that can increase GBV and risks of SEA/SH due to changes in labour patterns and income, creation of new hot spots for vulnerability, and changing community dynamics.
  - g. Although the Program does not lead to any security problem however, security issues (banditry, armed insurgence, and clashes between herders and farmers) especially in the North East and North West regions can affect rehabilitation of distribution infrastructure, having new connections and installation of meters.
47. The detail of applicability of Core Environmental and Social Principles (CP) to Nigeria DISREP Disbursement Linked Indicators (DLIs) is presented in Annex 1.
48. Specific environmental and social risks have been assessed and deemed to be of moderate level. The risks were assessed as moderate because the impacts resulting from the activities are temporary, minor, and not in environmental and socially sensitive areas and can be mitigated through normal measures for minor rehabilitation/ construction activities. Although adverse environmental and social impacts are limited, some weaknesses in the borrower's system and possible lack of capacity to address the environmental and social impacts may limit the PforR's ability to achieve its environmental and social operational objectives.

#### **1.4 Approach of ESSA**

49. The ESSA was prepared through a combination of reviews of existing program materials and available technical literature, interviews and consultations with government staff including staff of NERC, BPE and TCN, non-governmental organizations and electricity consumers, environmental and social regulatory agencies, and staff of DISCOs.
50. An environmental and social risk screening was undertaken at the concept stage (see Annex 2). The purpose of the screening was two-pronged. First, the screening was to confirm that

there are no activities which meet the defined exclusion criteria included in the PforR in line with the Bank Guideline for the ESSA. Secondly, the screening established the initial scope of the ESSA. This includes identification of relevant systems under the PforR and relevant stakeholders for engagement and consultations.

51. The ESSA process was informed by the Bank Guidance on PforR Environmental and Social System Assessment (Sept, 2020). The guidance sets out core principles and planning elements used to ensure that PforR operations are designed and implemented in a manner that maximizes potential environmental and social benefits while avoiding, minimizing or mitigating environmental and social harm.
52. Following the initial screening, the system review was conducted using a two-step approach:
  - a. Identification of relevant systems that are pertinent to the ESSA was addressed in Section IV on overview of relevant government and DISCOs environmental and social management systems; and
  - b. assessment of borrower's (government and DISCOs) environmental and social management systems for consistency with the applicable Core Principles including capacity and enforcement of certain environmental and social measures, was addressed in Section V while environmental and social recommendations was addressed in Section VI.
53. In the assessment of the DISCOs and given the limitations imposed by COVID-19 pandemic, the team visited some of the DISCOs prior to the COVID 19 pandemic, had consultations virtually with the relevant managers and officers in the DISCOs, and reviewed the relevant E&S documents and other institutional documents submitted by the DISCOs in line with the request of the World Bank team.

## SECTION II: STAKEHOLDER CONSULTATION

54. This section provides a summary of the stakeholder consultation activities undertaken for the ESSA as well as future engagement activities for ESSA disclosure.
55. Some consultations were carried out prior to the development of the ESSA despite COVID-19 pandemic. The consultations, which were online via Microsoft Teams, were carried out in line with the World Bank’s guideline on consultation during the pandemic. Different stakeholders were consulted. Those consulted include: the management of each of the eleven DISCOs in Nigeria with some representatives of relevant Ministries from the States within their jurisdiction, which was held between September 14-18, 2020; and with the management of BPE, NERC, and TCN, which was carried out on September 22.
56. Prior to the consultations, the DISCOs were presented with the consultation plan which included list of documents required for the assessment (see Annex 3) and a preliminary brief and questions that guided the discussion (see Annex 4). During the consultation with the DISCOs, the details of the DISREP PforR Program was presented to them. The representatives of the DISCOs also responded to the questions presented to them by the World Bank team. The DISCOs were thereafter requested to respond to the questions in writing and forward to the World Bank team.
57. The summary of the findings of the consultation with the eleven DISCOs on one hand and BPE, NERC and TCN on the other is presented in Tables 2.1 and 2.2 while the detailed report of the consultation with the eleven DISCOs is presented in Annex 5. The attendance list is presented in Annex 6. Further consultations will be carried out with the eleven DISCOs in order to present the findings/report of the ESSA and with government officials and electricity consumers (households and firms).

**Table 2.1: Summary of Responses from DISCOs Regarding Environmental and Social Management Issues**

DISCOs	Summary of Responses Regarding Environmental and Social Management Issues
Abuja	The responses from the representatives shows that Abuja DISCO has an environmental and social management operations manual that guide actions regarding environmental and social issues. To ensure safety of workers and the public, the representatives of AEDC indicated that they carry out frequent inspections on equipment, public safety sensitization, town hall meetings, and that safety advisories are placed on vehicles, in churches and other public areas. They indicated that they have a GRM and a succession plan.
Benin	The DISCO has an environmental and social management operations manual that guide actions regarding environmental and social issues although they have not been carrying out EIA. Public awareness is carried out with use of signage and other mediums of communication. They also carry out frequent checks on equipment used



	to ensure public safety. Grievances are addressed through various committees that handle complaints. Conflicts among staff are handled in accordance with the HR manual. They indicated that Benin DISCO is an equal opportunity employer and that one of their Non-Executive Directors is a woman while the CEO/Managing Director for six years is a woman. They also indicated that they have guidelines/ rules regarding succession/ change of top management to avoid conflicts and discrimination.
Eko	The representatives of Eko DISCO indicated that the company has an environmental and social management operations manual, OHS manual and a waste management plan. They also indicated that Eko DISCO is an equal opportunity employer. They also have a public enlightenment and consultation plan and the safety units ensures that the safety of the public is guaranteed. They also work with Lagos State government on issues of right of way. They indicated that they have a grievance redress mechanism and that conflict with staff are rare, but conflicts are resolved by panels set up by applying conditions of service and existing laws. They also have guidelines/ rules regarding succession/ change of top management to avoid conflicts and discrimination in line with gender/other issues
Enugu	The representatives of the DISCO indicated that the company has an environmental and social management operations manual, OHS manual and that they work closely with Enugu State Ministry of Environment and with other government agencies responsible for environmental management in the states they operate. They indicated that they enlighten the public through various means including radio programs. They also indicated that they mount warning precautions at strategic areas to draw attention to electricity hazards; they also conduct network inspection and monitoring. They also indicated that they are equal opportunity employer and that PWDs are not discriminated against as they have 10 staff currently who are PWD's. The DISCO has an organogram with a chain of command for staff but they currently do not have guidelines/ rules regarding succession/ change of top management.
Ibadan	They DISCO indicated that they have an environmental and social management operation, but this is not in detail but they conduct EIAs and also has an OHS manual. They indicated that the safety of the public is guaranteed through engagement of the committee on HSE. Also, the DISCO is an equal opportunity employer and it ensures that PWDs are not discriminated against during recruitment. Conflicts among staff are dealt with in line with their Human Resources Policy. The DISCO has a policy on sexual harassment. There is a complaint centre for customers on issues they may have which are channeled to appropriate departments to rectify. For trade unions, members and staff are free to join or opt out of these unions. For pension schemes, there are schemes present in line with the pension Act. There are guidelines/ rules regarding succession/ change of top management.
Ikeja	The representatives of the DISCO indicated that the company has an environmental and social management operations manual, OHS manual. The DisCo, according to the representatives, has a public enlightenment and consultation plan as well as a waste

	management plan and a recruitment and personnel manual. Equal opportunity is ensured by posting available vacancies online. Issues of conflict in host community are dealt with by having frequent interaction with community members. The team indicated that the DISCO has a security policy and a document for staff regarding chain of command and line of reporting; a clear succession plan to minimize conflicts as much as possible.
Jos	The representatives of the DISCO indicated that they do not have guidelines for environmental management however, they carry out environmental management based on state government policies. Regarding grievance redress, the DISCO does not have its own regulations or procedures, but they do have and OHS for guidance. The DISCO does not have an environmental guideline, nor social management plan. They do not usually conduct EIAs.
Kaduna	The representatives of the DISCO indicated that they have an OHS manual; no approved social management plan; no standalone security policy but there are corporate communication guidelines. They indicated that public safety is ensured by implementation of HSE guidelines and procedures. There is also an insurance policy in place to cover any public accidents and they also conduct public enlightenment exercises as well.
Port Harcourt	There are environment guidelines embedded in the safety practice manual. The team indicated that the DISCO has a safety mantra with safety briefs shared to staff; precautions are carried out on arrival at sites as well; while public awareness is carried out in targeted areas; schools, markets, etc. as well as through various media outlets. The DISCO has a log for incidents and cases of near misses
Kano	No response
Yola	They indicated that they were acquired by the federal government and hence applies the federal government institutional frameworks and approaches regarding E&S management.

58. The team also had consultations with NERC, BPE and TCN prior to the drafting of this ESSA. During the consultation held virtually on September 22, 2020, the World Bank Task Team gave a brief introduction of the project and its objectives as well as expectations from the TCN, BPE and NERC. Some discussions also centered on the role of TCN regarding the procurement of meters, Meter Data Management Software and Data Aggregation Platform. The minutes of the consultation is presented in Annex 6. The World Bank Task Team will hold further consultations with the TCN, BPE, NERC, DISCOs, customers, and other stakeholders as part of the program.

#### **Disclosure**

59. The final ESSA report will be publicly disclosed on the World Bank external website and in-country portals and at relevant government Ministries, Departments and Agencies (MDAs) at Federal and State levels.

## **SECTION III: DESCRIPTION OF EXPECTED PROGRAM ENVIRONMENTAL AND SOCIAL IMPACTS**

### **3.1 Overview of Program Risks and Benefits**

60. The Nigeria DISREP PforR is one of the programmatic engagements to support FGN's comprehensive reform effort under the Power Sector Recovery Program (PSRP) and it is meant to support improvement of DISCOs operational performance, service delivery and governance. Given its objective to improve the financial and technical performance of the distribution companies, the Program will ensure distribution efficiency and as such will have a lot of positive outcomes.
61. The Program will involve some direct physical works which will include rehabilitation of distribution lines, rehabilitation of PT and DT, installation of meters and increase in new connections. Thus, environmental and social risks, some of which are indirect and direct, are deemed to be moderate. The details of the range of key environmental and social risks and benefits associated with specific DLIs in the Nigeria DISREP PforR is presented in Annex 8.

### **3.2 Expected Environmental Benefits**

62. The PforR program will deliver significant environmental benefits especially providing climate co-benefits because of reduction in the use of fossil fuels (petrol and gas) by households and business and also due to cost reduction as a result of improved metering efficiency. In line with the DLIs, the following environmental benefits will be delivered:
63. **DLI 1 (Reduction in DISCOs' metering gap):** There could be climate co-benefits due to reductions in the per/kWh GHG emissions associated with the network as a result of reduced use of fossil fuels as consumption of power by customers reduces following the achievement of DLI 1. The achievement of this DLI aligns with the Multilateral Development Banks' (MDB) list of eligible mitigation activities under Category 1.3: New information and communication technology, smart grid and mini grid, as well as Category 2.1: Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability or reliability.
64. **DLI 2: (Number of new connections by DISCOs); DLI 3: (Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs) DLI 4: (Increased collection efficiency by DISCOs) and DLI 5: (Reduction in transformer technical losses in existing distribution networks):** There could be climate co-benefits due to reduced use of petrol-powered and diesel-powered electricity generators by households and businesses that will be part of the new connections and rehabilitated distribution lines. This will ultimately lead to improved air quality and reduction in pollutant and greenhouse gas emission. Also, use of off-grid connections through renewable energy-based systems, for new connections, would also have some climate –co-benefits. Achievement of DLI4 will discourage excessive use of electricity by consumers and thus will lead to reduced power consumption, reduced use of fossil fuels and hence reduction in carbon emissions. Besides, rehabilitation of PT and DT will

enhance reduction of ATC&C losses and distribution efficiency with associated climate-co-benefits. DLI 2 aligns with MDB list of eligible mitigation activities under Category 1.1: Wind power and Solar power, as well as Category 1.3: New information and communication technology, smart grid and mini grid. DLI 3 aligns with MDB list of eligible mitigation activities under Category 2.1: Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability or reliability; Category 3.2: Energy efficiency improvements in existing commercial, public and residential buildings as well as Category 3.3: Improvement in utility-scale energy efficiency through efficient energy use and loss reduction, or resource efficiency improvements. DLI5 also aligns with MDB list of eligible mitigation activities under Category 2.1 and 3.3.

65. **DLI 6: (Compliance with NERC Code of Corporate Governance by DISCOs); and DLI 7 (Implementation of Management Information Systems (MIS) by DISCOs):** DLI 6 will also result in enhanced distribution efficiency and thus reduced carbon emission. Achievement of DLI 7 will also enhance distribution efficiency as management will be acting based on concrete evidence. DLI7 DLI aligns with MDB list of eligible mitigation activities under Category 1.3: New information and communication technology, smart grid and mini grid, as well as Category 3.2: Energy efficiency improvements in existing commercial, public and residential buildings.

### 3.3 Expected Environmental Risks

66. The Program is expected to have direct and indirect environmental risks and the risks are adjudged to be moderate. Activities for the achievement of DLI (**Reduction in DISCOs' metering gap**) will lead to the generation of e-waste as old and dysfunctional meters will be removed and new ones installed.
67. **Activities for the achievement of DLI 2 (Number of new connections by DISCOs) and DLI 3: (Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs):** could lead to increased noise level, and air pollution from heavy duty vehicles and machines that will be used in the operation, wastes during rehabilitation activities, possible traffic obstruction and fire incident. Also, installation of new feeders into underserved areas near the existing distribution infrastructure may lead to cutting down of trees/vegetation and thus reducing their impact in carbon sequestration. The rehabilitation work could pose a danger to public, risk to community health and workers safety given the nature of electricity (could result in shocks, electrocution or fires) especially if poorly handled. There is also a possibility that the DISCOs do not have the capacity to manage environmental and social risks. This situation may pose a danger to the safety of workers, the public and environment, there could be sparks and fire incident during installation of meters. Also, there could be groundwater pollution due to possible leakage of PCB contaminated transformer oil during the rehabilitation of PTs and DTs, waste problem possibility of air pollution.
68. **DLI 5: (Reduction in transformer technical losses in existing distribution networks):** Environmental risks that could be associated with this DLI are air and ground water pollution due to possible leakage of PCB contaminated transformer oil during the rehabilitation of PTs and DTs, noise, traffic obstruction, and possible fire incident.

69. **DLI 7 (Implementation of Management Information Systems (MIS) by DISCOs):** The achievement of this DLI will lead to the generation of e-waste as some old computers and other ICT facilities will be disposed of and new ones acquired as a result of the updating of the MIS systems.

70. Regarding mitigation of these environmental risks, an assessment of the borrowers' environmental systems to be able to mitigate these risks was done in Section IV and gaps and gap filling measures identified.

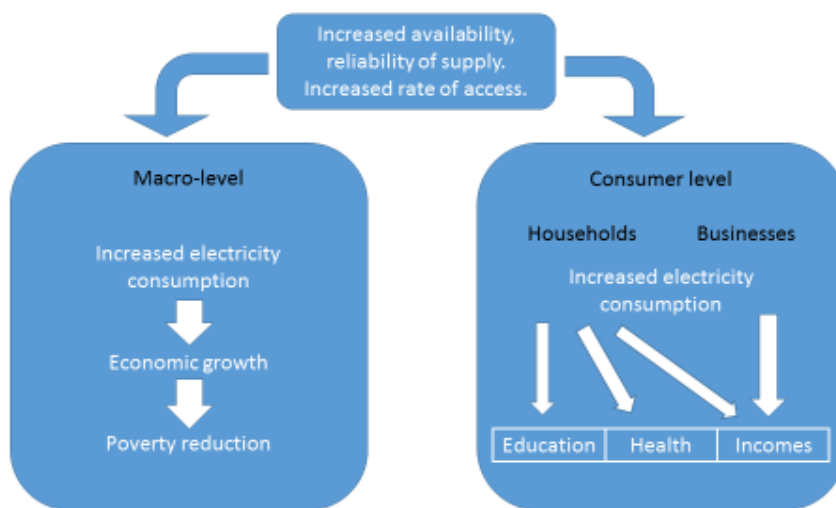
### 3.4 Expected Social Benefits:

71. The social benefits of the Program will be high when considered within the perspective of the current situation of power in Nigeria. To date, households, electricity access is still limited in Nigeria. According to the World Bank (Sustainable Access Database), 56.5% of the population in Nigeria had access to electricity in 2018, out of which 81.7% are in the urban area while 30.95% of the rural population has access to electricity. With about 90 million people lacking access to grid electricity, Nigeria has the largest access deficit in Sub-Saharan Africa and the second largest in the world, after India. With the evidence that welfare of the poor improves significantly with electricity access<sup>5</sup>, and given the high poverty rate in Nigeria (poverty head count rate is 40.1% translating to 82.9 million Nigerians<sup>6</sup>) which has been exacerbated by COVID-19 pandemic, improving access to electricity through new connections and enhancing distribution efficiency, as envisage in Nigeria DISREP PforR, will facilitate poverty reduction and economic growth. It will equally impact on education and health. Figure 3.1 shows the impact pathway of electricity consumption through macro-level, or economy-wide, effects and through effects at the consumer level. In line with the DLIs, the social benefits expected are as follows:

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<sup>5</sup> Davidson, O., & Mwakasonda, S. A. (2004). Electricity access for the poor: a study of South Africa and Zimbabwe. *Energy for Sustainable Development*, 8(4), 26–40. doi:10.1016/s0973-0826(08)60511-6

<sup>6</sup> NBS (2019) Poverty and Inequality in Nigeria. Abuja, National Bureau of Statistics (NBS)



Source: adapted from Pueyo et al. (2013)<sup>7</sup>.

**Figure 3.1: Impact pathways of electricity consumption**

72. **DLI 1 (Reduction in DISCOs' metering gap):** Achievement of this DLI will eliminate the practice of issuing estimated bills to customers and which could lead to excessive billing, loss of income and poverty. Effective metering will equally help to reduce technical and non-technical losses thus enhancing distribution efficiency and increased income for households and businesses and hence poverty reduction and economic growth as most citizens rely on income from enterprises that use electricity. Increased distribution efficiency and reliability will increase the number of hours that electricity is actually available and thus increase opportunities for children to study, thereby enhancing educational outcomes. It will also be beneficial to women as studies<sup>8</sup> have shown that profits are higher for women using electricity for enterprises.
73. **DLI 2 (Number of new connections by DISCOs):** Increased access to reliable electricity supply, through new connections, is expected to increase productivity and improve health with local and global impacts. The income of those that are getting connected to electricity, especially women involved in small businesses, will be enhanced, while costs associated with the use of generators for electricity in the households and businesses prior to the connection will be eliminated and poverty will be reduced. The extension of electricity to new customers, especially in the rural areas, through the new connections will facilitate their economic activities and help them recover from the economic hardship due to COVID-19 pandemic. Also, school children and youths in the areas receiving new connections will have electricity which will enhance their studies with positive education outcomes. Besides, women especially, who often need power for most home activities will be impacted on positively.

<sup>7</sup> Pueyo, A. (2013) 'The Evidence of Benefits for Poor People of Increased Renewable Electricity Capacity: Literature Review', IDS Evidence Report 31, Brighton: IDS

<sup>8</sup> Pueyo, A., Bawakyillenuo, S., & Carreras, M. (2020). *Energy Use and Enterprise Performance in Ghana: How Does Gender Matter? The European Journal of Development Research*. doi:10.1057/s41287-020-00273-0

74. **DLI 3 (Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs) and DLI 5 (Reduction in transformer technical losses in existing distribution networks):** Rehabilitation of the distribution lines and PT and DT will lead to the reduction in AT&C losses, enhanced distribution efficiency and reliability of electricity supply. This will lead to increased income for households and businesses that rely on electricity for economic activities and thus facilitate poverty reduction and recovery from the economic crisis as a result of COVID-19. Also, the performance of school children and youths residing in areas with stable electricity supply due to the rehabilitation will be enhanced. Women especially, who often need power for most home activities will be impacted on positively. The rehabilitation of the distribution network and PT and DT will equally help to reduce the incidence of near misses and grantee the safety of workers, customers and the general public.
75. **DLI 4 (Increased collection efficiency by DISCOs):** Currently average collection rate across the DISCOs currently stands at 66%. Similarly, to technical losses, the 34% of electricity supply that goes unpaid represents a significant revenue gap for DISCOs and for the entire power sector. Thus, efficiency in collection of tariffs will enhance DISCOs income as the DISCOs' revenue gap will be reduced. This will facilitate their performance in ensuring distribution efficiency and stability of power supply. This will in turn lead to increased income for households and businesses that rely on electricity for economic activities and thus facilitate poverty reduction and economic growth. Women and other vulnerable groups that need power to facilitate their economic activities will be impacted on positively.
76. **DLI 6 (Compliance with NERC Code of Corporate Governance by DISCOs) and DLI 7 (Implementation of Management Information Systems (MIS) by DISCOs):** A strong governance mechanism will facilitate distribution efficiency which is associated with many social benefits including enhanced income and poverty reduction. Also, an MIS system will help facilitate incident recording and thus, public and worker protection. It will also strengthen the management of the DISCOs and decision regarding every aspects of electricity distribution will be evidence based. Thus, an effective MIS system in the DISCOs will facilitate improved financial and technical performance resulting in distribution efficiency and stability in power supply which will in turn will enhance income and poverty reduction.

