



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 06/07/2023 | Report No: ESRSA02850



BASIC INFORMATION

A. Basic Project Data

| | | | |
|----------------------|--------------------------------------|--------------------------|----------------------------|
| Country | Region | Project ID | Parent Project ID (if any) |
| Cameroon | WESTERN AND CENTRAL AFRICA | P178136 | |
| Project Name | Cameroon Power Sector Reform Program | | |
| Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date |
| Energy & Extractives | Program-for-Results Financing | 4/28/2023 | 8/3/2023 |
| Borrower(s) | Implementing Agency(ies) | | |
| Republic of Cameroon | Ministry of Water and Energy (MINEE) | | |

Proposed Development Objective

The Program's Development Objective is to improve financial performance and transparency of the electricity sector, and increase access to electricity in Cameroon.

| Financing (in USD Million) | Amount |
|----------------------------|---------|
| IPF Component | 20.00 |
| Total Project Cost | 2326.00 |

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

No

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

Component 1: Technical Assistance. The technical assistance component will support the implementation of the program and capacity building of sector agencies with key roles in the execution of activities supported by the PforR. Using the World Bank's procedures for procurement and fiduciary management under the IPF component will allow the GoC to attract world-class consultancy services including the services of an Independent Verification Agency



which will conduct the verification of the achievement of DLIs and manage the verification process as well as an Owner’s Engineer who will support implementing agencies in the preparation of technical bidding documents. This component will also support the creation of a lean Program Implementation Unit that will provide overall coordination support for the implementation of the PforR activities and be the secretariat of the Inter-ministerial Committee.

D. Environmental and Social Overview

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

Cameroon Power Sector Reform Program (P178136) is a hybrid operation (Operation), comprising a Program (hereinafter referred to as Program) and an Investment Project Financing (Project). This ESRS is on the Project. The Operation is nationwide.

Cameroon is a lower-middle-income country in Central Africa, which has been experiencing ongoing internal and external conflicts that are compounded by the impacts of natural disasters and climate change. It has a population of over 25 million (2018). Located along the Atlantic Ocean, it shares borders with Chad, the Central African Republic (CAR), Equatorial Guinea, Gabon, and Nigeria. Two of its border regions with Nigeria (Northwest and Southwest) are Anglophone, while the rest of the country is Francophone. Cameroon is endowed with rich natural resources, including oil and gas, minerals, high-value species of timber, and agricultural products, such as coffee, cotton, cocoa, maize, and cassava. Having enjoyed several decades of stability, Cameroon has been grappling with attacks by Boko Haram in the North & Far North and a secessionist insurgency in the Northwest and Southwest regions. Since September 2017, the crises in the Northwest and Southwest regions have internally displaced more than 711,056 people y. As of February 2021, Cameroon hosts 1,946,751 people displaced by conflict and instability.

The World Bank’s 2015 Systematic Country Diagnostic for Cameroon identified improving reliability, availability, and access to clean energy as the highest ranked – and most feasible – intervention for addressing poverty reduction. According to the 2015 Global Competitiveness Index, Cameroon ranks 124 out of 140 countries worldwide on electricity infrastructure. In the World Bank’s 2007 Investment Climate Assessment, two thirds of manufacturing firms cited power deficiencies as a constraint to doing business, leading to annual revenue losses as high as 4.3 %.

Cameroon has a variety of ecological regions and ecosystems. This great diversity of habitats (90% of African ecosystems represented) is at the origin of the diversity of flora and fauna whose richness places Cameroon in 5th position in Africa. It is estimated that 8,260 plant species are found in the country, including 156 endemic and 45 for Mount Cameroon alone. The vegetation is characteristic of that of tropical Africa. In the southern part, there are dense forests (evergreen or semi-deciduous); gallery forest found along rivers; mangroves along the coastal zones; and montane forests at 1800m altitude. In the northern part there is savanna including the Sudanese type of wooded savanna of Adamawa rich in shrubs, trees and grasses with wooded depressions (gallery forest); and grass savanna resulting from degradation by bushfires and erosion. The steppes occupy the driest regions of the Far North with a herbaceous carpet that is discontinuous or sparse hosting shrubs and thorny plants that resist heat. Human activities (agriculture, forestry and Non-timber forest products (NTFPs) exploitation, urban development, pollution, etc.,) pose a threat to floristic diversity. There is the disappearance of 1,000 km² of forest each year.