### 3.5 Expected Social Risks:

77. Given the nature of electricity, and the activities under the DISREP PforR, some social risks are associated with the Program although moderate. In line with the DLIs, the social risks expected are as follows:
78. **DLI 1 (Reduction in DISCOs' metering gap), DLI 2 (Number of new connections by DISCOs), DLI 3 (Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs) and DLI 5 (Reduction in transformer technical losses in existing distribution networks):** Power sector workers (especially technical workers) and public safety may be affected during the installation of meters, installation of new feeders and connection of new customers, rehabilitation of distribution lines and PT and DT given the nature of electricity and dangers associated with it. Workers may also be exposed to hazardous substances, especially

PCB-contaminated oil during the rehabilitation of PT and DT. Also, there could be SEA and SH during the distribution and installation of meters in homes and offices, extension of power to underserved areas and localities, and rehabilitation of distribution lines especially giving the influx of power sector workers into the communities and localities. In addition, there could be discrimination against vulnerable people and elite capture in the distribution and installation of meters and in connection of new lines especially when meters are in short supply. Besides, there could be bias, for example, gender, ethnic, religious bias or segregation due to social stratification in choosing locations where distribution networks will be rehabilitated given that resources may be limited. The DISCOs may choose locations where customers use more electricity and pay more money and neglect areas where poor and vulnerable people reside as the returns from the areas will be less. Indirectly, there could be conflicts between customers and DISCOs as some scrupulous customers may tamper with meters or quarrel with DISCO staff to prevent disconnection after electricity theft or tampering with meters especially non smart meters.

79. **DLI 4 (Increased collection efficiency by DISCOs):** In order to achieve this DLI, workers' safety may be threatened when disconnecting customers that have not paid or those that tampered with meters/involved in electricity theft. Use of smart meters will limit the problem of tampering with meters and electricity theft. There is also possibility of GBV, SEA/SH especially involving power sector workers and customers.
80. Although the program will not trigger any security issues, security risks are a contextual risk that may prevent the achievement of the DLIs. Security risk is very pronounced in North East and North West Nigeria where there have been armed insurgency, banditry, kidnapping, clashes between farmers and herders. There is also ethnic tension across the country with different groups agitating for self-determination and posing security threats. Although government is making a lot of efforts to deal with these issues, security remains a threat to the Program.



## **SECTION IV: OVERVIEW OF RELEVANT BORROWER'S ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS**

### **4.1 Description of Government Policy and Legal Framework**

81. The Government of Nigeria (GoN) has a number of policies, instruments and laws which support environmental and social management and environmental and social impact assessment processes. There are a number of sectoral policies which provide directives to integrate environmental and social considerations in the decision-making process to avoid or minimize impacts associated with program implementation. This section summarizes the policy, regulatory, institutional and legal frameworks for environmental management Nigeria. The World Bank safeguard polices, and international environmental agreements and conventions are also presented.

#### **4.1.1 Environmental Policy, Regulatory and Institutional Frameworks**

82. This sub-section describes the GoN's environmental management systems in relation to the core principles incorporated into the Bank Policy Program for Results Financing:

- (i) general principles of environmental and social impact assessment and management;
- (ii) mitigation of adverse impacts on natural habitats and physical cultural resources; and,
- (iii) protection of public health worker safety.

##### National Policy on the Environment 2016

83. The goal of the National Policy on the Environment is to 'ensure environmental protection and the conservation of natural resources for sustainable development'. This goal is meant to be achieved by the following strategic objectives:

- i. securing a quality of environment adequate for good health and wellbeing;
- ii. promoting sustainable use of natural resources and the restoration and maintenance of the biological diversity of ecosystems;
- iii. promoting an understanding of the essential linkages between the environment, social and economic development issues;
- iv. encouraging individual and community participation in environmental improvement initiatives;
- v. raising public awareness and engendering a national culture of environmental preservation; and
- vi. building partnership among all stakeholders, including government at all levels, international institutions and governments, non-governmental agencies and communities on environmental matters.

##### National Forestry Policy (2006)

84. Nigeria's National Forestry Policy was approved in 2006. The legislation to support this Policy, known as the National Forestry Act, has not been passed into law. Once passed, the National Forestry Act will be administered by the Federal Department of Forestry which is a parastatal agency of the FMEnv. The overall objective of the national forest policy is to achieve sustainable forest management that would ensure sustainable increases in the economic, social and environmental benefits from forests and trees for the present and future generation including the poor and the vulnerable groups. Specifically, the objectives include the need to:

- increase, maintain and enhance the national forest estate through sound forest management practices;
- address the underlying causes of deforestation, desertification including lack of policy support, market distortions, weak regulations and rural poverty;
- promote and regulate private sector involvement in forestry development, and to create a more positive investment climate in the sector;
- capitalize on the economic, social and environmental opportunities in forestry without undermining the resource base’
- encourage forest dependent people, farmers and local communities to improve their livelihood through new approaches to forestry;
- ensure the survival of forest biodiversity and to balance this with the pressing development needs of the country;
- rehabilitate and conserve key watershed forests;
- promote and maintain the greening of the urban environment, and meet the increasing demand for forest products by urban centres;
- ensure that improved tenure to land and tree acts as an incentive for individuals, communities and women in particular to invest in forestry;
- help private owners and communities to reserve land for forestry;
- build capacity and systems for state and local government to engage actively in forest resources management and development;
- apply an effective regulatory system to safeguard public interests under private sector forest management agreements to ensure adequate legal provisions for tenure in order to encourage long-term investment;
- develop partnerships or management agreement with local communities that improve forest management and alleviate poverty;
- strengthen and make best use of the capacity and reach of NGOs and CBOs in facilitating forest development;
- develop and promote responsive, affordable, well-informed and decentralized forestry advisory services to farmers, communities and the forest industry;
- develop and support demand driven, well-coordinated forestry research and training institutions and programmes; and
- develop a forest sector programme that translates forest policy into action in a way that complements programmes in related sectors.

85. There are three categories of protected areas in Nigeria established to protect flora and fauna. These categories are the National Parks, Game Reserves and Forest Reserves. At the national level, the mandate for wildlife conservation and protected areas management is the responsibility of the National Parks Service, an agency within the FMEnv. There are seven national parks spread across the country. These parks receive the highest level of protection in accordance with the National Parks Service Act of 1999, No 46. A variety of game reserves are managed by the states in which they reside in an effort to preserve wildlife species. States also manage innumerable forest reserves with the intention of preserving trees and other plant species along with associated wildlife. Many forests are highly degraded due to unsustainable extraction of timber and non-timber forest products, namely, fuelwood, economically important plant species, bushmeat and other resources.

### **Environmental Impact Assessment Act (EIA) N0. 86 of 1992**

86. The Act, which is a direct response to the outcome of the United Nations Conference on Environment and Development (UNCED) in Rio in 1992, outlines the goals and objective of an EIA, the minimum content of an EIA and a list of activities that are not permitted to go ahead until FEPA, now Federal Ministry of Environment has been consulted and has given its approval. The main aim of the Act is to ensure environmentally sound and sustainable development projects. The Act makes it mandatory for an EIA to be carried out for certain types of projects comprising various industrial, mining and petroleum activities. It categorized projects to indicate the level of analysis required. Category 1 projects indicates an expectation of significant environmental impacts and need to undertake a full EIA with a comprehensive report. These are project in environmentally sensitive areas, for example, coral reefs, mangrove swamps, tropical rainforests, areas with erosion soils, natural conservation areas etc. Category 2 indicates that a proposal may have impacts of a lesser magnitude that can be more readily mitigated. Here, some level of analysis is necessary depending on the type of impacts. This involves projects in agriculture and rural development, industry and infrastructure etc. Category 3 indicates that no adverse impacts are expected, and that no EIA is needed, for example, nutrition programs, education programs, etc. The EIA procedural guideline in Nigeria involves project proposal, initial environmental examination, screening, scoping, EIA study, review, decision making, monitoring and audit. Table 2.1 summarizes the other existing regulations applicable to environmental protection while Table 2.2 presents a list of proposed legislations.

### **Nigerian Environmental Management Act:**

87. This act was drafted following the amalgamation of the Federal Environmental Protection Agency into the Ministry of Environment but was never ratified. It repeals the 1988 Federal Environmental Protection Agency Decree No.58 (amended No.59 and No.14) and establishes the FEPA as part of the Ministry with the Minister of Environment having primary responsibility for its implementation. It does not repeal any other environmentally related legislation. As well as the general environmental provisions, which include environmental sanitation and occupational health, it specifies the powers of authorized officers, penalties and fines. The Act gives the Minister the authority to grant environmental permits for prescribed activities which includes sand mining but not any other mining activities.

### **National Environmental Standards and Regulations Enforcement Agency (NESREA) (Establishment Act, 2007):**

88. The main aim of this act is to establish the National Environmental Standards and Regulations Enforcement Agency (NESREA). The agency has responsibility for the protection and development of the environment, biodiversity conservation and sustainable development of Nigeria's natural resources in general and environmental technology, including coordination and liaison with relevant stakeholders within and outside Nigeria on matters of enforcement of environmental standards, regulations, rules, laws, policies and guidelines. Its key role is to enforce compliance with laws, guidelines, policies and standards on environmental matters including provisions of international agreements, protocols, conventions and treaties on the environment, namely climate change, biodiversity, conservation, desertification, forestry, oil and gas, chemicals, hazardous wastes, ozone depletion, marine and wild life, pollution,

sanitation and such other environmental agreements as may from time to time come into force; enforce compliance with policies, standards, legislation and guidelines on water quality, environmental health and sanitation, including pollution abatement, among others.

**National Environmental Protection (Pollution Abatement in Industries and Facilities Generating Wastes) Regulation, 1991 S. 1. No 9.**

89. The regulation imposes restrictions on the release of toxic substance to the environment. It also indicates that the collection, treatment, transportation and final disposal of waste shall be the responsibility of the industry or facility generating the waste. The regulations require industries and facilities including mining sector to monitor pollution to ensure control. Other provisions of the regulation include permit by industries for storage and transportation of harmful toxic wastes; strategies for waste reduction; disposal of solid wastes in environmentally safe manner; and protection of workers. Penalties for contravention are also spelt out in the regulation.

**National Environmental Protection (Management of Solid and Hazardous Wastes) Regulations, 1991 S. I. No. 15.**

90. The regulations make provisions for the handling and management of solid hazardous waste as well as define the objectives of hazardous waste management, the functions of appropriate government agencies and the obligations of industries. The regulations highlighted dangerous waste lists and guidance on the management of spills and discharges into the environment. The regulations also define the requirements of ground water protection, surface impoundment, land treatment, waste piles, etc. The hazardous substance tracking program with a comprehensive list of acutely hazardous chemical products and dangerous waste constituent are also provided in the regulations as well as the requirements and procedure for inspection, enforcement and penalty.

**National Environmental Protection (Effluent Limitation) Regulations, 1991 S.I. No8.**

91. These regulations make it mandatory for every industry to install anti-pollution equipment for the detoxification of industrial effluent chemicals discharge and also make provision for further effluent treatment. The regulations also prescribe maximum limit of effluent parameters allowed for discharged and spell out penalties for contravention.

**National Environmental Health Practice Regulation 2016:**

92. The regulation was enacted as a supplement to the Environmental Health Officers Registration Etc. Act, 2002. The regulations provides guideline for the enforcement of the regulatory powers in the Act; prevent and abate nuisance, protect, preserve and promote the physical and social well-being of the public; prevent and control the incidence of communicable diseases through environmental health intervention; reduce environmental hazards to health, safeguard and maintain aesthetic value of the environment; promote the general welfare of the public by regulating the sanitary construction and sanitation of all premises; and regulate private and public sector collaboration for purposes of maintaining adequate sanitation and promotion of public health and safety.

93. To enhance environmental protection in Nigeria, some statutory provisions have been put in place: Table 3.1 the regulations governing environmental management in Nigeria which were instituted prior to the establishment of NESREA. With the establishment of NESREA, the

agency has developed thirty-three environmental regulations for environmental management. The regulations cover various environmental issues including power. According to NESREA, these regulations are to ensure that our national development agenda is not at variance with the carrying capacity of our fragile environment. With the recent outbreak of corona virus pandemic (COVID-19), the agency developed guidelines for handling of infections waste within the context of corona virus (COVID-19) and guidelines for handling chemicals used for disinfecting surfaces against coronavirus (COVID-19). Details of the regulations and guidelines can be found in NESREA website.

**Table 4.1: Existing National Environmental Protection Regulations**

<b>Regulations</b>	<b>Year</b>	<b>Provisions</b>
Workmen Compensation Act	1987	Occupational health and safety
Harmful Wastes (Special Criminal Provisions etc.) Decree No. 42	1988	Provides the legal framework for the effective control of the disposal of toxic and hazardous waste into any environment within the confines of Nigeria
National Environmental Protection (Effluent Limitation) Régulation	1991	The regulation makes it mandatory for industrial facilities to install anti-pollution equipment, makes provision for effluent treatment and prescribes a maximum limit of effluent parameters allowed.
National Environmental Protection (Pollution and Abatement in Industries in Facilities Producing Waste) Regulations	1991	Imposes restrictions on the release of toxic substances and stipulates requirements for monitoring of pollution. It also makes it mandatory for existing industries and facilities to conduct periodic environmental audits.
National Environmental Protection (Management of Solid and Hazardous Wastes) Regulations.	1991	Regulates the collections, treatment and disposal of solid and hazardous wastes from municipal and industrial sources.
National Guideline and Standard for Environmental Pollution Control	1991	The regulations provide guidelines for management of pollution control measures.
Environmental Impact Assessment Act (Decree No. 86).	1992	The decree makes it mandatory for an EIA to be carried out prior to any industrial project development
Urban and Regional Planning Decree No 88	1992	Planned development of urban areas (to include and manage waste sites)

94. Other provisions are:

- a. Environmental Impact Assessment Procedural Guidelines 1995
- b. Guidelines and Standards for Environmental Pollution Control in Nigeria 1991
- c. Environmental Impact Assessment (Amendments) Act 1999
- d. National Guidelines and Standards for Water Quality 1999
- e. National Guidelines on Environmental Management Systems (EMS) 1999
- f. National Guidelines on Environmental Audit in Nigeria 1999

## **Description of Environmental Institutional Framework**

95. The main institutions with key responsibilities for environmental and social management are as follows:

### **Federal Ministry of Environment**

96. The FMEnv was created in 1999 and replaced the Federal Environmental Protection Agency. At the time it also incorporated nine Departments from other Ministries. The mandate of the new Ministry is to co-ordinate environmental protection and natural resources conservation for sustainable development and specifically to:

- a. Secure a quality of environment adequate for good health and well-being;
- b. Promote the sustainable use of natural resources;
- c. Restore and maintain the ecosystem and ecological processes and preserve biodiversity;
- d. Raise public awareness and promote understanding of linkages of environment; and
- e. Co-operate with government bodies and other countries and international organizations on environmental matters.

### **The National Environmental Standards and Regulations Enforcement Agency (NESREA)**

97. NESREA is an Agency of the Ministry of Environment and is charged with the responsibility of enforcing environmental laws, regulations and standard in deterring people, industries and organization from polluting and degrading the environment. NESREA has the responsibility for the protection and development of the environment, biodiversity conservation and sustainable development of Nigeria's natural resources in general and environmental technology including coordination, and liaison with, relevant stakeholders within and outside Nigeria on matters of enforcement of environmental standards, regulations, rules, laws, policies and guidelines.

Some functions of the Agency, amongst others, include to:

- enforce compliance with laws, guidelines, policies and standards on environmental matters;
- coordinate and liaise with, stakeholders, within and outside Nigeria on matters of environmental standards, regulations and enforcement;
- enforce compliance with the provisions of international agreements, protocols, conventions and treaties on the environment including climate change, biodiversity conservation, desertification, forestry, oil and gas, chemicals, hazardous wastes, ozone depletion, marine and wild life, pollution, sanitation and such other environmental agreements as may from time to time come into force;
- enforce compliance with policies, standards, legislation and guidelines on water quality, Environmental Health and Sanitation, including pollution abatement;
- enforce compliance with guidelines, and legislation on sustainable management of the ecosystem, biodiversity conservation and the development of Nigeria's natural resources;
- enforce compliance with any legislation on sound chemical management, safe use of pesticides and disposal of spent packages thereof;
- enforce compliance with regulations on the importation, exportation, production, distribution, storage, sale, use, handling and disposal of hazardous chemicals and waste, other than in the oil and gas sector;

- enforce through compliance monitoring, the environmental regulations and standards on noise, air, land, seas, oceans and other water bodies other than in the oil and gas sector;
- ensure that environmental projects funded by donor organizations and external support agencies adhere to regulations in environmental safety and protection;
- conduct environmental audit and establish data bank on regulatory and enforcement mechanisms of environmental standards other than in the oil and gas sector;
- create public awareness and provide environmental education on sustainable environmental management, promote private sector compliance with environmental regulations other than in the oil and gas sector and publish general scientific or other data resulting from the performance of its functions; and
- carry out such activities as are necessary or expedient for the performance of its functions.

The Agency has powers to:

- prohibit processes and use of equipment or technology that undermine environmental quality;
- conduct field follow-up of compliance with set standards and take procedures prescribed by law against any violator;
- subject to the provision of the Constitution of the Federal Republic of Nigeria, 1999, and in collaboration with relevant judicial authorities establish mobile courts to expeditiously dispense cases of violation of environmental regulation.

#### **4.1.2 Social Policy, Regulatory and Institutional Frameworks**

##### **Labor Laws and Labor Protection**

98. Labor law is well developed in Nigeria; with laws defining the rights and obligations of labor and regulating most aspects of the relationship between the employer and labor including contracts, wages and hours, discrimination, terminations, lay-offs, safety, pregnant workers, reasonable accommodations and others. National Labor and Employment law is largely based on the following statutes:

- the Labor Act of 2004;
- the Trade Union Amended Act, 2005;
- the Employees Compensation Act, 2010;
- the Factories Act, 2004;
- the Pensions Act, 2004; and
- The Trade Disputes Act, 2004.

##### **The Labour Act of 2004**

99. The Labour Act 2004 was enacted to replace the Labour Code Act and to consolidate the law relating to labour. Part 1 of the Act provides for the protection of wages, contracts of employment and terms and conditions of employment; part 2 provides for recruiting; part 3 provides for special classes of worker and miscellaneous special provisions; while part 4 is supplemental. The Act in the different parts made a lot of provisions to ensure that the interest of the worker is protected. For example, under protection of wages the Act made provisions to ensure that the worker's dignity regarding wages is maintained. For example, the Act provides

in part 1No 2 that no employer shall impose in any contract for the employment of any worker any terms as to the place at which, or the manner in which, or the person with whom any wages paid to the worker are to be expended; and every contract between an employer and a worker containing any such terms shall be illegal, null and void.

### **The Trade Union (Amended) Act 2005**

100. The Trade Union Act (the Principal Act) makes provisions with respect to the formation, registration and organization of trade unions, and the Federation of Trade Unions. As provided in the Act, "trade union" means any combination of workers or employers, whether temporary or permanent, the purpose of which is to regulate the terms and conditions of employment of workers, whether the combination in question would or would not, apart from this Act, be an unlawful combination by reason of any of its purposes being in restraint of trade, and whether its purposes do or do not include the provision of benefits for its members. The Act prohibits unregistered unions from function. The Principal Act was amended in 2005 to make some more provisions especially as to reduce conflicts between government and trade unions and to protect workers. For example, regarding membership of trade unions, the amended Act provides in Section 12 (4) that membership of trade union is voluntary. It states that "notwithstanding anything to the contrary in this Act, membership of a trade union by employees shall be voluntary and no employee shall be forced to join any trade union or be victimized for refusing to join or remain a member". The amended Act, to ensure the funding of trade unions, empowers employers to make deduction from the wages of every worker who is a member of any of the trade unions for the purpose of paying contributions to the trade union so registered; and remit such deductions to the registered office of the trade union within a reasonable period or such period as may be prescribed from time to time by the Registrar.

### **The Employees Compensation Act 2010:**

101. The Employee's Compensation Act, 2010 is a social security/welfare scheme that provides comprehensive compensation to employees who suffer from occupational diseases or sustain injuries arising from accidents at workplace or in the course of employment. The basis or justification for 'compensation' is the employer's duty of care. The objectives of the Act are as follows:

- (a) provide for an open and fair system of guaranteed and adequate compensation for all employees or their dependents for any death, injury, disease or disability arising out of or in the course of employment;
- (b) provide rehabilitation to employees with work-related disabilities as provided in this Act;
- (c) establish and maintain a solvent compensation fund managed in the interest of employees and employers;
- (d) provide for fair and adequate assessments for employers;
- (e) provide an appeal procedure that is simple, fair and accessible, with minimal delays; and
- (f) combine efforts and resources of relevant stakeholders for the prevention of workplace disabilities, including the enforcement of occupational safety and health standards.

### **The Factories Act 2004**

102. An Act to provides for the registration, etc., of factories provides for factory workers and a wider spectrum of workers and other professionals exposed to occupational hazards, but for whom no adequate provisions had been formerly made; and provides for adequate provisions



regarding the safety of workers to which the Act applies and to impose penalties for any breach of its provisions. The Act in sections 2(1) and 3(1) provides that any premises used as a factory must be registered as such. In addition to other provisions the Act provides for cleanliness of factories, avoidance of overcrowding which could cause risk or injury to the health of workers, adequate ventilation in workrooms, lighting of workrooms, provision of sanitary conveniences, among others. These are aimed for the protection of workers and others in the factory.

**The Pension Reform Act 2004:**

103. The Act established the contributory pension scheme (the Scheme) for employees in the public and private sectors in Nigeria; and the National Pension Commission (NPC), in order to facilitate the payment of retirement benefits to deserving employees. As provided in the Act, the objectives of the Scheme are to:

- (a) ensure that every person who worked in either the Public Service of the Federation, Federal Capital Territory or Private Sector receives his retirement benefits as and when due;
- (b) assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age: and
- (c) establish a uniform set of rules, regulations and standards for the administration and payments of retirement benefits for the Public Service of the Federation, Federal Capital Territory and the Private Sector. On the other hand, the principal object of the Commission, as provided in the Act, shall be to regulate, supervise and ensure the effective administration of pension matters in Nigeria.

**The Trade Disputes Act, 2004**

104. The Act makes provisions for the settlement of trade disputes and other matters ancillary thereto. The Act established the National Industrial Court. The Act provides for procedure of settling dispute before it is reported; apprehension of trade dispute by the Minister; reporting of dispute if not amicably settled; appointment of conciliator, etc. Regarding the procedure before dispute is reported, the Act provides that parties to the dispute shall first attempt to settle it by an agreed means for settlement of the dispute apart from the Act. It is only when this procedure fails or does not exist that the parties report within seven days and come together to settle the dispute under a conciliator. Notwithstanding this provision, the Minister can apprehend the dispute and decide on the cause of action for the settlement of the dispute.

105. **The Federal Ministry of Labor and Employment** is the main regulatory agency. There are also well-organized labor unions within Nigeria. The National Industrial Court has exclusive jurisdiction in civil cases connected to labor, employment, trade unions and matters related to the workplace including health and safety. With regard to discrimination, Section 42 of the Nigerian Constitution provides for freedom from discrimination on the basis of sex, age, ethnic group, disability and political affiliation.

106. **The Inspectorate (INSP) Department of the Ministry of Labour and Employment** is the department responsible for monitoring and inspecting the implementation of labour laws and policies in order to ensure compliance. The INSP mandates are to conduct labour inspection services to industrial, agricultural and commercial workplaces to enforce the National Labour Standards; enforce the National Policy on Child Labour and its National Action Plan on the Elimination of Child Labour in Nigeria; supplies technical information and

advice to employers and workers concerning the most effective way to complying with Labour Act and related legislations; collates and analyze information needed to preventive mediation, with a view to nipping in the bud, potential areas of conflict between labour and management; educates and builds capacity of professional Officers of the Ministry and Employers on labour administration and emerging trends in the world of work; ensures fair labour practices through intervention and handling of labour complaints; and survey and monitor Labour Health Areas to ensure compliance to labour standards and protection of workers. They are also responsible for gender issues in the ministry; and mainstreaming and coordination of gender related activities in work places and in other ministries; serves as advisor to labour matters to state government; responsible for the administrative, advisory, operational and development (capital projects) matters related to Labour Administration in all the States of the Federation and FCT, Abuja; serves as secretariat of the National Steering Committee on Child Labour (NHFC); serves as secretariat to National Housing Facilitation Council (NHFC); serves as secretariat to Senior Officers Conference of the Ministry and its parastatals; and serves as co -secretariat to Alliance 8.7 in Nigeria.

107. **The Labor Act of 2004** is in force in all States of the federation however, the capacity to enforce labor laws is weak given the availability of resources. In 2015, the Labor Inspectorate employed 660 labor inspectors lower than ILO's recommendation of 3800 in order to adequately enforce labor laws throughout the country (one inspector for every 15,000 workers in industrializing economies). The Act sets out the minimum age for work as 12, and the minimum age for hazardous work as 18. However, there are inconsistencies in the laws making it unclear what minimum ages apply for certain types of work.

### **Child Rights Act**

108. The Federal Child's Right Act (CRA) (2003) codifies the rights of children in Nigeria. The Act was designed to incorporate into its laws all the rights guaranteed in the United Nations' Convention on the Rights of the Child. The U.N. convention, adopted in 1989, states that: "The child shall be protected against all forms of neglect, cruelty and exploitation. He shall not be admitted to employment before an appropriate minimum age; he shall in no case be caused or permitted to engage in any occupation or employment which would prejudice his health or education, or interfere with his physical, mental or moral development." The Act must be ratified by each state to become law in its territory.

### **Frameworks for Gender Issues**

109. Nigeria has committed herself in principle to promoting gender equity and social inclusion. Several policy statements and programs at the state and federal levels clearly indicate the nation's commitments to achieving the Sustainable Development Goals (SDGs) especially goal 5 on gender equality. The nation established the Ministry of Women Affairs at both federal and state levels in 1999. Nigeria also signed various treaties that promote gender equality and empowerment including the United Nation (UN) Conventions on the Elimination of all forms of Discrimination Against Women (CEDAW) in 2000 and the African Union (AU) Protocol on Women Rights. The Nigerian National Assembly has passed specific bills directed at protecting women such as Senate Bill 66 (2008) which provided for the abolition of all forms of discrimination against women in Nigeria and Senate Bill 300 (2009) which amended the Labor Act to remove discrimination against women relating to night shifts and underground

work (Federal Government of Nigeria 2009). The House of Representatives also passed bills that sought to protect women by prohibiting corporate prostitutions (2009), providing support for battered women (2003) and prohibiting Female Genital Mutilation (FGM) (2000).

110. Many States in Nigeria are gender sensitive in its activities and has domesticated some gender-based legislations (see Annex 6) and conventions which Nigeria signed into, for example, the Violence Against Person Prohibition Act of 2015. The Women and Gender Affairs Department of the Ministry of Women Affairs is one of the key operational Departments charged with the responsibility of promoting women's advancement at both State and National levels.

### **Management of Land Acquisition**

111. Land holdings in Nigeria can be broadly classified into public/government, private, and communal. Public/government lands are lands owned by government comprising federal, state and local governments and their agencies. Private lands are defined as those whose ownership is vested in private individuals, families, and lands under customary tenancies. Communal lands are lands which have their ownership vested in communities. These lands are usually administered by community leaders with the assistance of their councils of elders.

112. The legal basis for land acquisition and resettlement in Nigeria is the Land Use Act of 1978 which was modified in 1990. The critical sections regarding land acquisition is as follows:

- Section 1: Subject to the provision of this Act, all land comprised in the territory of each state in the Federation is hereby vested in the Governor of each state and such land shall be held in trust and administered for the use and common benefit of all Nigerians in accordance with the provision of this Act.
- Section 2: (a) All land in urban areas shall be under the control and management of the Governor of each State; and (b) all other land shall be under the control and management of the local government within the area of jurisdiction in which the land is situated.

113. Therefore, according to the Land Use Act, all land in Nigeria is vested in the Governor of each State and shall be held in trust for the use and common benefit of all people. The administration of land area is divided into urban land which is directly under the control and management of the Governor in each State; and non-urban land, which is under the control and management of the Local Government. The Governor of each State has the right to grant statutory rights of occupancy to any person or any purpose; and the Local Government will have the right to grant customary rights of occupancy to any person or organization for agricultural, residential and other purposes.

### **Grievance Redress Mechanism in Nigeria**

114. In Nigeria, there are different approaches, (but often specific to issues, institutions involved or projects), to make complaints and obtain redress. First, the justice system provides for courts where aggrieved persons can seek redress. Also there is the Public Complaints Commission where individuals and groups can lodge complaints against administrative injustice and get redress. Besides, the Ministry of Justice has the Legal Aids Council established under the law (Legal Aids CAP L9, 2011) which provides legal aid and advice to people with low income, among others. Some state government also have different institutional arrangements for

providing free legal services to the poor and vulnerable, for example, Public Defender Law and Multidoor Courthouse Law in Delta State Nigeria; and the Special People's Law in Lagos State Nigeria.

#### **4.1.3 State Level Environmental Policy, Regulatory and Institutional Frameworks**

115. Almost all the states in the country and the FCT have a State Ministry of Environment established by the State government. In some States this office is combined with another function such as Ministry of Environment and Natural Resources in Kaduna State; or Ministry of Environment and Mineral Resources in Enugu State. Some states, in addition to the establishing a Ministry of Environment also has State Environment Protection Agency for example, Kaduna Environment Protection Authority is the enforcement arm of the State Ministry responsible for environment, waste disposal, etc.; or State Waste Management Agency. Some states also have laws and regulations guiding environmental management. The main functions of the State Ministry of Environment are as follows:

- a) Formulation and implementation of environmental policies and programs for the states;
- b) Monitoring and enforcement of environment laws and regulations in the state;
- c) Collaboration with federal government and donor agencies on environmental matters;
- d) Control of environmental and natural resources degradation;
- e) Coordinates and supervises the activities of environmental agencies within the state; among others.

#### **4.2 Power Sector Policy, Legal and Institutional Framework in Nigeria**

**The National Energy Policy:** The FGN recognizes that women and men are impacted differently by power sector reform and improved service delivery. The draft revised National Energy Policy of 2013 pays specific attention to gender-differentiation in energy needs and use, impacts of energy use, resource ownership and participation in the energy sector. A Gender Focal Point has been established in the FMOP, within the Sustainable Development, Climate Change, Gender and Human Rights Unit, which seeks to ensure compliance with the National Gender Policy (2006). The latter focuses on women's empowerment and a commitment to gender mainstreaming as a development approach. In addition, the FMBNP has partnered with the Rural Women Energy Security initiative, as improved access and energy services have the potential to promote gender equality by creating jobs and business opportunities for women. Chapter eleven of The Revised National Energy Policy of 2013 states the following in relation to gender:

- a. The nation shall encourage and ensure gender mainstreaming in energy issues, infrastructure programs and projects.
- b. The nation shall disaggregate energy use, supply, and impacts by gender in energy project design and implementation.

##### **Objectives**

- a. To create awareness on gender issues in the energy sector.
- b. To provide better basis for incorporating gender in energy project design and implementation at the micro- and macro-policy levels.

##### **Short-Term Strategies**

- a. Promoting integrated approaches and various solutions that recognize the importance of wood energy and cooking for poor women and its health implications.

- b. Ensuring equal access to electricity for water pumping, agricultural processing, security, work productivity, and health in the framework of sectoral development initiatives.
  - c. Providing equal access to credit facilities, extension support services, and training in energy and electricity supplies for women's domestic tasks as well as their micro-enterprise activities are met.
  - d. Developing a reliable gender responsive statistical data.
  - e. Incorporating gender concerns into energy and rural development policies and programs.
  - f. Monitoring and evaluating the impacts of rural energy projects on poverty alleviation and gender equity
  - g. Conducting gender audits of national energy and other related policies.
  - h. Establishing gender units in all MDAs in the energy sector.
  - i. Ensuring gender sensitive capacity building programs in the energy sector.
116. **The Sustainable Development Climate Change, Gender and Human Rights Unit:** The sustainable Development/Climate Change, gender and Human Rights Unit (SD/CC Unit) was established on the 6th May 2013 with approval of the Head of Service. Its objectives are to:
- (a) Improve service delivery throughout the power sector through the integration of social dimensions of power sector reforms with the core technical aspects of generation, distribution and transmission of power as well as the production of energy efficient products and equipment<sup>9</sup>.
  - (b) Assess proposals and make recommendations for the training of staff in the areas of sustainable development of power, renewable sources of energy, gender matters, respect for human rights in the power sector and climate change issues;
  - (c) Promote the use of energy efficient gadgets and gender friendly household equipment through public campaigns and advocacy with promoters and developers;
  - (d) Develop strategies to raise awareness of the relationship between clean and green energy policies on the hand and prosperity of the nation on the other hand
  - (e) The unit also works in collaboration with other Departments in the promotion of investment and research by the government, private sector and development partners so as to promote renewable energy as well as the affirmation of women as equal partners in the development of the power sector

**The Electric Power Sector Reform Act 2005:**

117. The Act has a number of sections that are focused on the protection of consumers and the transparent dissemination of information. The Act mandates the NERC to ensure that electricity Operators recover costs on prudent investment and provide quality service to customers.
- a. To ensure quality service delivery, it is pertinent that electricity customers know their rights. Specific measures to protect consumers are:
  - b. Customer Service Standards
  - c. Customer Complaints Handling Standards and Procedures
  - d. Codes of Practice to assist special needs customers (disabled, elderly or severely ill)
  - e. Procedures for assisting customers with difficulty in paying bills
  - f. Procedures for applying for electricity service

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<sup>9</sup>Annual Report of the sustainable development /climate change, gender and human rights unit\_(No date)

- g. Procedures for Disconnecting non-paying customers
- h. Information to consumers and the manner of dissemination
- i. Standards for compensation to consumers who do not enjoy regular power supply.
- j. Standards on connection, safety, reliability of supply, technical codes and manuals.

### **Grievance Redress Mechanisms of NERC**

118. The NERC has a number of mechanisms and consumer-oriented goals to institutionalize grievance redress mechanisms, communication and social accountability. They include:
- a. Establishment of functional Customer Complaints Units (CCUs) in all the Business Units as a minimum.
  - b. Provision of conducive environment for customers lodging complaints.
  - c. Training of front line customer service personnel of CCUs.
  - d. Provision of Customer Relationship Management (CRM) systems including customer complaints call centers.
  - e. Establishment of functional Customer Complaints Forum offices
  - f. Compliance to monthly reporting requirements as stipulated in the Regulation.

#### **NERC Customer Complaints Handling: Standards and Procedure 2006:**

119. In line with the power conferred on it by the Electric Power Sector Reform Act 2005, the NERC made the regulation. The regulation is applicable to all distribution licensees in Nigeria. In line with the regulation, complaint means any allegation in writing made by the complainant which may include but not restricted to, the following:
- a) there exists a defect or deficiency in the electricity service provided by the Distribution Licensee;
  - b) an unfair trade practice or a restrictive trade practice undertaken by the Distribution Licensee in providing electricity services;
  - c) the Distribution Licensee has for the electricity services mentioned in the complaint, charges a price in excess of the price fixed by the Commission, for supply of electricity and allied services;
  - d) the electricity service provided by the Distribution Licensee may be unsafe or hazardous;
  - e) recovery of expenses incurred in excess of charges approved by the Commission in providing an electric line or electric plant;
  - f) any other act that affects the fulfillment of the contractual relation between the customer and the Distribution Licensee; or is in contravention of the provisions of any Order of the Commission or law for the time being in force.

The regulation provides that every Distribution Licensee shall establish a Customer Complaints Unit within its premises. The unit shall have the responsibility of receiving and resolving customer complaints. The Distribution Licensee may also choose to establish more than one to cover the different locations within its operation area.

#### **Customer Service Standards of Performance for Distribution Companies Regulation:**

120. In exercise of its powers under the Nigeria Electricity Reform Act 2005, the NERC also issued the Customer Service Standards of Performance for Distribution Companies regulation. The regulation is to ensure that DISCOs maintain quality standard in its operations. It has some provision to ensure that standards are maintained. One of the provision is as follows:
- 1. Wherever a DISCO is informed by a Customer during working hours that electricity supply to his premises has gone off, an authorized official from the DISCO shall visit

- the Customer's premises within twenty-four hours of being notified by the Customer to determine the cause of the problem, and where the cause of the outage is a problem with the DISCO's equipment, one of the following standards shall be applied, that is, in the case of failure of the DISCO's fuse - the fuse shall be rectified and the electricity supply reconnected within twenty-four hours of the original notification of outage. minor fault in the DISCO's equipment- the fault shall be rectified and the electricity supply reconnected within twenty-four hours of the original notification of the outage; any other fault in the DISCO's equipment, the fault shall be rectified and the electricity supply reconnected within 48 hours of the original notification of the outage.
2. A DISCO shall be exempted from the regulation in the following circumstances, that is to say, where:
    - a. it is found that the Customer did not inform the DISCO; or
    - b. the problem or the fault is found to be from the Customer's electrical installation; or
    - c. due to the nature of the fault, it is impracticable for the DISCO to restore the supply to the Customer's premises within the period stipulated in this regulation.

#### **Electricity Industry (Enforcement) Regulations, 2014:**

121. This regulation covers the process of enforcement of the regulations issued by NERC. Regulations are made by NERC to ensure the attainment of the principal objects of the Commission in section 32 of the Act, and specifically, to enforce, maintain and ensure the adherence by licensees and other participants in the electricity market to the provisions of the Act and other Regulatory instruments, for the purpose of achieving the following objectives
  - a. the creation, promotion and preservation of an efficient electricity industry and market and the fostering of a culture of regulatory compliance;
  - b. the facilitation of the swift investigation and resolution of incidences of regulatory non-compliance and the fair and transparent determination of rights and obligations;
  - c. The maintenance of a predictable, stable and effective system for the assessment of compliance in the Nigerian electricity industry and the proper allocation of responsibility;
  - d. The establishment of a system for the deterrence, penalization and application of sanction to acts or omissions which constitute noncompliance with regulatory framework established by the Act and Regulatory instruments made pursuant thereto.
122. In line with the regulation's enforcement, enforcement process has different stages which include initiation of enforcement process, conduct of investigation, decision and orders of the Commission, enforcement of license conditions, enforcement of market rules etc.

#### **Acquisition of Land and Access Rights for Electricity Projects Regulations, 2012:**

123. The regulation was issued by NERC in line with the powers conferred on it by the Electricity Power Reform Act 2005. The objectives of these Regulations are to provide a legal and regulatory framework for the acquisition of land and access rights for electricity projects in Nigeria; making provisions for the payment of compensation and resettlement of persons affected by the acquisition of their land for the establishment of electricity projects; and the monitoring and evaluation of project designs of licensees to ensure compliance with environmental standards. It is indicated that the regulations shall apply to acquisition of land and access rights for electricity projects in Nigeria, including projects related to generation,

transmission and distribution of electricity. It provides procedure for voluntary and involuntary acquisition of land. It provides among others that a licensee shall not embark or undertake an electricity project on any land unless he has entered into an agreement in writing with the owner or occupier of the land or has entered into any other agreement as may be prescribed by the Commission from time-to-time. There are also other provisions for the resettlement of PAP including preparation of a Resettlement Action Plan for involuntary acquisition of land. It specifically states that a Licensee shall submit a Resettlement Action Plan (RAP) to the Commission, which shall contain measures to improve the livelihoods and standards of living of the project affected persons or at least restore them to pre-displacement levels.

124. The key agencies/institutions in the power sector and their roles are summarized in the Table 4.2 below.

**Table 4.2: Power Sector Institutions in Nigeria and their Roles:**

S/No	Agency/Institution	Description of Role
1	<b>Nigeria Electricity Regulatory Commission (NERC)</b>	The agency is responsible for the economic regulation of the power sector. Two of their key regulatory functions are as follows: Licensing: NERC issues license for on and off grid generation of power as well as distribution of electricity to end users. In terms of tariff, NERC manages price regulation.
2	<b>Federal Ministry of Power</b>	Formulating broad policies for the development of power sector. Also, coordinates activities within the power sector.
3	<b>Transmission Company of Nigeria</b>	An entity, incorporated by government in 2005 and issued license in July 2010, is responsible for the transmission of electricity from power plants to distribution companies, eligible customers and for export. The licensed activities include electricity transmission, system operation and electricity trading. TCN is responsible for evacuating electric power generated by the electricity generating companies (GenCos) and wheeling it to distribution companies (DISCOs). It provides the vital transmission infrastructure between the GenCos and the DISCOs feeder sub-stations.
4	<b>Nigerian Bulk Electricity Trading PLC (NBET)</b>	Government entity responsible for purchasing electricity from generation companies under long term power purchase agreements and selling it to distribution companies.
5	<b>Generating Companies (GenCos)</b>	The GenCos are one part of the three divisions of the Nigeria power sector value chain. They are in charge of the actual generation of electricity in Nigeria. They are tasked with transforming hydro or gas power into electrical power. There are over 20 electricity generating companies in Nigeria today. However, the top six GenCos providing the country with electricity are Egbin Power Limited, Transcorp Power, Shiroro, Kainji/Jebba, Sapele and Geregu.
6	<b>Distribution Companies in Nigeria (DISCOs)</b>	The distribution companies are responsible for power distribution in Nigeria. They provide the connection between customers and the electricity grid. They are responsible for stepping down electricity from the high voltage of 132KV at the transmission level, to the



		lower voltage levels of 33kV/11Kv and 415KV depending on the category of customer. They are also responsible for marketing and sale of electricity to customers. There are eleven DISCOs in Nigeria each covering a given number of states.
7	<b>Gas Aggregation Company of Nigeria (GACN)</b>	The GACN is responsible for managing the implementation of the domestic gas supply obligation. It also acts as intermediary between gas suppliers and purchases in the domestic market.
8	<b>Nigerian Gas Company Limited (NGC)</b>	This is one of the subsidiaries of the Nigerian National Petroleum Corporation. It is responsible for the transportation of natural gas through its pipeline network.
9	<b>National Power Training Institute of Nigeria</b>	Provider of training for power sector personnel and coordinating training activities in the sector.

Source: Adapted, with modification, from N. Saifuddin et al. (2016)<sup>10</sup>

#### 4.3 Environmental and Social Systems of the DISCOs:

125. Almost all the DISCOs have some environmental and social systems guiding some aspects of their operations. Few of the DISCOs have fairly robust environmental and social systems that needs some minor updates to fill missing gaps while the majority have weak environmental systems that needs to be updated substantially given the gaps in the current documents and procedures. Some of the DISCOs have two different documents representing environmental and social systems but with some gaps in the two different documents and need to be harmonized and updated. Regarding environmental systems (ES) specifically, many of the DISCOs ES do not provide for environmental assessment or environmental audit and as such have not carried out any environmental assessment or environmental audit for their injection sub-stations and other facilities. Besides, some DISCOs have a HSE manual but the environment aspect is often not adequately accounted for in the HSE manual, while some have policy statements on E&S issues without any details regarding how the policy statements will be operationalized including responsibilities. Also, some of the DISCOs do not have emergency preparedness and response procedures.
126. Regarding social issues, most of the DISCOs do not have procedures for dealing with GBV and SH. In addition, although there are regulations on land acquisition and handling of customer complaints/grievances, most of the DISCOs do not have procedures for land acquisition (although a few, for example JED, indicated that they apply the land acquisition regulation) and some do not have procedures for handling of customer complaints/grievances. Regarding labour management, most of the DISCOs have a robust Human Resource (HR) policy/Conditions of Service Manual. However, some HR policies did not address all the relevant issues, for example trade unions and staff grievances. The details of the environmental and social systems of the DISCOs and the assessment of their strengths and weaknesses and actions required for strengthening and improving the systems are presented in Annex 9.

<sup>10</sup> Saifuddin, N., Bello, S., Fatihah, S., and Vigna, K.R. (2016) Improving electricity supply in Nigeria: Potential for renewable energy from biomass. International Journal of Applied Engineering Research, 11, 14 (2016); pp 8322-8339.

## SECTION V: ASSESSMENT OF BORROWER'S ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS

127. This section describes the E&S management systems in place to manage all identified E&S impacts, especially adverse impacts and risks. It describes the main elements of applicable borrower systems and provides an analysis of the acceptability of these systems, considering the level of risk and the extent to which borrower systems and practices are aligned with Bank core principles. The analysis will show the extent to which the applicable systems of the government of Nigeria and the DISCOs are consistent with the core principles and key planning elements expressed in the PforR Guidance Document. It also provides a review of aspects where gaps exist between the two. The assessment was done using the following criteria:

- i. Strengths of the system, or where it functions effectively and efficiently and is consistent with Bank Policy and Directive for Program-for-Results Financing;
- ii. Inconsistencies and gaps between the principles espoused in Bank Policy and Directive for Program-for-Results Financing and capacity constraints; and
- iii. Actions to strengthen the existing system.

128. The summary of the assessments of government and DISCOs systems in line with the core principles is presented in section 5.1. An assessment of the environmental and social systems of the DISCOs, as indicated earlier, was carried out and the summary is also presented in Annex 9.

129. Information from this analysis – and identification of gaps and opportunities/actions – were used to inform the recommendations and Program Action Plan (PAP).

### 5.1: Summary of Systems Assessment:

#### **Core Principle 1: General Principle of Environmental and Social Management**

*Bank Policy for Program-for-Results Financing: Environmental and social management procedures and processes are designed to (a) promote environmental and social sustainability in Program design; (b) avoid, minimize or mitigate against adverse impacts; and (c) promote informed decision-making relating to a program's environmental and social effects.*

**Bank Directive for Program-for-Results Financing:** Program procedures will:

- Operate within an adequate legal and regulatory framework to guide environmental and social impact assessments at the program level.
- Incorporate recognized elements of environmental and social assessment good practice, including:
  - early screening of potential effects;
  - consideration of strategic, technical, and site alternatives (including the “no action” alternative);
  - explicit assessment of potential induced, cumulative, and trans-boundary impacts;
  - identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized;
- clear articulation of institutional responsibilities and resources to support implementation of plans; and

- Responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and responsive grievance redress measures.

**Applicability:** This is applicable as the PforR program activities will impact on the environment and the impact is deemed to be moderate. The Program has specific activities that will involve rehabilitation and upgrading of existing distribution lines, PT and DT, and increase in new connection which are activities that will impact on the environment. The applicability in terms of specific DLIs is indicated below.

Applicable DLIs	Systems Assessment	Gaps (Federal, State and DISCOs)	Suggestions to Fill Gaps/Proposed Mitigation Measures
<ol style="list-style-type: none"> <li>1. Reduction in DISCOs' metering gap</li> <li>2. Number of new connections by DISCOs.</li> <li>3. Kilometres of medium voltage (MV) distribution lines rehabilitated by DISCOs.</li> <li>4. Reduction in transformer technical losses in existing distribution networks</li> </ol>	<ol style="list-style-type: none"> <li>1. Federal EIA regulatory framework aligns well with the Core Principle.</li> </ol> <p>Specifically:</p> <ol style="list-style-type: none"> <li>2. National policies, regulation and other legislation for environmental management are well defined. Also, institutional systems identifying environment procedures and legislation to be followed in the country are well defined. States have their own environment department or directorate, who can be contacted for permits or any clarifications if necessary.</li> <li>3. The national EIA system (EIA Act No. 86 of 1992) provides a comprehensive legal and regulatory framework for environmental and social impact assessment that is broadly consistent with the Core Principle 1 of the Bank Policy and Directive. The relevant ministries, namely, FME and FMARD are aware</li> </ol>	<ol style="list-style-type: none"> <li>1. Most of the DISCOs have weak environmental management procedures as the HSE manuals have gaps and they are often focused on health and safety.</li> <li>2. Some of the DISCOs have weak capacity for environmental management.</li> <li>3. Some of the DISCOs have policy statements on environmental management but did not provide action plans and did not assign responsibilities</li> <li>4. A few DISCOs have Emergency preparedness and procedures while many have weak plans and procedures for managing emergencies.</li> <li>5. At the federal and state level, there is no requirement within EIA processes for consulting with local communities or vulnerable people and there is weak coverage of social issues in the EIA process.</li> </ol>	<ol style="list-style-type: none"> <li>1. There is a need to strengthen the environmental and social management systems of most of the DISCOs.</li> <li>2. The DISCOs should update their HSE procedures to cover relevant aspects of environmental management that are missing in their HSE Manuals.</li> <li>3. There is need to strengthen environmental management capacity, in terms of knowledge through training and required personnel, of HSE units of the DISCOs.</li> <li>4. The DISCOs should establish a tracking system to monitor environmental and social risks, performance, consultations, etc.</li> <li>5. There is a need for DISCOs to create or strengthen emergency preparedness plans and procedures so as to be able to effectively handle emergencies</li> </ol>

	<p>of the need to ensure compliance with EIA procedures.</p> <p>4. The Power Sector Reform Act 2005 and accompanying regulations, for example, on resolving customer complaints, regulations enforcement, etc., are in place to support and guide the management of E&amp;S issues.</p> <p>5. NESREA is also empowered to enforce compliance with environmental laws and regulations.</p> <p>6. Most of the States Ministry of Environment have enforcement units and task force.</p> <p>7. Most of the DISCOs have HSE guidelines and also appreciates the need for environmental management and compliance.</p> <p>8. Some of the DISCOs have a GRM to facilitate the redress of both staff and customer complaints.</p>	<p>6. The capacity of the federal ministry of environment to monitor and enforce EIA requirements is weak.</p> <p>7. Despite NESREA and efforts of States Ministry of Environment, enforcement is still weak and often targeted at raising funds to the detriment of enhancing a safe environment.</p> <p>8. Despite the existing regulation regarding resolving customer complaints, some of the DISCOs have weak GRM for staff and customers.</p>	<p>regarding E&amp;S.</p> <p>6. A robust public consultation strategy is required to improve citizen engagement in entire EIA process.</p> <p>7. The Ministry of Environment at both the federal and state levels should reinforce its mandate of monitoring activities. Technical staff at the federal and state levels responsible for environmental and social management should monitor and supervise E&amp;S compliance of the DISCOs at least twice a year, environmental and social management audits every two years.</p> <p>8. There is a need to strengthen the GRM of some of the DISCOs for both staff and customers.</p>
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**Core Principle 2: Natural Habitats and Physical Cultural Resources**

**Bank Policy for Program-for-Results Financing:** Environmental and social management procedures and processes are designed to avoid, minimize and mitigate adverse effects on natural habitats and physical cultural resources resulting from program.

**Bank Directive for Program-for-Results Financing:** As relevant, the program to be supported:

- Includes appropriate measures for early identification and screening of potentially important biodiversity and cultural resource areas.
- Supports and promotes the conservation, maintenance, and rehabilitation of natural habitats; avoids the significant conversion or degradation of critical natural habitats, and if avoiding the significant conversion of natural habitats is not technically feasible, includes measures to mitigate or offset impacts or program activities.

- Takes into account potential adverse effects on physical cultural property and, as warranted, provides adequate measures to avoid, minimize, or mitigate such effects

**Applicability:** applicable

It is expected that the Program will have moderate impact on natural habitats and physical cultural resources since it directly involves upgrading and rehabilitation of distribution lines across urban and peri urban areas and increase in number of connections through grid and off-grid and mini-grid solutions. The applicability in terms of specific DLIs is indicated below.

<b>Applicable DLIs</b>	<b>Systems Assessment</b>	<b>Gaps</b>	<b>Suggestions to Fill Gaps/Proposed Mitigation Measures</b>
<p>2. Number of new connections by DISCOs.</p> <p>3. Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs.</p>	<ol style="list-style-type: none"> <li>1. Strength of EIA systems are noted under DLI 1- 4 above.</li> <li>2. The Government of Nigeria also has introduced a number of forest policies, programmes and instruments (e.g., the National Forest Policy 2006, National Biodiversity Strategy and Action Plan, Nigeria REDD+ project) in an effort to reverse the deforestation trend and facilitate natural resources management and biodiversity conservation.</li> <li>3. The country has a National Forest Policy (NFP) aimed at preserving the country ecosystem as well as boost the current effort of addressing various climate change challenges in Nigeria.</li> <li>4. Also, most of the State Governments have forest commissions or forest departments in their Ministry of Environment that are responsible for forest management and biodiversity conservation.</li> <li>5. The DISCOs will work with the Federal and State forest departments and commissions in vegetation management along electricity lines to ensure proper vegetation management.</li> <li>6. Federal government and some states have forest edicts, laws and policies to facilitate forestry and</li> </ol>	<ol style="list-style-type: none"> <li>1. Gaps with respect to ESIA systems are noted under DLI - 4 above as listed under applicability of core principle 1.</li> <li>2. Most of the forest laws and edicts are old and outdated even dating back to colonial times and needs to be updated.</li> <li>3. Most of the DISCOs do not have or have weak vegetation management procedures.</li> <li>4. Most states have not implemented community forestry initiatives thus, most communities rarely conserve their forest resources and some community forests have been donated for development projects.</li> </ol>	<ol style="list-style-type: none"> <li>1. Suggestions with respect to ESIA systems are noted under DLI 1-4 and others listed under applicability of core principle 1.</li> <li>2. DISCOs should develop or update their procedures for vegetation management to prevent loss of biodiversity through electricity projects.</li> <li>3. NERC and Ministries of Environment in respective States should ensure that DISCOs do not encroach on natural resources, for example, forests while embarking on new connections through off-grid solutions.</li> </ol>

	<p>natural resources management.</p> <p>7. Some communities also have community forests and sacred groves and these areas are conserved with the help of government and development agencies and are rarely used for projects, for example, off-grid electricity projects.</p>		
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### Core Principle 3: Public and Worker Safety

**Bank Policy for Program-for-Results Financing:** *Environmental and social management procedures and processes are designed to protect public and worker safety against the potential risks associated with (a) construction and/or operations of facilities or other operational practices developed or promoted under the program; (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.*

**Bank Directive for Program-for-Results Financing:**

- Promotes community, individual, and worker safety through the safe design, construction, operation, and maintenance of physical infrastructure, or in carrying out activities that may be dependent on such infrastructure with safety measures, inspections, or remedial works incorporated as needed.
- Promotes use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated through program construction or operations; promotes use of integrated pest management practices to manage or reduce pests or disease vectors; and provides training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with international guidelines and conventions.
- Includes measures to avoid, minimize, or mitigate community, individual, and worker risks when program activities are located within areas prone to natural hazards such as floods, hurricanes, earthquakes, or other severe weather or climate events.

**Applicability:** This is applicable. The program will involve rehabilitation and upgrading of electricity distribution infrastructure including distribution lines, distribution grid transformers (PT and DT), installation of meters, expansion to set-up new connections, and enhanced collection of revenue. The applicability in terms of specific DLIs is indicated below.

Applicable DLIs	Systems Assessment	Gaps	Suggestions to Fill Gaps//Proposed Mitigation Measures
<p>1. Reduction in DISCOs' metering gap.</p> <p>2. Number of new connections by DISCOs.</p>	<p>1. The legal/regulatory system of the country includes provisions for protecting worker, community and public safety.</p> <p>2. The DISCOs have HR policies that guide recruitment, staff promotion,</p>	<p>1. The national EIA system does not comprehensively encompass aspects of public and worker safety.</p> <p>2. Although most of the DISCOs have OHS procedures, many are weak and need to</p>	<p>1. The Federal Ministry of Environment should work towards improving the EIA system to incorporate issues relating to public and workers' safety and broader ESHS. Meanwhile, they should ensure that EIA reports submitted for review cover social issues</p>

<p>3. Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs.</p> <p>4. Increased collection efficiency by DISCOs</p> <p>5. Reduction in transformer technical losses in existing distribution networks.</p> <p>7. Implementation of Management Information Systems (MIS) by DISCOs.</p>	<p>compensation, staff grievance redress mechanism, discipline etc.</p> <p>3. NESREA has regulations to protect the public from hazardous chemicals, pesticides, and agrochemicals (National Environmental (Hazardous Chemicals and Pesticides) Regulations, S.I. No 65, 2014).</p> <p>4. Some of the DISCOs have guidelines for handling of hazardous chemicals especially PCB contaminated oil.</p> <p>5. The country also has some legal statutes and provisions to protect workers. Some of these include, Labour Act of 2004, the Trade Union Amended Act of 2005, and the Employees Compensation Act of 2010.</p> <p>6. The electricity workers in Nigeria have two unions (National Union of Electricity Employees (NUEE) and Senior Staff Association of Electricity and Allied Companies, that fight to protect the rights of workers.</p> <p>7. The federal government has the Ministry of Labour while most state governments also have Ministries of Labor, and these ministries also work to protect the</p>	<p>be strengthened.</p> <p>3. Although some DISCOs have guidelines and procedure for handling of hazardous chemicals, some do not have clear procedures for handling PCBs and other hazardous chemicals.</p> <p>4. Although the DISCOs have HR policies, some policies lack procedures in specific areas to facilitate worker security and performance, for example, in areas of GRM, welfare in terms of participation in trade union activities.</p> <p>5. There is limited awareness and lack of interest by the general public, on public health and safety issues, particularly in relation to exposure to hazardous materials, use of PPE and other safety precautions.</p> <p>6. Lack of awareness of relevant authorities' staff to appreciate the need to ensure occupational health and safety.</p> <p>7. Emergency preparedness and</p>	<p>especially relating to public and worker safety.</p> <p>2. DISCOs should update their OHS procedures and manuals to cover all the issues to facilitate safety of workers and the general public especially regarding handling and disposal of hazardous chemicals, especially PCBs.</p> <p>3. Provide on-site training to electricity workers, contractors and labourers that will be involved in rehabilitation and upgrading of distribution lines and grid transformers and those that will be involved in expanding and setting up new connections so that they will be familiar with OHS issues at their workplace.</p> <p>4. There is a need for DISCOs to create or strengthen emergency procedures and plans and so as to be able to effectively handle emergencies in order to protect workers involved in the rehabilitation works.</p> <p>5. There is need for the DISCOs to strengthen citizen engagement through different channels so as to create awareness regarding the entire program activities especially rehabilitation of distribution lines and</p>
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	rights of workers. 8. The Federal Child's Right Act (CRA) (2003) codifies the rights of children in Nigeria. It has penalties on the use of child labour.	procedures are non-existing in few DISCOs why many have weak plans and procedure for managing emergency.	addition of new connections including health and safety measures during rehabilitation of distribution lines.
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### Core Principle 4: Land Acquisition

**Bank Policy for Program-for-Results Financing:** *Land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihoods and living standards.*

**Bank Directive for Program-for-Results Financing:** As relevant, the program to be supported:

- Avoids or minimizes land acquisition and related adverse impacts;
- Identifies and addresses economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people who may lack full legal rights to assets or resources they use or occupy;
- Provides compensation sufficient to purchase replacement assets of equivalent value and to meet any necessary transitional expenses, paid prior to taking of land or restricting access;
- Provides supplemental livelihood improvement or restoration measures if taking of land causes loss of income-generating opportunity (e.g., loss of crop production or employment); and
- Restores or replaces public infrastructure and community services that may be adversely affected.

**Applicability:** This is applicable. The Program will involve the rehabilitation of electricity distribution lines and the addition of new connections which could lead to minor land acquisition for working space without physical displacement. This may also occur during the installation of new feeders, low and medium voltage lines and off-grid connections in order to add new connections to the distribution. The applicability in terms of specific DLIs is indicated below.

Applicable DLIs	Systems Assessment	Gaps	Suggestions to Fill Gaps/Proposed Mitigation Measures
2. Number of new connections by DISCOs.  3. Kilometers of medium voltage (MV) distribution lines	1. Nigeria has the Land Use Act of 1978 which was modified in 1990 is the legal basis of land acquisition and administration but doesn't include anything with regards land donation, consultation prior to land acquisition, makes no provision for livelihood restoration, silent on timing of compensation payment, makes no provision for compensation for undeveloped land, compensation include	1. The Land Use Act has a lot of limitations regarding land acquisition. Some of these include the provision in the Act that the Governor of a State controls all land in the State, the issues of resettlement of project affected persons, poor grievance redress mechanism, poor land rights, among others. 2. Also, most of the DISCOs do not have guidelines for	1. The DISCOs would need to strengthen or modify their guidelines for land acquisition to ensure that land acquisition/resettlement is carried out in line with the NERC Acquisition of Land and Access Rights for Electricity Projects Regulations and the World Bank



rehabilitated by DISCOs.	<p>depreciation etc</p> <p>2. Given the numerous gaps in the Act, a Presidential Technical Committee on Land Reform (PTCLR) is working on issues regarding land reform in Nigeria.</p> <p>3. Acquisition of Land and Access Rights for Electricity Projects Regulations, 2012 provide a legal and regulatory framework for the acquisition of land and access rights for electricity projects in Nigeria</p>	land acquisition even when there exists a regulation guiding acquisition of land for electricity projects in Nigeria.	<p>guidelines.</p> <p>2. The DISCOs will prepare and implement a project specific resettlement action plan, in line with NERC regulation and World Bank guidelines, to deal with the compensation of people that may be temporary displaced during the rehabilitation works.</p>
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### Core Principle 5: Social Considerations - Indigenous Peoples and Vulnerable Groups

**Bank Policy for Program-for-Results Financing:** Due consideration is given to cultural appropriateness of, and equitable access to, program benefits giving special attention to rights and interests of Indigenous Peoples and to the needs or concerns of vulnerable groups.

**Bank Directive for Program-for-Results Financing:**

- Undertakes free, prior, and informed consultations if Indigenous Peoples are potentially affected (positively or negatively) to determine whether there is broad community support for the program.
- Ensures that Indigenous Peoples can participate in devising opportunities to benefit from exploitation of customary resources or indigenous knowledge, the latter (indigenous knowledge) to include the consent of the Indigenous Peoples.
- Gives attention to groups vulnerable to hardship or disadvantage, including, as relevant, the poor, the disabled, women and children, the elderly, or marginalized ethnic groups. If necessary, special measures are taken to promote equitable access to program benefits.

**Applicability: This is applicable.** Note that there are no groups in Nigeria that meet the World Bank's criteria for Indigenous Peoples. However, the assessment examines the systems that address the needs of groups vulnerable to hardships, including women, youths and people with disabilities. It is expected that vulnerable people will be impacted given that the Program involves a utility, electricity, that everyone uses or needs and for the fact it will involve rehabilitation of distribution infrastructure, establishment of new connections, installation of meters, among others, that will involve people of different categories. The applicability in terms of specific DLIs is indicated below.

Applicable DLIs	Systems Assessment	Gaps	Suggestions to Fill Gaps/Proposed Mitigation Measures
1. Reduction in DISCOs' metering gap.	1. Chapter IV of the Nigerian Constitution contains a variety of fundamental rights set out in Sections 33 - 44. Of particular	1. Also, many of the DISCOs do not have procedures for dealing with	1. DISCOs should institute procedures for handling issues related to gender and

2. Number of new connections by DISCOs.	relevance is Section 42, which prohibits discrimination on the grounds of ethnic origin, sex (gender), religion, or linguistic affiliation.	vulnerable people and PWDs regarding electricity issues to ensure that they are not treated with contempt and partiality.	vulnerable people.
3. Kilometres of medium voltage (MV) distribution lines rehabilitated by DISCOs.	2. Most of the DISCOs have a procedure for consultation with their customers and the general public on electricity matters.	2. Most of the DISCOs do not have adequate provisions and procedures for dealing with issues that can limit women and youths access to the program, for example, SEA and SH.	2. DISCOs as part of their procedure should have a gender-based violence response Committee in collaboration with the respective state institution / other relevant SEA/SH actor that survivals can easily and freely report to immediately they experience any assault.
4. Increased collection efficiency by DISCOs	3. Most of the DISCOs indicated in their HR procedures that they are equal opportunity employer and they do not discriminate in against any person as a result of ethnic, creed or religious beliefs, sex, or any other considerations.	3. There is lack of capacity in Ministries of Women Affairs and Social Development to tackle the issues of SEA/SH and other issues relating to gender and youths which can limit their access to the program.	3. States should carry out regular enlightenment programmes for the public and capacity building programs for staff of gender/women ministries.
5. Reduction in transformer technical losses in existing distribution networks.	4. There is a Federal Ministry of Women Affairs and Social Development that deals with all gender related issues especially as it concerns the vulnerable especially women youths and People living with Disabilities (PWDs). They have a unit that deals with GBV and discrimination. Also, most state governments have Ministry of Women Affairs/Gender Affairs and Social Development. These ministries help to handle the issues of GBV and discriminations of vulnerable people.	4. There is weak knowledge of the public especially vulnerable groups regarding government actions and programs on electricity reform in Nigeria.	4. DISCOs should embark of extensive community-based enlightenment regarding the program and their activities to drive inclusive participation of vulnerable groups in the program and in the selection areas for extension of new connections so as to avoid bias including ethnic, or religious bias.
6. Compliance with NERC Corporate Code of Governance by DISCOs.	5. Also, the federal government of Nigeria has signed many treaties on women issues including the CEDAW in 1999 and has a gender policy. There is also the Violence Against Persons (Prohibition)Act 2015.		
	6. Several policy statements and programmes at the state and federal levels clearly indicate the nation's commitments to achieving the Sustainable Development Goal		

	<p>(SDG) 5 on gender equality.</p> <p>7. Many states have laws and frameworks in dealing with violence and discrimination, for example Edo, where Benin DisCo (BEDC) is located, has Violence Against Persons (Prohibition) Law of Edo State 2019, while some states, in addition, have also response teams to deal with GBV for example Lagos State has a Domestic and Sexual Violence Response Team (DSVRT).</p>		
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### Core Principle 6: Social Conflict

**Bank Policy for Program-for-Results Financing:** Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

**Bank Directive for Program-for-Results Financing:** Considers conflict risks, including distributional equity and cultural sensitivities.

e. **Applicability:** This is applicable. Conflicts may arise between DISCO staff and electricity customers during the rehabilitation of the distribution line, installation of meters, and connection of new customers.

Applicable DLIs	Systems Assessment	Gaps	Suggestions to Fill Gaps/Proposed Mitigation Measures
<p>1. Reduction in DISCOs' metering gap</p> <p>2. Number of new connections by DISCOs.</p> <p>4. Increased collection efficiency by DISCOs</p> <p>5. Reduction in transformer</p>	<p>1. The constitution of the Federal Republic of Nigeria 1999 (as amended) provides in Section 17 (3) (g) that “the State shall direct its policy towards ensuring that provision is made for public assistance in deserving cases, or other conditions of need.</p> <p>2. Nigeria Federal and State presence is strong throughout the country with well-trained police and security forces who maintain the rule of law and also provides security</p>	<p>1. Some states and zones in Nigeria can be considered a failed state because of armed insurgency and banditry which has left a lot of people homeless while many are in internally displaced persons camps.</p> <p>2. Although most of the DISCOs have some grievance redress mechanism and complaints procedure,</p>	<p>1. Strengthened stakeholder engagement and grievance redress mechanisms and increased transparency and provide information and communication avenues for complaints and their resolutions and also to correct the negative impression about</p>

<p>technical losses in existing distribution networks.</p>	<p>against bandits and during clashes between farmers and herders. Nigeria security forces are also fighting armed insurgency and has almost degraded the groups. There is also a justice system with courts where people can seek redress.</p> <ol style="list-style-type: none"> <li>3. The federal government also has the public complaints commission where people can make complaints regarding administrative injustices.</li> <li>4. The NERC has a regulation, Customer Complaints Handling: Standards and Procedure 2006, which guides all distribution Licensees in Nigeria in terms of resolving customer complaints</li> <li>5. The NERC also has the Customer Service Standards of Performance for Distribution Companies Regulation which guides all the Licensees in Nigeria to ensure quality standards.</li> <li>6. Some of the DISCOs have GRM mechanisms for both staff and customers.</li> </ol>	<p>some of the procedures are weak. Even a DISCO recommended only informal approach.</p> <ol style="list-style-type: none"> <li>3. There is disdain for DISCO officials by the customers and the general public probably because of the epileptic power supply and alleged billing of customers when they did not receive electricity. Thus, efforts by DISCOs to disconnect defaulting customers have led to serious quarrels and conflicts.</li> </ol>	<p>the DISCOs.</p> <ol style="list-style-type: none"> <li>2. DISCOs should work with the local authority in their sub-units to set up local level (through relevant traditional rulers/ institution, State Ministries of Chieftaincy Affairs and LGA Chairmen) conflict resolution committee to address conflict related to the program.</li> <li>3. DISCOs should strengthen their GRM to facilitate resolution of conflicts.</li> </ol>
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## SECTION VI: RECOMMENDATIONS AND ACTIONS

130. This section recommends measures that will be taken to strengthen system performance in line with the gaps and risks identified in the system assessment section to ensure that the Program interventions are aligned with the Core Principles of Bank Policy for Program-for-Results financing. The identified key areas are elucidated below. These actions may be further refined and adjusted during the consultation process appraisal and at the midline review during implementation of the Program.

### 6.1 Environmental and Social Summary and Recommendations:

131. Although Nigeria has a well-defined environmental and social management system that aligns with the core principle on environmental assessment, significant gaps still remain while the guidelines and policies are rarely enforced. For example, the EIA process in Nigeria does not cover the social aspects as it should. Often impacted communities and vulnerable groups are not consulted during the EIA process and even when they are consulted at the beginning, they are not carried along during the review and approval process thus, their concerns may not be reflected in EIA document. Besides, the monitoring of EIA implementation is weak as there is no tracking system to monitor environmental and social risks, performance.

132. At the level of the DISCOs, although some have procedures and manuals for environmental management in the form of HSE procedures, many have a lot of gaps and did not cover issues that are critical for management of social risks. While some have good coverage of health and safety issues, that of environment is weak. For example, issues relating to environmental assessments, waste management, vegetation management, and handling storage and management of hazardous chemicals, for example, PCBs, among others are not covered. Some have duplicates of environmental procedures which did not cover the issues while some have one-page policy statements which did not provide the detail of application and responsible officers. Although electricity is often associated with emergency situations, some of the DISCOs do not have robust strategies and procedures for handling emergencies. Also, there is weak environmental management capacity, in terms of knowledge and required personnel, of HSE units of the DISCOs.

133. Concerning appropriate procedures and policies for the management of social risks, it is important to note that some of the DISCOs have some well documented procedures, for example, Human Resources Policy (HRP) and Stakeholder Engagement Framework (SEF) for the management of social risks. Although most of the DISCOs have different procedures and manual for management of social issues and risks with different names, for example, Occupational Health and Policy (OHS); Land Acquisition and Resettlement Framework (LARF); Sexual Harassment and Inappropriate Relationship Policy, Security Policy Manual, among others, some of these polices still have some gaps, some are duplicated and thus need to be harmonized, updated and strengthened while some do not exist in some DISCOs.

134. For example, a DISCO has a policy and procedure to deal with issues of sexual harassment, the penalties are not clearly stated for specific offenses; besides the sexual harassment policy does not cover issues of GBV. Also, a DISCO has a HR policy but it does not contain recruitment procedures and has a different document on recruitment. Another DISCO has HR

policy and procedure and a policy and procedure for handling customer complaints, it does not have a policy for dealing with GBV and SH. In addition, another DISCO, while it has a brief section on GRM for staff, it did not provide any guideline but indicated that it was in the interest of the company and employees to resolve issues relating to them in a mutually acceptable manner. The DISCO also indicated in another document (tagged processes and procedures) that it encourages employees to resolve grievances informally with their line Managers and or Heads of Department. Also, a DISCO has no provision for pension scheme as stipulated in the Pension Reform Act. They only indicated that retiring employee will be paid basic salary 3 months in lieu. The company also does not have a detailed procedure for handling GBV and SH. Furthermore, in terms of welfare of workers, another DISCO provided detailed action that should be followed in case of crisis and picketing by Union Groups around the business premises; however, the same DISCO did not provide for Trade Union activities in its peoples Handbook. However, there are DISCOs that stand out as having a relatively robust social system, namely IE, AEDC, and BEDC

135. Based on the environmental and social assessments, some recommendations were made as follows:
136. BPE, NERC in collaboration with the Federal Ministry of Environment should develop a protocol/standard in line with WB and Nigeria requirements that will serve as E&S benchmark to guide DISCOs in updating their E&S instruments and systems. Each DISCO will take into consideration annex 9 and the identified gaps / gap filling actions in updating their system in line with the protocol/standard that will be developed.
137. DISCOs should develop, update, harmonize and strengthen their E&S instruments and systems in line with the benchmark of E&S for DISCOs.
138. Conduct annual monitoring of progress and performance on environmental and social issues, especially regarding the compliance of the Program activities with the environmental and social standards and procedures.
139. DISCOs in collaboration with BPE should provide on-site training/capacity building to electricity workers, contractors and labourers that will be involved in rehabilitation and upgrading of distribution lines and grid transformers and those that will be involved in expanding and setting up new connections so that they will be familiar with OHS issues at their workplace/site.
140. DISCOs in collaboration with BPE should work with the local authority in their sub-units to set up local level (through relevant traditional rulers/ institution and LGA Chairmen) conflict resolution committee to address conflict related to the program.
141. DISCOs in collaboration with BPE should embark on community-based enlightenment campaign to strengthen citizen engagement through different channels, produce and distribute leaflets and brochures to create awareness and familiarize the citizens of the Program.

142. BPE and DISCOs should engage suitable Environmental and Social Risk Management Specialists (could be a consultant) as part of the Program Implementation Team in a manner that will be satisfactory to the Bank.

143. The DISCOs in collaboration with BPE should institute a gender-based violence response committee to ensure that that survivors can easily and freely report to immediately they experience any assault

144. Following the recommendations, the breakdown of actions to be included in the Program Action Plan (PAP) with indicative timeline, responsibility for implementation and indicators for measuring the completion of such actions are detailed in the Table 6.1 below. The PAP will be part of the verification protocol by BPE and IVA.

Table 6.1: Program Action Plan (PAP) for Environmental and Social Management:

Action Description	Due Date	Responsible Party	Completion Measurement	Actions to be include in PAD PAP / DISCOs IPAP
Develop a protocol/standard that will serve for benchmarking E&S system, performance and M&E of DISCOs (including but not limited to OHS, community health and safety, e-waste and hazardous waste management and disposal, SEA/SH, resettlement.	Prior to signing on lending agreement / shareholders loan agreement with each DISCO.	BPE	Document acceptable to the Bank containing E&S benchmarks for DISCOs	To be included in PAD PAP
Build the capacities of the DISCOs in terms of environmental and social safeguards of WB and Nigeria.	During Project Implementation	BPE	Records of trainings	To be included as part of action 5 of the PAD PAP and DISCOs IPAPA
Develop, update, harmonize and strengthen E&S instruments and systems in line with the benchmark of E&S for DISCOs taking into consideration annex 9.	During Program Implementation	All DISCOs	Copies of reviewed documents, documented process of review (review committee list, minutes of meeting, or letters of appointment of Consultants, TOR used in engaging the consultant or review committee).	To be included as part of Action 5 of the PAD PAP and DISCOs IPAP.
Conduct annual monitoring of progress and performance on environmental and social issues, especially regarding the compliance of the	At the end of every year	BPE / IVA	Monitoring report, Minutes of meeting during monitoring exercise, pictures taken during	To be included in the verification protocol and DISCO's IPAPs.

Program activities with the environmental and social standards and procedures			monitoring.	
Provide on-site training/capacity building to electricity workers, contractors and labourers so they can be familiar with OHS issues at their workplace/site. <sup>11</sup>	During Project Implementation	All DISCOs	Submit Capacity /Training plans /Modules, Lists of participants, pictures during training program.	To be included as part of item 5 of PAD PAP and DISCOs IPAP
Set up local level (through relevant traditional rulers/ institution and LGA Chairmen) conflict resolution committee to address conflict related to the program.	Prior to rehabilitation of distribution lines / installation of meters.	All DISCOs, LGA Chairmen, Ministry of Local Government and Chieftaincy Affairs.	List of committee members, minutes of committee meetings, photos of inauguration of committee members, attendance list at committee meetings.	To be included as part of item 5 of PAD and DISCOs IPAP
Embark on community-based awareness-raising campaign and citizen engagement through different channels, produce and distribute leaflets and brochures so as to create awareness and familiarize the citizens of the Program.	Prior to commencement of the rehabilitation works of the lines	All DISCOs, BPE	Copies of radio and television jingles, copies of leaflets and brochures, photos of town hall meetings	To be included as part of item 5 of PAD PAP and DISCOs IPAP
Engage suitable Environmental and Social Risk Management Specialists – one E&S per each DISCO (Consultants) as part of the Program Implementation Team in a manner that will be satisfactory to the Bank.	Prior to program implementation / prior on lending to specific DISCOs	BPE, All DISCOs	Letters of appointment of Consultants/Specialists, TOR for engagement of consultant, CV of consultant, Annual reports of activities, and maintained throughout the life of the program	To be included as a standalone action in the PAD PAP and at DISCOs IPAP (as condition for signing shareholders loan agreement.
Institute a gender-based violence response Committee	During program implementation s	BPE, All DISCOs	List of Committee Members, document detailing the operations of the committee approved by top management.	To be included as part of item 5 of PAD PAP and as part of DISCOs IPAP and at BPE level
Prepare site specific E&S safeguards instruments relevant to rehabilitation of	Prior to commencement of civil works/	BPE, All DISCOs	Relevant safeguards instruments.	To be included in the PAD PAP and as DISCOs IPAP

<sup>11</sup> The program IPF/TA component include capacity building activities to strengthen the DISCOs to manage environmental and social risk



meters, transformers, rehabilitation of lines etc.	rehabilitation			
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## SECTION VII. SUPPORTING ANNEXES AND REFERENCE DOCUMENTS

### Annex 1: Applicability of Core Environmental and Social Principles (CP) to Nigeria Distribution Sector Recovery Program (DISREP) Disbursement Linked Indicators (DLIs)

Result Area	DLI	CP1 Environment	CP2 Natural Habitats	CP3 Public & Worker Safety	CP4 Land Acquisition	CP5 Vulnerable groups	CP6 Social Conflict
1. Improved DISCO operational performance	1. Reduction in DISCOs' metering gap	<p>This is applicable as installation of new meters can pose environmental risk due to possible sparks and fire accidents.</p> <p>Indirectly, it is also applicable. Smart meters, if installed, can significantly benefit the environment as it would lead to reduced electricity consumption which will in-turn lead to reduced use of fossil fuels and reduced emission of greenhouse gasses and other pollutants. In addition, there could also be additional climate co-benefits with increased distribution efficiency especially due to reduction in technical losses and rational use of energy associated with effective metering. Thus,</p>	Not Applicable as vegetation and natural habitats will not be disturbed during the installation of meters in households and distribution transformer level.	This is applicable as public and worker safety may be affected during the installation of meters especially giving the danger associated with electricity.	This is not applicable as constructions that will lead to land acquisition will not be carried out under this DLI.	Applicable. There is a possibility of exclusion of vulnerable groups, ethnic bias and elite capture during the installation of meters especially if limited number of meters are available. There is also possibility of gender-based violence (GBV) and sexual harassment (SH) during installation of meters in homes of customers or in private offices.	This is indirectly applicable as citizens may tamper with installed meters to evade charges and thus result in conflicts with DISCOs, arrests of electricity thieves by law enforcement agencies and prosecution of offenders.

Result Area	DLI	CP1 Environment	CP2 Natural Habitats	CP3 Public & Worker Safety	CP4 Land Acquisition	CP5 Vulnerable groups	CP6 Social Conflict
		the DLI aligns with the Multilateral Development Banks' (MDB) list of eligible mitigation activities under Category 2.1: Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability or reliability; as well as Category 3.2: Energy efficiency improvements in existing commercial, public and residential buildings.					
	2. Number of new connections by DISCOs	This is applicable as the installation of new feeders into underserved areas near the existing distribution infrastructure under this DLI will result in increased noise level and air pollution from heavy duty vehicles that will be used in the operation. On the other hand, there could also be climate co-	This is applicable as the installation of new feeders into underserved areas near the existing distribution infrastructure may lead to cutting down of vegetation and impact on fauna species thus	This is applicable as public and worker safety may be affected during the installation of new feeders, medium and low voltage lines and connection of new customers especially given the danger	Land acquisition is envisaged under this DLI. There could be temporary displacement of people during the installation of new feeders, low and medium voltage lines and off-grid connections	Applicable. There is a possibility of exclusion of vulnerable groups ethnic bias and elite capture while increasing connections and identification of underserved areas to be installed with new feeders and transformers. There	This is indirectly applicable as citizens may tamper with new connections especially as they may want to tap electricity illegally. This may result in

Result Area	DLI	CP1 Environment	CP2 Natural Habitats	CP3 Public & Worker Safety	CP4 Land Acquisition	CP5 Vulnerable groups	CP6 Social Conflict
		benefits with increased distribution efficiency, reduced use of fossil fuel powered electricity generators by households and businesses, possible use of renewable energy as the new connections could be through the distribution network or through mini-grid or stand-alone systems, including renewable energy-based systems. This DLI aligns with MDB list of eligible mitigation activities under Category 1.1: Wind power and Solar power, Category 1.3: New information and communication technology, smart grid and mini grid, as well as Category 3.2: Energy efficiency improvements in existing commercial, public and residential buildings.	affecting biodiversity.	associated with electricity.	(especially off-grid solar systems) that may be part of the package.	is also possibility of GBV and SH during extension of power to underserved areas and localities.	conflicts with DISCOS, arrests of those involved in electricity theft by law enforcement agencies and prosecution of offenders.
	3. Kilometres of medium voltage (MV)	This is applicable as there could be noise and air pollution, soil and	This is applicable as the rehabilitation of	This is applicable as the rehabilitation of	Land acquisition is envisaged under this DLI.	Applicable. There could be bias in choosing locations	This is not applicable.

Result Area	DLI	CP1 Environment	CP2 Natural Habitats	CP3 Public & Worker Safety	CP4 Land Acquisition	CP5 Vulnerable groups	CP6 Social Conflict
	distribution lines rehabilitated by DISCOs	groundwater pollution and waste problem due to rehabilitation works and possibly from debris for examples old wires, fittings could be a source of waste. On the other hand, there could be environmental co-benefits due to increased distribution efficiency and reduced use of fossil fuel powered electricity generators by households and businesses. This is considered part of the Multilateral Development Banks' (MDB) list of eligible mitigation activities under Category 2.1: Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability or reliability; Category 3.2: Energy efficiency improvements in existing commercial,	distribution lines could lead to cutting of vegetation and loss of flora and fauna and hence loss of biodiversity.	distribution lines will pose danger to the public and workers that will be involved in the rehabilitation work.	Some people near the distribution lines may be displaced temporarily during the rehabilitation work.	where distribution networks will be rehabilitated. The DISCOs may choose locations where customers use more electricity and pay more money and neglect areas where poor and vulnerable people reside as the returns from the areas will be less. Indirectly, improved electricity supply will enhance income, and reduce poverty and the vulnerability of households to shocks. There is also possibility of GBV and SH during rehabilitation of distribution lines given the influx of workers to the localities where rehabilitation will be carried out.	

Result Area	DLI	CP1 Environment	CP2 Natural Habitats	CP3 Public & Worker Safety	CP4 Land Acquisition	CP5 Vulnerable groups	CP6 Social Conflict
		public and residential buildings as well as Category 3.3: Improvement in utility-scale energy efficiency through efficient energy use and loss reduction, or resource efficiency improvements.					
	4. Increased collection efficiency by DISCOs	This is directly not applicable as there are no physical works supported by the DLI. However, this is applicable indirectly as increased and effective collection of electricity charges from customers will Discouraged excessive use of electricity which in turn lead to the increase use of fossil fuel that will increase carbon emissions.	Not Applicable as there are no physical works supported by the DLI.	This is applicable as safety of workers may be threatened when Disconnecting customers that have not paid or those that tampered with meters/involved in electricity theft especially if smart meters are not used.	This is not applicable as constructions that will lead to land acquisition will not be carried out under this DLI.	This is applicable indirectly as vulnerable groups may have increased access to electricity with its associated benefits since wastage of electricity will be reduced due to increased collection efficiency by DOSCOS. Also, vulnerable people may not have the money to pay and such may not have access to electricity.	There could be conflicts due to Disconnection of customers that owing or those that tampered with meters.
Enabling diversification of commercial	5. Reduction in transformer technical losses in	There could be air and ground water pollution due to possible leakage of PCB contaminated transformer oil. The	This is not applicable as natural habitat will not be affected.	This is applicable as the rehabilitation of the PT and DT will pose danger	This is not applicable as constructions that will lead to land acquisition	This is not applicable.	Indirectly there could be conflict between contractors

Result Area	DLI	CP1 Environment	CP2 Natural Habitats	CP3 Public & Worker Safety	CP4 Land Acquisition	CP5 Vulnerable groups	CP6 Social Conflict
options for DISCOs to supply their demands	existing distribution networks.	rehabilitation of Power Transformers (PT) and Distribution Transformers (DT) will facilitate loss reduction and distribution efficiency with some climate co-benefits. The DLI aligns with the MDB list of eligible mitigation activities under Category 2.1: Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability or reliability, as well as Category 3.3: Improvement in utility-scale energy efficiency through efficient energy use and loss reduction, or resource efficiency improvements.		to the public and could impact on worker safety given the nature of electricity. Secondly, workers may be exposed to the danger of PCB oils in old PT and DT.	will not be carried out under this DLI.		responsible for DT and PT repairs/rehabilitation and the DISCOs if the contractors are incompetent and unable to repair the equipment.
3. Strengthened governance and transparency	6. Compliance with NERC Corporate Code of Governance by DISCOs.	This is directly not applicable as there are no physical works supported by the DLI. However, this is indirectly applicable. A	Not applicable as activities for the achievement of this DLI will not impact on natural habitats.	This is not applicable as public and workers' safety will not be impacted.	This is not applicable as constructions that will lead to land acquisition will not be	This may be applicable as women may be marginalized in appointment of top management in the DISCOS. There	

Result Area	DLI	CP1 Environment	CP2 Natural Habitats	CP3 Public & Worker Safety	CP4 Land Acquisition	CP5 Vulnerable groups	CP6 Social Conflict
		strong governance will boost the confidence of investors in the DISCOS and will also facilitate distribution efficiency. This will in turn result in reduced carbon emission and climate co-benefits.		However, indirectly, an efficient governance system will ensure that workers safety is guaranteed in ensuring distribution efficiency.	carried out under this DLI.	is also possibility of GBV and SH in appointment of persons into managerial positions.	
	7. Implementation of Management Information Systems (MIS) by DISCOs	This is indirectly applicable as the implementation of management information systems by DISCOs will enable DISCO management to operate on the basis of evidence-based, informed decision making. This will enhance the efficiency of the DISCOS and thus efficiency in power distribution. This DLI aligns with MDB list of eligible mitigation activities under Category 1.3: New information and communication technology, smart grid and mini grid, as well as Category 3.2: Energy	Not applicable as activities for the achievement of this DLI will not impact on natural habitats.	This is applicable as the MIS system will facilitate incident recording and management which will help protect the worker and the public from dangers associated with electricity; supervisory control and data acquisition system, and works management system which will also facilitate proper management and worker protection.	This is not applicable as constructions that will lead to land acquisition will not be carried out under this DLI	This is not applicable.	This is not applicable.



Result Area	DLI	CP1 Environment	CP2 Natural Habitats	CP3 Public & Worker Safety	CP4 Land Acquisition	CP5 Vulnerable groups	CP6 Social Conflict
		efficiency improvements in existing commercial, public and residential buildings.					

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**Annex 2: Preliminary Benefits and Risk Matrix**

PDO	Result Area	DLIs	Environmental and Social Benefits	Environmental and Social Risks/Risk Rating
<p>To improve financial and technical performance of the electricity distribution companies.</p>	<p>1. Improved DISCO operational performance</p>	<p>1. Reduction in DISCOs’ metering gap</p>	<p>The overall environmental and social benefits are expected to be significant. The PforR will facilitate increased distribution efficiency especially due to reduction in technical losses; reduced consumption of power by citizens leading to reduced use of fossil fuels in power generation and reduced greenhouse gas emission; improved distribution efficiency will also result in reduced use of petrol and diesel generators by citizens there by reducing the consumption of fossil fuels and thus reduced emission. Improved efficiency and reliability of power will result to increase in the number of hours in which power is available for consumers. This will lead to increased income and poverty reduction as more hours are available for work for individuals and small businesses which originally could not afford petrol- and diesel-powered generators. Also, it will increase opportunities for children to study with better outcomes in education and also improve development outcome for women and girls. Increase in new connects especially through off-grid solar power has a lot of climate co-benefits as it will help in climate change mitigation.</p>	<p><b>The environmental and social risks is deemed to be moderate.</b> Environmental risks will be associated with rehabilitation of power distribution infrastructure. The potential environmental risks include noise, air and ground water pollution as a result of use of heavy machines and lubricants during the rehabilitation work. The rehabilitation of distribution infrastructure and increase in new connections through grid or off-grid systems will impact on flora and fauna and thus result in loss of biodiversity especially where there is improper vegetation management along distribution lines. The rehabilitation work could pose a danger to public and workers safety given the nature of electricity (could result in shocks, electrocution or fires) especially if poorly handled. Rehabilitation of the distribution lines may also result in some minor land acquisition and temporary displacement of people around the distribution lines. There is also the possibility of GBV, SEA and SH during rehabilitation, installation of meters and recruitment of new connections by DISCOS. Also, increasing the number of connection, especially through off-grid connections may also lead to the destruction of flora and fauna and displacement of people.</p> <p>There is also a possibility that the DISCOs do not have the capacity to manage</p>
		<p>2. Number of new connections by DISCOs</p>	<p>Increased collection efficiency will lead to reduced consumption of electricity as consumers would be more careful to avoid wastage. This will in turn lead to reduction</p>	
		<p>3. Kilometres of medium voltage (MV) distribution lines rehabilitated by DISCOs</p>	<p>Increased collection efficiency will lead to reduced consumption of electricity as consumers would be more careful to avoid wastage. This will in turn lead to reduction</p>	

PDO	Result Area	DLIs	Environmental and Social Benefits	Environmental and Social Risks/Risk Rating
		4. Increased collection efficiency by DISCOs	in the use of fossil fuels and thus reduce carbon emissions.	<p>environmental and social risks. This situation may pose a danger to the safety of workers, the public and environment.</p> <p>The achievement of this DLI may cause conflict between DISCO customers and workers as customers may prevent electricity workers from disconnecting their lines when in debt or when they indulge in electricity theft or tampering with meters. There is also a possibility of SH as electricity workers may have the opportunity to enter homes of customers.</p> <p>Other risks associated with the program is security risk, especially in the States in the North East and North West Nigeria where there is armed insurgency and banditry, and in States where there have been incessant clashes between famers and herders. These conflicts have affected the entire social fabric across the country and could prevent the execution of the PforR program.</p>
	2. Enabling diversification of commercial options for DISCOs to supply their demands	5. Reduction in transformer technical losses in existing distribution networks	Rehabilitation of PT and DT will lead to the reduction of ATC&C losses, improved efficiency and reliability of power. This will result to increase in the number of hours in which power is available for consumers and thus increased income and poverty reduction as more hours are available for work for individuals and small businesses which originally could not afford petrol- and diesel-powered generators.	There is also danger associated with rehabilitation of power transformers and distribution transformers especially as transformer oils contaminated with Polychlorinated Biphenyls (PCB) could leak into the environment or become threats to the safety of workers.

PDO	Result Area	DLIs	Environmental and Social Benefits	Environmental and Social Risks/Risk Rating
	3. Strengthened governance and transparency	6. Compliance with NERC Code of Corporate Governance by DISCOs.	Effective governance and the implementation of MIS will facilitate enhanced performance of the DISCOs and thus distribution efficiency with all its associated benefits. In addition, implementation of MIS will enhance incidence recording and data capturing which will provide information needed to avoid accidents and ensure worker and public safety.	There could be GBV, SEA and SH in appointment into managerial position and this may affect the performance of the DISCOs.
		7. Implementation of Management Information Systems (MIS) by DISCOs.		

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### **Annex 3: Information and Documents expected from DISCOs to inform the preparation of ESSA**

1. The feasibility report submitted to BPE and NERC during the bidding and setting up of the DISCO (In the feasibility report, DISCOs indicated how they will manage electricity distribution, the type of technology and practices they will deploy in order to reduce losses in distribution and enhance collection of electricity bills).
2. The DISCO's Strategic Plan (if any) and network details (capacity in terms of installations, network capacity, coverage, etc.)
3. DISCO's operations manual detailing the staffing including qualifications of key staff, functions & responsibilities or duties, mandate of the different units and management officers in the DISCO and capacity to deal with environmental and social issues including assessments, etc.
4. Document on staff and workers code of conduct
5. Document depicting DISCO's health, safety policy
6. Document detailing DISCO's health, safety and environment guidelines.
7. Document detailing DISCO's incident, accident and log book for accidents and near misses.
8. DISCOs annual reports for the past five years.
9. Document on laws, regulations and policies guiding the DISCOs operations.
10. Customer relations manual/document if any.
11. DISCO's personnel policy and guidelines – this is expected to contain recruitment policies, personnel management guidelines etc.
12. ESIA document prior to commencement of operations, Environment Audit reports, and other environment documents submitted to state and federal ministry of environment and to NESREA.
13. Policy and procedure on or guiding land acquisition and acquisition of right of way
14. Occupational health and safety policy and procedure
15. Policy and procedure on gender and gender-based violence if any
16. Document on grievance redress mechanism (GRM) applied by the DISCOs if any.
17. Relevant legal framework;
18. EIA Certificate
19. Organogram depicting members of Management Team of DISCOs
20. Security Policy / documents
21. Documents / policy for Social Management plan/ procedure / Land acquisition and resettlement process
22. Documents on stakeholder's identification and engagement
23. Waste management procedures
24. Broad Environmental and Social Policy operation
25. Performance Improvement Plan (PIP)

#### **Annex 4: Preliminary Brief and Questions for consultation with 11 DISCOS**

The DISCOS systems will be examined in line with the six core principles of PforR bearing in mind the three Result Areas and seven DLIs. The Program (DISREP) will involve rehabilitation of distribution lines, which may lead to displacement of people already using the right of way, may be illegally. This may lead to resettlement of the individuals or micro businesses. It will also result to some environmental and social risks. Increasing collection of bills may result to conflicts etc. Rehabilitation of distribution lines may result in destroying flora and fauna (natural habitats). DISCOs must have plans to deal with environmental and social issues that may be triggered by the Program.

#### **Questions**

1. Does your DISCO have Environment guidelines? If available, can you provide a copy?
2. Do you have an Environmental and Social Management Operations Manual? If you have, please provide a copy?
3. When you install new equipment (for example transformers and base stations) do you conduct an EIA?
4. Can we have samples of your EIAs?
5. Do you have OHS guidelines? Provide a copy.
6. Do you have a social management plan?
7. What do you do to ensure that the safety of the public is guaranteed?
8. Do you have a public enlightenment and consultation plan?
9. Do you have a waste management plan?
10. Do you have a recruitment and personnel manual?
11. How do you ensure equal opportunity in your recruitment?
12. What is the percentage of men versus women in your DISCO?
13. Can we have your staff list distributed across gender?
14. How do you ensure that PWD's are not discriminated against in your recruitment?
15. How do you deal with issues of grievance- Have you instituted a grievance redress mechanism?
16. How do you deal with the issue of resettlement when you want to carry out installations that will require land acquisition?
17. How do you deal with issues of conflict with host community or with consumers?
18. How do you deal with conflicts among staff?
19. Do you have a security policy?
20. Do you have a document that is readily available to staff regarding chain of command/reporting in your DISCO?
21. How do you ensure that conflicts are avoided in contracts?
22. Do you have a procurement guideline/manual to guide investors?
23. Are their guidelines/ rules regarding succession/ change of top management to avoid conflicts and discrimination in line with gender/other issues?

**NB: IN ADDITION TO OTHER DOCUMENTS WE REQUESTED, PLEASE SUPPLY YOUR PERFORMNACE IMPROVEMENT PLAN**

### Annex 5: Nigeria Distribution Sector Recovery P for R Consultation Notes

Item	Description
<b>Name of Area where presentation was conducted</b>	Online Virtual Meeting via Microsoft Teams with the stakeholders of Nigeria Distribution Sector Recovery PforR DISCO states:  Abuja, Benin, Eko, Enugu, Ibadan, Ikeja, Jos, Kaduna, Kano, Port Harcourt and Yobe.
<b>Dates</b>	September 14 - 18, 2020
<b>Language of Communication</b>	English
<b>Summary of Matters Discussed</b>	
<b>Opening Remarks</b>	A brief overview of the proposed project was presented, structure / expectation on the ESSA and the purpose of the consultation was introduced to the stakeholders at the consultation meeting by the E&S team from the World Bank.
<b>Questions to stakeholders</b>	<b>Stakeholder Responses</b>
<p>g.</p> <ol style="list-style-type: none"> <li>1. Does your DISCO have Environment guidelines- If available provide a copy?</li> <li>2. Do you have an Environmental and Social Management Operations Manual- If you have please provide a copy?</li> </ol> <p>h.</p> <ol style="list-style-type: none"> <li>3. When you install new equipment (for example transformers and base stations) do you conduct an EIA?</li> <li>4. Can we have samples of your EIAs</li> </ol> <p>i.</p> <ol style="list-style-type: none"> <li>5. Do you have OHS guidelines? – Provide a copy.</li> <li>6. Do you have a social management plan?</li> </ol>	<p><b>Abuja</b></p> <p>Environmental guidelines are developed by statutory agencies, not directly by DISCOs. All guidelines regarding environment for the AEDC are followed.</p> <p>There is an Environmental and Social Management Operations Manual which guides AEDC operation. A copy would be made available later.</p> <p>EIAs are not conducted because no project has triggered a full-scale EIA.</p> <p>Guidelines on OHS are developed by statutory</p>

<p>7. What do you do to ensure that the safety of the public is guaranteed?</p> <p>j. 8. Do you have a public enlightenment and consultation plan?</p> <p>k. 9. Do you have a waste management plan?</p> <p>10. Do you have a recruitment and personnel manual?</p> <p>11. How do you ensure equal opportunity in your recruitment?</p> <p>12. What is the percentage of men versus women in your DISCO?</p> <p>13. Can we have your staff list distributed across gender?</p> <p>14. How do you ensure that PWD's are not discriminated against in your recruitment?</p> <p>15. How do you deal with issues of grievance- Have you instituted a grievance redress mechanism?</p> <p>16. How do you deal with the issue of resettlement when you want to carry out installations that will require land acquisition?</p> <p>17. How do you deal with issues of conflict with host community or with consumers?</p> <p>18. How do you deal with conflicts among staff?</p> <p>19. Do you have a security policy?</p>	<p>agencies, not in-house.</p> <p>There is a social management plan. A copy would be made available</p> <p>To ensure the safety of the public, frequent inspections are carried out on equipment to ensure public safety. Similarly, sensitization and town hall meetings are done while, safety advisories are placed on vehicles, churches and other public areas. They have a recruitment and personnel manual and they ensure equal opportunity during recruitment.</p> <p>Information on staff, gender distribution, percentage and measures against discrimination of PWD would be shared later.</p> <p>There are GRMs in place as well.</p> <p>The resettlement framework is embedded in the social management framework.</p> <p>Information on how issues of conflict with staff and host communities would be shared. As well as on their security policy and document regarding chain of command and reporting for staff.</p> <p>The supply chain department and procurement department oversee contracts and procurement.</p> <p>There is a succession plan in place, and this would be made available later.</p>
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<p>20. Do you have a document that is readily available to staff regarding chain of command/reporting in your DISCO?</p> <p>21. How do you ensure that conflicts are avoided in contracts?</p> <p>22. Do you have a procurement guideline/manual to guide investors?</p> <p>1. 23. Are their guidelines/ rules regarding succession/ change of top management to avoid conflicts and discrimination in line with gender/other issues?</p>	<p>Right of Way acquisition is done by specific regulatory guidelines. The FCTA has administration in charge of land regulations and the master plan is used at a large scale for the FCT, for other states (like Niger) certain acquisitions are done with relevant agencies based on emerging legislations. Compensation is also carried out based on the case at hand. Engagement is done largely across board. Also, the AEPB handle trees encroaching developments.</p> <p><b>Benin:</b></p> <p>The DISCO has Environment guidelines and would share later.</p> <p>EIAs are not currently conducted, but this is a work in progress.</p> <p>The DISCO has a social management plan.</p> <p>Public awareness is carried out with use of signage and other mediums. Also, frequent checks on equipment used ensures public safety. There are also several means by which they conduct public enlightenment.</p> <p>There is a waste management plan in place, on which they interface with the state Ministry of Environment.</p> <p>They have an encompassing manual which includes recruitment and personnel.</p> <p>Equal opportunity is ensured through open casting/vacancy for jobs.</p>
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The staff percentage is largely male. More information on this would be shared based on departments.

Largely PWDs are not considered, but depending on the form of the disability, an alternative job role could be offered.

At unit levels and state levels, grievances are addressed with various committees that handle staff grievances. The commissions guidelines address the customers' grievances. These are still progressing, however.

Land acquisition is majorly carried out by statutory state bodies and agencies.

Issues of conflict with host community are dealt with appropriately.

Conflicts among staff are handled in accordance with the HR manual.

There is a document that speaks to the aspect of security.

Conflicts regarding contracts are addressed in government procedures.

There are guidelines on investment and to investors.

There are guidelines/ rules regarding succession/ change of top management to avoid conflicts and discrimination.

Pension is paid to staff and also unions are interacted with. There are not many cases of sexual harassment.

BEDC has females from the board with the inclusion of a female Non-Executive Director (Mrs. Millicent Osai), also worthy of mention is that BEDC is the only DisCo with a female CEO / Managing Director for 6 years. Also, there are 2 female executive management officers in key roles, the Chief Agency & Channels Officer (Felicia Nlemoha) and the Chief Corporate Services Officer (Kunbi Labiyi)

**Eko:**

There is an environmental policy as well as a social management plan.

EIAs are conducted before equipment installation .

There are OHS guidelines and social management plan in place.

Safety of the public is led by the safety unit and work with Lagos state on such issues as Right of Way. Physical engagement and media awareness are also done to ensure that they relocate in good and safe time.

There is a public enlightenment and consultation plan.

There is a waste management plan.

There is a recruitment and personnel manual; this is structured under 10 business districts.

Equal opportunity is ensured through various departments and verification processes overseen by the Human Resources, whose policy is to ensure equal opportunity.

Gender distribution in the DISCO is fair.

It is ensured that PWDs are not discriminated against.

Grievance redress is carried out in the DISCO, anonymous reports can be sent in on this.

Resettlement is done in conjunction with government agencies to ensure title documents are in place.

Community leaders are contacted directly via the Lagos state government and have a good rapport with these leaders so that conflicts are minimized.

Conflict with staff are rare, but conflicts are resolved by panels set up by applying conditions of service and existing laws.

The DISCO has a security policy.

There is a document available to staff regarding chain of command and reporting in the DISCO under the internal policies.

Contracts are drawn up to ensure that conflicts are avoided.

There is a procurement guideline/manual to guide investors.

There are guidelines/ rules regarding succession/ change of top management to avoid conflicts and discrimination in line with gender/other issues.

**Enugu:**

Yes, there are Environment guidelines, they work with the State Ministry Environment as well.

EIAs are conducted for installations to be done. Samples would be provided later.

They have OHS guidelines. There is no social management plan in place.

In construction they ensure to comply with the NESSE. Also awareness is carried out to the public physically and by media. Cease and desist letters are sent out to those who construct under power lines. Warning signs and fliers are also mounted for electricity hazards and precautions, they also conduct network inspection monitoring.

They have a waste management plan available.

They have a recruitment and personnel manual which would be sent later.

Equal opportunity is ensured via online application, shortlisting is done, and job adverts are done widely.

There is a staff distribution of 26% men and 72% women.

PWDs are not discriminated against, they have 10 staff in this category currently.

There are 2 levels of disciplinary committees. Conflict among staff is handled by fair hearing and by stipulations of HR.

Resettlement guidelines are in place for carrying out installations. The DISCO tries to use existing infrastructure in the area to expand on it using their right of way.

There is a security policy in place as well as one for engaging government security agencies and provision to top management and assault on staff.

The DISCO has an organogram with a chain of command for staff.

Contracts are managed with intended agreements exchanged and reviewed before being signed off on. There hasn't been any contract issue in the last 6 years.

There are currently no guidelines/ rules regarding succession/ change of top management to avoid

conflicts and discrimination, but there is a structure in place that addresses this adequately.

**Ibadan:**

The DISCO has Environmental guidelines and this would be provided subsequently.

They have an environmental and social management operation, but this is not in detail.

EIAs are conducted and samples would be provided.

They have OHS and this can be provided.

The safety of the public is guaranteed through engagement of the committee on HSE.

Public enlightenment is done physically and virtually

Waste management is done by the supply chain and administrative departments.

Recruitment and personnel management is done by the HR department.

Equal opportunity is ensured in the DISCO. Staff list and distribution would be included in the report.

It is ensured that PWDs are not discriminated against during recruitment.

Issues on grievance redress and resettlement and the

host community would be advised subsequently.

Conflicts among staff are dealt with using the staff book and HR policy. There is also a document available to staff regarding chain of command and reporting.

The DISCO has a security policy.

Conflicts with contracts hardly arise as there is a straightforward HR policy to guide relations.

There is a procurement guideline/manual to guide investors.

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There are guidelines/ rules regarding succession/ change of top management to avoid conflicts and discrimination in line with gender/other issues.

The DISCO has a policy on sexual harassment. There is a complaint centre for customers on issues they may have which are channeled to appropriate departments to rectify. For trade unions, members and staff are free to join or opt out of these unions. For pension schemes, there are schemes present in line with the pension Act. There is also an arrangement with the local vigilante to incentivize them to protect against cases of vandalism.

**Ikeja:**

The DISCO has Environmental guidelines as well as social management plan.

They usually conduct an EIA. Samples would be provided subsequently.



They have OHS guidelines and a social management plan

Social awareness is conducted physically, as well as through other media.

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The DISCO has a public enlightenment and consultation plan as well as a waste management plan and a recruitment and personnel manual.

Equal opportunity is ensured by posting available vacancies online.

PWD are not discriminated against and have all needs met for work.

They have a whistle blowing platform and a grievance redress mechanism.

Issue of resettlement is dealt with by proper compensation of affected community members. The deed of assignment is checked to find who the owner is and who community leaders are on the land. A contract for compensation is drawn and signed to all parties involved. All grievances are discussed and agreed before the contract is signed.

Issues of conflict in host community are dealt with by having frequent interaction with community members.

There is a system in place to deal with conflict among staff.

They have a security policy and a document for staff regarding chain of command and reporting in the DISCO.

Contracts are drawn up to ensure that stakeholders are properly capture and needs are met.

There is a procurement guideline/manual to guide investors.

o. There is a clear succession plan to minimize conflicts as much as possible.

**Jos:**

They have an environmental policy which is based on state government policies.

When transformers are installed, there are safety procedures in provisions, precautions and caution requirements.

The EIA is used to cover the areas where the safety measures are. Land on which this is done is approved by the State Ministry of Lands. Location is determined by the survey of where the supply is to be done and request for approval of that land is written to the state. Government would decide on how compulsory acquisition is to be carried out, but this is often avoided. Compensation for acquisition is done through government intervention. For each location, land policy and regulations rely on the state's existing laws.

	<p>With grievance redress, the DISCO does not personally have its own regulations or procedures for that, but they do have an OHS for guidance.</p> <p>The DISCO does not have an environmental guideline, nor social management plan.</p> <p>They do not usually conduct EIAs.</p> <p><b>Kaduna:</b></p> <p>The DISCO has OHS guidelines in place.</p> <p>There is no approved social management plan, but there are corporate communication guidelines.</p> <p>Public safety is ensured by implementation of HSE guidelines and procedures. There is also an insurance policy in place to cover any public accidents. They have public enlightenment exercises as well.</p> <p>There is a waste management plan used in operation.</p> <p>The DISCO does not have a standalone security policy.</p> <p>The DISCO has a Communication policy.</p> <p><b>Kano:</b></p> <p>No response?</p> <p><b>Port Harcourt:</b></p> <p>There are environment guidelines embedded in the</p>
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safety practice manual.

EIAs are conducted for installations to be done. Also, this is broken down into crisis management, social management, etc. to see impact on the environment, human rights, business practices, etc. all in the Environmental and Social Operations.

Samples of EIAs cannot be provided as projects are usually carried out by Federal Government and so have met EIA criteria as part of the project process.

The DISCO has OHS guidelines.

Social management is embedded in the environmental and social operations.

The DISCO has a safety mantra with safety briefs shared to staff. Precautions are carried out on arrival to sites as well. Public awareness is carried out to the public in targeted areas; schools, markets, etc. as well as on media.

There are waste management plans especially in Cross River state.

There are procurement standards and policies to manage contracts within the DISCOs and other contractors.

There are policies which state clear succession plans and change of management.

	<p>In instances of land acquisition, Right of Way is strictly adhered to.</p> <p>The Ministry of Environment works with the DISCO in terms of the cleanliness of the environment. The Ministry of Land does not interfere directly with PHED for Right of Way; that is done by the Ministry of Power. Most Right of Ways are already established and where this is not so, they extend their right of way and then acquire land.</p> <p>The DISCO has a log for incidents and cases of near misses (in Enugu and Port Harcourt).</p> <p>There are laws to protect against GBV and PWD in Rivers state.</p> <p><b>Yobe:</b> Under Government acquisition hence applies federal system.</p>
<b>Perceptions about the Project</b>	The representatives were pleased with the presentation of the program.
<b>Recommendations and Remarks</b>	Generally, the consultations process was a success.

## **Annex 6: Online Virtual Meeting via Microsoft Teams with TCN, NERC and BPE of Nigeria Distribution Sector Recovery PforR.**

**Date: September 22, 2020**

### **Attendees:**

Dr. Aromeh Adole, Coordinator of Environmental and Social management framework  
Abdullahi Adamu, Head of ICT at NERC  
Iko Bulus, NERC, Planning and  
Dr. Abdussalam Yusuf (Assistant General Manager, Planning research and Strategy Division, NERC)

### **The World Bank Team:**

Dr. Amos Abu  
Elijah Siakpere  
Lucky Erhaze  
Dr. Nnaemeka Chukwuone  
Oluwatomilola Olowokure

### **Notes:**

The World Bank Task Team gave a brief introduction of the project and its objectives as well as expectations from the consultation with the TCN, BPE and NERC.

A list of documents required from each of them were listed as follows:

- Environmental and Social Management framework
- Stakeholders engagement plan
- Labour Management procedure for loading and offloading of meters on arrival
- Communication plan; still referring to stakeholder engagement
- Environmental and Social Commitment Plan; to be done in conjunction with the Bank

Dr. Aromeh spoke on the meter purchase and distribution experience they had in Abuja and said the newer policies regarding environment and social would be included on this project going forward.

Dr. Amos highlighted that specifics on functions and responsibilities and those responsible would be discussed in due course.

The tentative date for the Decision meeting is **October 25, 2020**. These documents need to be submitted at least 10 days before.

Questions to be answered by the NERC, BPE and TCN had been forwarded for their responses.

### **Timelines discussed:**

Submission of documents should be no longer than two weeks after this consultation, **i.e. October 6, 2020**.

**Annex 7: List of Participants During the Consultation with DISCOS between 14 and 18 of September 2020**

S/No	Name	Position	DISCO	Contact (Email address/Phone Number)
1	Ije Ikoku-Okeke	Chief Financial Officer	Abuja	
2	Tony Uneze	General Manager, Health, Safety, Environment & Social	Abuja	
3	Rilwan Shorunke	Manager, Financial Analyst	Abuja	
4	Reuben Okoye	General Manager, Regulatory Affairs		
5	Ashok Acharya	Chief technical officer	Benin	<a href="mailto:AshokAcharya@bedcpower.com">AshokAcharya@bedcpower.com</a> (08027894744)
6	Kunbi Labiyi	Chief Corporate Service Officer	Benin	<a href="mailto:KunbiLabiya@bedcpower.com">KunbiLabiya@bedcpower.com</a> (08085816716)
7	Gilbert Nweke	Head HSE	Benin	<a href="mailto:GilbertNweke@bedcpower.com">GilbertNweke@bedcpower.com</a> (08037440921)
8	Osagie Ebadan	Head Procurement & Property	Benin	<a href="mailto:OsagieEbadan@bedcpower.com">OsagieEbadan@bedcpower.com</a> (08033425372)
9	Yemi Omoyelu	Chief Regulatory & Compliance Officer	Benin	<a href="mailto:YemiOmoyelu@bedcpower.com">YemiOmoyelu@bedcpower.com</a> (08023440357)
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15	Romanus Chidi	Head, Network Management	PHED	<a href="mailto:romanus.chidi@phed.com.ng">romanus.chidi@phed.com.ng</a>
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24	Nosakhare Okoro	Strategy & Regulatory	PHED	<a href="mailto:nosakhare.okoro@phed.com.ng">nosakhare.okoro@phed.com.ng</a>
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33	Ubong Akpan	ICO	PHED	
34	Blessing Akpabio	Key Account	PHED	
35	Dickson Inyang	Customer Care Manager	PHED	<a href="mailto:dickson.inyang@phed.com.ng">dickson.inyang@phed.com.ng</a>
36	Adejoke Shotade	Community Engagement Manager	PHED	<a href="mailto:adejoke.shotade@phed.com.ng">adejoke.shotade@phed.com.ng</a>
37	U. C. Uriri	Min of Women Affairs Rivers	GUEST	8037077695
38	Gabriel Jaja	Min of Lands & Survey Rivers	GUEST	8037065454
39	Henry Uzor	Min of Lands & Survey Rivers	GUEST	8032931979
40	Charles George	Min of Environment Rivers	GUEST	8037100396
41	Panebi Jacob	Min of Women, Children Affairs and Social Development Bayelsa	GUEST	



42	Kepre Godwin Oege	Min of Lands, Housing and Urban Development Bayelsa	GUEST	
43	Chief Victor Effiom	MD/CEO, Water Board Cross River	GUEST	
44	Hon. Victor Agwu	Commissioner for Power Cross River	GUEST	
45	Hon. Mfon Bassey	Commissioner for Environment Cross River	GUEST	
46	Sunday S. Umana	Dir. of Admin, Min of Labour & Manpower Planning Akwa Ibom	GUEST	8023754743
47	Anietie O. Archibong	Dir of Admin, Ministry of Women Affairs and Social Welfare Akwa Ibom	GUEST	8029199593

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**Annex 8: Details of Environmental & Social Benefits and Risks Associated with Each Result Area and DLIs**

<b>Result Areas</b>	<b>DLIs</b>	<b>Environmental Benefits</b>	<b>Environmental Risks</b>	<b>Social Benefits</b>	<b>Social Risks</b>
1. Improved DISCO operational performance.	1. Reduction in DISCOs' metering gap	Reduction in the per/kWh GHG emissions associated with the network as a result of reduced use of fossil fuels as consumption of power by customers reduces. Also, where smart meters are used, they significantly benefit the environment by reducing consumption of fossil fuel resources, thereby reducing emission of greenhouse gases (GHG) and other air pollutants. The achievement of this DLI also have some climate co-benefits as it aligns with the MDB list of eligible mitigation activities under Category 1.3: New information and communication technology, smart grid and mini grid, as well as Category 2.1: Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability or reliability.	There could be sparks and fire incident during installation of meters.	This is beneficial to customers as they will no longer be given estimated bills which could lead to excessive billing, loss of income and poverty. Effective metering will equally help to reduce technical and non-technical losses thus enhancing distribution efficiency and thus increased income and poverty reduction as most citizens rely on income from enterprises that use electricity. There will also be increased employment economic growth as firms will meet their installed capacity which was not possible due to incessant electricity supply. Increased distribution efficiency and reliability will increase the number of hours that electricity is actually available and thus increase opportunities for children to study thereby	Power sector workers (especially technical workers) and public safety may be affected during the installation of meters. There could be GBV and SH during the distribution and installation of meters in homes and offices. There could be discrimination of vulnerable people and elite capture in the distribution and installation of meters especially when meters are in short supply. Indirectly, there could be conflicts between customers and DISCOs as some scrupulous customers may tamper with meters or quarrel with DISCO staff to prevent Disconnection due to tampering with meters especially non smart meters.

Result Areas	DLIs	Environmental Benefits	Environmental Risks	Social Benefits	Social Risks
				enhancing educational outcomes.	
	2. Number of new connections by DISCOs	There could be climate co-benefits due to reduced use of fossil fuel powered electricity generators by households and businesses that will be part of the new connections; Off-grid connections through renewable energy based systems, for new connections, would also have some climate –co-benefits; This DLI aligns with MDB list of eligible mitigation activities under Category 1.1: Wind power and Solar power, as well as Category 1.3: New information and communication technology, smart grid and mini grid.	Connecting new customers into the distribution network could lead to increased noise level and air pollution from heavy duty vehicles and machines that will be used in the operation. There could also be cumulative impacts due to pre-existing environmental conditions. Also, installation of new feeders into underserved areas near the existing distribution infrastructure may lead to cutting down of vegetation and impact on fauna species thereby leading to loss of biodiversity.	Increased access to reliable electricity supply, through new connections, can increase productivity and improve health with local and global impacts. The income of those that are getting connected to electricity, especially women involved in small businesses, will be enhanced, costs associated with the use of generators for electricity in the households prior to the connection will be eliminated and poverty will be reduced. The extension of electricity to new customers through the new connections will facilitate their economic activities and help them recover from the economic hardship due to COVID-19 pandemic. Also, school children and youths in the areas receiving new connections will have electricity which will enhance their studies with positive education outcomes.	Public and worker safety may be affected during the installation of new feeders and connection of new customers especially given the danger associated with electricity. Also, there is a possibility of exclusion of vulnerable groups ethnic bias and elite capture while increasing connections and identification of underserved areas to be installed with new feeders and transformers. There is also possibility of GBV and SH during extension of power to underserved areas and localities especially giving the influx of power sector workers into the communities. Indirectly, there could be conflicts between customers and DISCOs as some scrupulous customers may tamper with connects and meters to in a bid to avoid payment. In addition, there could be displacement of people

Result Areas	DLIs	Environmental Benefits	Environmental Risks	Social Benefits	Social Risks
				Women especially, who often need power for most home activities will be impacted on positively.	especially due to installation of feeders in underserved areas and expansion of the network to accommodate new connections through off-grid systems, for example, solar systems.
	3. Kilometres of medium voltage (MV) distribution lines rehabilitated by DISCOs	Enhanced distribution efficiency and reliability of power supply due to the rehabilitation of distribution lines and infrastructure will help limit the rate at which households and businesses use petrol and diesel powered generators. This will ultimately lead to improved air quality and reduction in pollutant and greenhouse gas emission. This DLI aligns with MDB list of eligible mitigation activities under Category 2.1: Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability or reliability; Category 3.2:	Environmental risks associated with rehabilitation of distribution lines include noise, waste problem and traffic obstruction. In addition, the rehabilitation of the distribution lines may lead to cutting down of trees and vegetation. y.	Rehabilitation of the distribution lines will lead to the reduction of losses, enhanced distribution efficiency and reliability of electricity supply. This will lead to increased income for households and businesses that rely on electricity for economic activities and thus facilitate poverty reduction and recovery from the economic crisis as a result of COVID-19. There will also be increased employment economic growth as firms will meet their installed capacity which was not possible due to lack of and incessant electricity supply. Also, the	Public and worker safety may be affected during the rehabilitation of distribution lines and infrastructure especially given the danger associated with electricity. There is also possibility of GBV and SH during rehabilitation of distribution networks and infrastructure especially giving the influx of power sector workers into the different localities (urban and rural) where rehabilitation activities will take place. There could be bias in choosing locations where distribution networks will be rehabilitated. The DISCOS may choose

Result Areas	DLIs	Environmental Benefits	Environmental Risks	Social Benefits	Social Risks
		Energy efficiency improvements in existing commercial, public and residential buildings as well as Category 3.3: Improvement in utility-scale energy efficiency through efficient energy use and loss reduction, or resource efficiency improvements.		performance school children and youths residing in areas with stable electricity supply due to the rehabilitation will be enhanced. Women especially, who often need power for most home activities will be impacted on positively.	locations that where customers use more electricity and pay more money and neglect areas where poor and vulnerable people reside as the returns from the areas will be less. There could be minor land take and temporary displacement of people around the distribution networks during the rehabilitation work.
	4. Increased collection efficiency by DISCOs	Increased efficiency in the collection of tariffs/billed amounts from customers will Discourage them from excessive use of electricity which in turn reduce the amount of power consumed. Reduction in the amount of power consumed by customers will lead to reduction in carbon emission.	Environmental risks due to this DLI is negligible.	Efficiency in collection of tariff will enhance DISCOs income, and facilitate their performance in ensuring distribution efficiency and stability on power supply. This will in turn lead to increased income for households and businesses that rely on electricity for economic activities and thus facilitate poverty reduction. Women and other vulnerable groups	Workers safety may be threatened when Disconnecting customers that have not paid or those that tampered with meters/involved in electricity theft. There is possibility of SH and SEA especially involving power sector workers and customers.

Result Areas	DLIs	Environmental Benefits	Environmental Risks	Social Benefits	Social Risks
				that need power to facilitate their economic activities will be impacted on positively.	
2. Enabling diversification of commercial options for DISCOs to supply their demands.	5. Reduction in transformer technical losses in existing distribution networks	There would be enhanced distribution efficiency due to the rehabilitation of PT and DT and this will bring about some climate co-benefits. The DLI aligns with the MDB list of eligible mitigation activities under Category 2.1: Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability or reliability, as well as Category 3.3: Improvement in utility-scale energy efficiency through efficient energy use and loss reduction, or resource efficiency improvements.	There could be air and ground water pollution due to possible leakage of PCB contaminated transformer oil during the rehabilitation of PTs and DTs, waste problem possibility of air pollution.	Rehabilitation of PT and DT will enhance distribution efficiency and lead to increased income for households and businesses that rely on electricity for economic activities and thus facilitate poverty reduction. In this regard, it will facilitate the recovery of households from the economic crisis due to COVID-19 pandemic. There will also be increased employment economic growth as firms will meet their installed capacity which was not possible due to lack of and incessant electricity supply. Also, the performance school children and youths residing in areas with stable electricity supply due to the rehabilitation	Public and worker safety may be affected during the rehabilitation of PT and DT especially given the danger associated with electricity. The workers may also be exposed to PCB contaminated oil.

Result Areas	DLIs	Environmental Benefits	Environmental Risks	Social Benefits	Social Risks
				will be enhanced. Women especially, who often need power for most home activities will be impacted on positively.	
3. Strengthened governance and transparency.	6. Compliance with NERC Code of Corporate Governance by DISCOs	A strong governance mechanism will provide some indirect benefits to the environment. In this regard, a strong governance mechanism will facilitate distribution efficiency which will in turn lead to reduced emissions.	Environmental risks due to this DLI is negligible.	A strong governance mechanism will facilitate distribution efficiency which is in turn associated with many social benefits including enhanced income and poverty reduction.	There could be GBV, SEA and SH.
	7. Implementation of Management Information Systems (MIS) by DISCOs.	Achievement of this DLI will enable DISCO management to operate on the basis of evidence-based, informed decision making. As a result, efficiency of the DISCOs will be enhanced and thus	Environmental risks due to this DLI is negligible.	An MIS system will help facilitate incident recording and thus, public and worker protection. In direct benefits from an effective MIS system in the DISCOs is	Negligible

Result Areas	DLIs	Environmental Benefits	Environmental Risks	Social Benefits	Social Risks
		<p>efficiency in power distribution and thus, reduction in greenhouse gas emission. This DLI aligns with MDB list of eligible mitigation activities under Category 1.3: New information and communication technology, smart grid and mini grid, as well as Category 3.2: Energy efficiency improvements in existing commercial, public and residential buildings.</p>		<p>distribution efficiency and stability in power supply which will in turn will enhance income and poverty reduction.</p>	



**Annex 9: Environmental and Social Systems of the DISCOs and the Assessment of their Strengths and Weaknesses**

<b>DISCO</b>	<b>Environmental Management Systems and Framework</b>	<b>Assessment of Environmental Management systems</b>	<b>Social Management Systems and Framework</b>	<b>Assessment of Social Management Systems and Framework</b>	<b>Actions for strengthening and improving the E&amp;S system (To be included in protocol/ standard and verified by an Independent Verification Agency (IVA))</b>
Abuja (AEDC)	Abuja DISCO has a Construction Environmental Management Plan (CEMP); Environmental Aspects and Impact Register; Environmental and Social Policy statement; Operational Control Standard; Emergency Preparedness and Response Plan; a Document on how PCB has been managed; Waste Management Plan; and a Waste Management Procedure. Available evidence shows that Abuja DISCO conducts environmental audits of its Power Injection Substations.	The DISCO has a robust environmental management system. The CEMP outlines the key steps to be taken by all site personnel to manage the environmental hazards and risks associated with construction activities. The CEMP incorporates the DISCO's environmental management policy, and describes its environmental system, planning, waste management, vegetation management etc. The Organogram shows that they have 3 key personnel and 6 interns responsible for environmental management. The team should be able to deal	The DISCO has an Environment and Social Policy Statement; Health and Safety Policy Statement; Security Policy Statement; Social Management Plan; Stakeholder Identification and Engagement Plan (SIEP);	The DISCO has a robust social management plan with a detailed resettlement policy and procedure. The SIEP is robust containing a detailed process of engagement and a Grievance Redress Mechanism (GRM). The GRM includes a flow chart of processing grievances. Generally, the social management system appears robust although AEDC did not provide a HR policy or Condition of Service Handbook or Manual. The OHS was only a policy statement without detailed procedure for handling OHS issues. The DISCO has enough personnel to deal with social issues.	Abuja DISCO should provide a detailed OHS procedure. IVA to ascertain that the E&S systems meet the benchmark that will be developed as part of the Program Action Plan (PAP).

		with environmental issues in their area of jurisdiction if the interns are upgraded to environmental officers as the case may be. The DISCO also has a robust plan for emergency preparedness and response, and for waste management. The process of PCB is also detailed although no date has been set for elimination of PCB from their system.			
Benin (BEDC)	Waste Management Procedure; Occupational, Health, Safety, Environment and Social Management Framework; Environmental and Social Policy Statement;	The OHS and E&S framework is detailed and aims to ensure that operations and activities are conducted in a manner that minimizes impact to the biophysical and social environment, promote health and safety condition, among others. The organogram shows that BEDC has only an OHS officer but there are no members of staff designated for environmental management.	Stakeholder Engagement Framework; Security Procedure; Personal Protective Equipment Policy; Occupational, Health, Safety, Environment and Social Management Framework; Occupational Health and Policy (OHS) Statement; Land Acquisition and Resettlement Framework (LARF); Grievance Mechanism; Human Resource Policy;	They only have an OHS officer but there are no members of staff designated for management of social issues. 14.45% of their staff are women. The LARF is well detailed and contains procedure for voluntary and involuntary land acquisition and resettlement of Project Affected Persons (PAP). BEDC has a robust GRM that provides multiple avenues for reporting grievances and a procedure for handling and monitoring the GRM. The HR policy is also robust and covers all aspects of human resource management as required by law. BEDA does not	BEDC needs to have adequate staff for the management of OHS issues. Provide emergency response plan. IVA to ascertain that the E&S systems meet the benchmark that will be developed as part of the Program Action Plan (PAP).

				have an emergency response plan to guide management of emergencies and near misses.	
Eko (EKEDC)	Environmental Policy Statement; OHS policy and manual; Environmental Management System (EMS); Green Procurement Framework; NEREA certificate of Environmental Audit; HSE policy statements;	EKEDC has an EMS which covers operational planning and control procedure; monitoring, measurement, analysis and evaluation procedure; risk management planning; etc. EKEDC carried out a vegetation management study in 2018 which found out that the vegetation control technique used by the DISCO is manual method (hand cutting) and chemical method (use of herbicides). It is important to note that the use chemicals (herbicides) in vegetation management if not properly handled can negatively affect fauna species. EKEDC also carried out air quality studies and found out that air quality index for PM	Sexual Harassment Policy; Conditions of Service; Whistle Blowing Policy; Standard Operating Procedure (SOP), OHS policy and manual,	The sexual harassment policy has clear definitions of sexual harassment and different forms of it and a detailed complaints procedure. The condition of service (HR policy) provides for different labour issues including code of conduct, recruitment (equal opportunity employer), compensation, rewards and benefits, among others. The SOP provides for a detailed approach for handling customer complaints. EKEDC does not have an emergency response plan to guide management of emergencies and near misses. Also, issues relating to land acquisition and resettlement were not covered.	Provide an emergency response plan and procedure for the management of land acquisition and resettlement. Update E&S system to meet the benchmark that will be developed as part of the Program Action Plan (PAP).

		<p>2.5 in the 51 injection substations was good to unhealthy. While PM 10 varied from good to moderate. The HSE policy statements covers issues relating to fire safety and emergency response policy statement, personal protective equipment policy statement, first aid policy statement, environmental protection policy statement etc. Although EKEDC has an EMS which covers some issues, the system does not fully incorporate procedures for management of environmental issues and parameters despite the studies, for example on air quality and vegetation management, which made recommendations on approaches to follow in the management of</p>		
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		these environmental issues.			
Enugu (EEDC)	Health Safety and Environment Department Manual; Waste Management Procedure Manual; Environmental and Social Policy Procedure (ESPP) statement; Environmental Management System (EMS); Corporate Health Safety and Environment Policy;	The HSE manual details the role of staff in the department and provides for a standard operating procedure to deal with HSE issues. It covers issues of health and safety but is weak regarding issues of environmental management. For example, vegetation management, PCB management, environmental assessment and audit etc. Although EEDC has EMS, these issues are not covered. EEDC has adequate staff to deal with HSE as it has HSE officer in all the stations under the two district (although evidence of their qualifications was not provided). Generally, there is a replication of health and safety documents but environment is not well covered in any. Harmonizing these documents into a robust Environmental and Social Management Manual or	Human Resource Department Manual; Security Department Manual; Regulatory Affairs Department Manual; Communications Manual; Sexual Harassment and Inappropriate Relationship Policy; Security Policy Manual; Occupational, Health and Safety (OHS) Manual; Recruitment Process Manual; Standard Operating Procedures for Staffing Unit;	EEDC HR manual is detailed covering the role of staff in the department, recruitment procedure, staff welfare, pension, unionism etc. The security department manual describes the roles of the different units and officers and a standard operating procedure for security issues. The communications manual includes procedures for communicating with customers and other stakeholders on different issues. Although there is a policy to deal with issues of sexual harassment, the penalties are not clearly stated for specific offenses. Besides the sexual harassment policy does not cover issues of GBV. EEDC does not have an emergency response plan to guide management of emergencies and near misses. Also, issues relating to land acquisition and resettlement were not covered.	Provide an emergency response plan and procedure for the management of land acquisition and resettlement. Update E&S system to cover environmental issues to meet the benchmark that will be developed as part of the Program Action Plan (PAP).

		operations manual will provide for better management, monitoring and evaluation.			
Ibadan (IBEDC)	Environmental Management System (EMS) Manual; Preliminary Carbon Footprint Assessment Report; EMS operational planning and control; EMS monitoring, measurement, analysis and evaluation procedure; EMS Resource Management; EMS Evaluation of compliance procedure; EMS Risk Management Planning; Draft Environmental Policy;	IBEDC EMS incorporates the environmental policy, environmental objectives, duties of staff regarding environment at their various locations etc. There is also an EMS monitoring, measurement, analysis and evaluation procedure and operational planning and control procedure, EMS resource management and EMS evaluation of compliance procedure, and EMS risk management planning as standalone documents. It will be more helpful to incorporate or consolidate all the separate EMS procedure into EMS manual. There is an evidence (NESREA Certificate) to show that IBEDC conducts environmental audit of its injection substations. IBEDC has also conducted air quality assessment around its injection sub-stations. The staff list and	Human Resource Policy and Procedure (HRPP); Recruitment and Selection Policy and Procedure; Procedural agreement with Unions although not signed; OHS policy statement; OHS manual; Process Manual for Handling Customer Complaints/Service Issues.	The HRPP is detailed and contains a lot of provisions including manpower planning, recruitment, competence management, performance management, career and succession plan etc. It is provided in the HRPP that the DisCo is an equal opportunity employer and does not discriminate according to gender, race, ethnicity, religion or any other criteria. IBEDC also has a standalone recruitment policy and procedure besides the details already provided in the HR policy. It will be good if the recruitment policy is incorporated in the HR policy to avoid duplication or on the other hand the recruitment section in the HR policy should refer to the standalone recruitment policy. The procedural agreement with unions in IBEDC contains provision for grievance redress among staff. There is a Process Manual for handling customer complaints and it also includes a	Provide adequate staff and build their capacity to handle HSE issues, provide procedure/policy to deal with GBV/SEA/SH and procedure for the management of land acquisition and resettlement. Update E&S system to meet the benchmark that will be developed as part of the Program Action Plan (PAP).

		<p>qualification provided shows that only one staff with qualification in management (a MBA in Marketing Management and A PGD in Management) not related to HSE is in the department suggesting that the department is understaffed and the available one is not qualified to be in the department. This also suggests that HSE is mainly on paper.</p>		<p>customer redress mechanism flow of actions. Also, there is no policy for dealing with issues of GBV and SH and this not provided in the HRPP. Also, issues relating to land acquisition and resettlement were not covered. They did not indicate that they apply NERC land acquisition regulation.</p>	
<p>Ikeja (Ikeja Electric (IE))</p>	<p>Certificate of accreditation from DQS Dmbh that Ikeja Electric maintains an Environmental Management System (EMS); Integrated Management Systems (IMS) Manual; HSE Operational Control Procedures (HSE-OCP); Quality, Health, Safety and Environment (QHSE) Policy statement;</p>	<p>The IMS manual of Ikeja Electric is like an umbrella document that support the implementation of the Integrated Management System in the company and to also help in addressing the relevant requirements of the international standards for Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015) and Occupational Health and Safety (ISO 45001:2018). Ikeja Electric HSE-OCP is a related document to</p>	<p>Recruitment Policy; Certificate of accreditation from DQS Dmbh that Ikeja Electric maintains an Occupational, Health and Safety (OHS) management system; Grievance Policy (for staff); Operational Control Procedures (OCP); Conditions of Service Manual; Incidents Investigation Tracking Register; Code of Ethics and Professional Conduct;</p>	<p>Ikeja Electric is an equal opportunity employer as indicated in the recruitment policy. Ikeja Electric HSE-OCP covers all OHS risks and Environmental aspects of the company's activities. It has a section on OHS operational controls which cover issues relating to safety codes, fire prevention and protection, PPE, field compliance monitoring, Ikeja Electric Safe App, general OHS requirements, among others. The Conditions of Service Manual is very robust covering all aspects of HR management including code of ethics and professional conduct,</p>	<p>Provide procedure/policy to deal with GBV/SEA/SH and GRM. Given that IE has a robust environmental management system and OHS, IVA should ascertain that the E&amp;S systems meet the benchmark that will be developed as part of the Program Action Plan (PAP).</p>

		<p>the IMS manual. It outlines the practices to be adopted for controlling OHS risks and Environmental aspects of the company's activities under the scope covered by the Integrated Management System. It covers all OHS risks and Environmental aspects of the company's activities. It has a section on environmental aspects management operational control procedure which includes, waste management, vegetation management, management of transformer oils, green office practices; air emission control, dust control, noise control, environmental impact assessment, among others. IE also has an emergency preparedness and response procedure.</p>	<p>Performance Improvement Plan;</p>	<p>salaries, wages and increment, training and development, industrial relations, benefits, insurance and compensation, discipline with detailed sanctions due to misconduct as agreed with unions, among others. IE has a very robust systems and procedures for handling social issues, however, there was no evidence that they have GRM for customers or a procedure for handling customer complaints although communication with customer including complains was summarized in the IMS manual. Although a sanction of dismissal for sexual harassment was incorporated in the Conditions of Service Manual, IE does not have detailed procedure for handling GBV and SH.</p>	
Jos (JED)	Waste Management Procedure;	<p>JED do not have any manual guiding environmental management for example EMS, HSE manual. Also, they do not have any certificate indicating that</p>	<p>Accident and Near-miss Record; Conditions of Service (Employee Handbook/Code of Conduct); Customer Care Standards Operation Procedure; Employment</p>	<p>JED has a robust Conditions of Service document. The document covers issues relating to employment and promotion, salaries and allowances, performance management and reward, discipline, compensation</p>	<p>JED to develop EMS/HSE manual and OHS manual. Provide procedure for handling GBV, SEA and SH. Develop/update (for socials) E&amp;S systems to</p>



		<p>they have conducted an EIA or Environmental Audit in the past. They indicated that they have engaged a consultant to prepare and Environmental Audit of their injection sub-stations. They only have a waste management procedure which is a guide for management of waste in JED offices. It does not cover the management of waste at the sites in the field and where they are having on-going rehabilitation work. The company also does not have Emergency Preparedness and Response Policy.</p>	<p>Policy and Manual; Performance Improvement Plan; Security Policy; Stakeholder Identification and Engagement Procedure; Strategic Plan;</p>	<p>and benefits, labour and industrial relations, among others. The Customer Care Standards Operation Procedure details the approach to handling of customer complaints, including complaints investigation and resolution process. They indicated that they follow the extant laws and regulation, especially, in issues of land acquisition. JED has a detailed stakeholder identification and engagement procedure. JED does not have detailed procedure for handling GBV and SH. JED indicated that they apply NERC land acquisition regulation.</p>	<p>meet the benchmark that will be developed as part of the Program Action Plan (PAP).</p>
<p>Kaduna (Kaduna Electric) (KAEDCO)</p>		<p>Noting on Environment</p>	<p>Employee's Conditions of Service; Corporate Communications Process Policy Guideline; Performance Improvement Plan (PIP);</p>	<p>The Condition for Service is robust and covers issues relating to employment and promotion, salaries and allowances, performance management and reward, discipline, compensation and benefits, labour and industrial relations, among others. Corporate Communications Process Policy Guideline also provides the detail for communicating with the company and with customers</p>	<p>KAEDCO to develop EMS/HSE manual and OHS manual. Provide procedure for handling GBV, SEA and SH. Develop/update (for socials) E&amp;S systems to meet the benchmark that will be developed as part of the Program Action Plan (PAP).</p>

				and other stakeholders. KAEDCO does not have detailed procedure for handling GBV and SH. The company also does not have Emergency Preparedness and Response Policy.	
Kano (KEDCO)	Environment and Social Due Diligence Checklist; Health Safety and Environment (HSE) Guideline 2020; Corporate Health Safety and Environment Policy;	The HSE guideline is not robust as it does not cover a lot of issues, for example, environmental assessment, waste management, vegetation management, noise control etc. The company also does not have Emergency Preparedness and Response Policy.	Accident Log (2014 to Date); Company Policy on Conditions of Service; Procurement Unit Policy; Whistle Blowing Policy; Succession Planning Guidelines.	KEDCO has a condition of service policy that has some details regarding code of conduct, recruitment, appointment and promotions, salaries/wages/allowances/loans, whistle blowing, misconduct and maximum penalties etc. While it has a brief section on GRM for staff, it did not provide any guideline but only indicated that it was in the interest of the company and employees to resolve issues relating to them in a mutually acceptable manner. It also said in another document (processes and procedures) that KEDCO encourages employees to resolve grievances <b>informally</b> with their line Managers and or Heads of Department. Also, there was no provision for pension scheme as stipulated in the Pension Reform Act. They only indicated that retiring employee will be paid basic	KEDCO to develop OHS manual and a detailed GRM. Provide procedure for handling GBV, SEA and SH. Update their E&S systems to meet the benchmark that will be developed as part of the Program Action Plan (PAP).

				salary 3 months in lieu. The company also does not have a detailed procedure for handling GBV and SH.	
Port Harcourt (PHEDC)	Health Safety and Environment Management System Manual (HSE-MSM); Health Safety and Environment Policy and Strategic Objectives (HSE-PSO); Safe Practices Manual; Waste Management Plan; Monthly Accident Statistics;	PHEDC HSE-MSM and HSE-PSO does not adequately provide for an adequate strategy and actions to manage health safety and environment. In fact, some of the points in the HSE-MSM were propositions and are not clear strategies or actions. Also, the HSE-PSO does not contain the detail regarding how the policy statements will be operationalized including responsibilities. The is need for PHEDC to update its HSE policy and strategy to provide a robust strategy and action plan to facilitate HSE management.	Procurement and Supply Chain Management Policy and Procedure; Strategic Enlightenment and Consultation Policy; Performance Improvement Plan (PIP); Document on Stakeholder Identification and Engagement; Corporate Social Responsibility Policy; Security Guideline, procedure and Processes; PHED People Handbook; Procurement and Supply Chain Management Policy and Procedure; Crisis Management Procedure; Succession Plan Framework;	PHED in its People Handbook (Human Resources Policy) does not provide for union activities in line with the Trade Union Act. PHED has a relatively detailed procedure for engagement of stakeholder and enlightenment and consultation. It has a robust procedure for crisis management (emergency preparedness and management). It is important to note that PHED envisages labour crisis and has a detailed action that should be followed in case of Picketing by Union groups around the business premises. However, PHED did not provide for union activities in its peoples Handbook.	
Yola (YEDC)	Health. Safety and Environment (HSE) Policy Statement; HSE Management System Manual (Roles and Responsibilities); YEDC	YEDC indicated that they do have a manual for environmental management. The HSE management system manual only indicated	YEDC Grievance Procedure; Stakeholder Engagement for Effective DISCO Management;	YEDC did not provide HR policy, No GBV and SH management procedure, No Incidents Investigation Tracking Register, No Security Policy etc.	YEDC to develop EMS/HSE manual, HR manual and OHS manual. Provide GRM procedure and procedure for handling GBV, SEA

	Safety Code; Waste Management Program;	responsibilities for the officers in the unit.			and SH. Develop E&S systems to meet the benchmark that will be developed as part of the Program Action Plan (PAP).
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Note: This annex shows the existing procedures for E&S management in the DISCOs, their strengths and weaknesses and required action for strengthening and improving the E&S systems. It does not provide a benchmark for measuring the DISCOs. Providing a benchmark is one of the actions in the PAP.

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