On the socioeconomic aspects, Cameroon has weak social indicators, and it is performing below expected rate of people in access to electricity. Poverty remains high with around 25.3 % of the population (25 % of women) living in extreme poverty, earning less than \$1.90 per day in 2018. Poverty incidence is much higher in rural areas (56.8%), compared to urban areas (9 %). Inequality levels are also high, with 13 % of the national income shared by the poorest 40 % of the population, while 35 % of the income is shared by the richest 10 % of the population. In 2020, three in every five Cameroonians (63%) had access to electricity, compared to 88 % for Low- or Middle-Income Countries (LMICs). Cameroon ranks 153 out of 189 countries for the Human Development Index (HDI) with an HDI value of 0.563. Cameroon ranks 141 out of 162 countries for the Gender Inequality Index for the most recent, 2019 assessment (UNDP 2019). The identification of the main vulnerable and disadvantaged peoples to access electricity in Cameroon will be carried out as part of the social analysis of the poverty and social impact assessment to be carried out during Project's implementation.

D. 2. Borrower's Institutional Capacity

While the country has a well-established legal framework for the environmental management related to the activities of the Project that will support the achievement of the results of the Program, social risk management capacity is low. This rate reflects legal gaps in compensation of resettlement and low capacity for social participation in policy decision-making. There are not systematic mechanisms in place to foster transparency, social control, and accountability.

Management of environmental and social risks of the Project will be handled by an environmental specialist and a social specialist that will be appointed or hired for the Project Implementation Unit (PIU) of the Operation. This PIU will be created to support the Steering Committee (SC) that will be in charge of the implementation of the whole Operation (Program and Project). This SC will be headed up by the Ministry of Water and Energy (MINEE) as the implementing agency of the Project. Other agencies that will be involved with the Operation, thus the Project, are the Electricity Development Corporation (EDC), Société Nationale de Transport Electrique (SONATREL), Energy of Cameroon (ENEO), and Agence de Régulation du Secteur de l'Electricité (ARSEL). These agencies will nominate focal points for the SC. Day-to-day oversight of the Operation would be done by this PIU.

Despite these agencies have substantial experience working with previous WB-supported projects, all of them safeguards projects, the overall E&S performance rate has mostly been rated as moderately satisfactory and moderately unsatisfactory (i.e. Electricity Transmission and Reform Project – P152755). In addition, it is the first time the sector will implement a project under the WB Environmental and Social Framework. Thus, specific measures of capacity building, including training, will be identified in the ESCP of the Project.

Institutional management of E&S risks will be strengthened by (a) appointing or hiring dedicated environmental and social specialists in the PIU to work with the E&S unit at MINEE; (c) enhancing lines of communication and coordination mechanism on E&S risks and impacts management among the different agencies involved in the Operation; (d) ensuring financial and logistical resources needs for E&S management, and (d) implementing adequate stakeholder engagement (disclosure of information, consultation and grievances redressing).

All these strengthening measures are included in the Project's ESCP.



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

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate

Environmental Risk is Moderate. This risk is mostly linked to the construction of a building inside the campus of the University of Ngaoundere that will serve as a training center of excellence. Typical environmental risks and impacts during construction phase include but are not limited to noise and vibration, soil erosion, dust and air quality deterioration, poor management of solid waste (perhaps including asbestos, construction debris, and e-waste), hazardous materials and waste, land contamination, occupational health and safety (including injury and accidents during construction and installation of furniture and equipment), and potential impacts on students community health and safety. But these adverse risks and impacts are not likely to be significant. They are predictable and expected to be temporary and/or reversible, moderate in magnitude, and site-specific, likely with no impacts beyond the actual footprint of the selected university. Measures to minimize, eliminate or mitigate such environmental risks during the construction of the building will be identified through an environmental and social impact assessment (ESIA) at appropriate level, depending of the final design of the construction of the building) and incorporated in an ESMP prepared by the PIU and implemented by the Contractor. Moreover, the design of rehabilitaton of building or training center shall be in line with requirements of International Life and Fire Safety (L&FS) standard, as well as universal access. The proposed TA activities under the IPF will have national relevance and will focus on activities that will support the strengthening of the government’s capacity in the sector of energy , including development of analytical works and conceptual studies that are expected to provide inputs for improvements of the sector. The MINEE staff have some previous experience with the World Bank Operational Policies but not on ESF. Therefore the Bank will set up capacity training program to extend to other implementing agencies involved in the Program, to ensure they have adequate staffing and technical support on the ESF. These trainings are reflected in the ESCPs. The IPF will also finance activities Technical assistance to MINEE, ARSEL, SONATREL, AER, and EDC such as consultancy services for the preparation of planning documents for the sector including an Electrification Master Plan, and Least-Cost Generation, Transmission and Distribution Expansion Plan; technical and feasibility studies, including E&S studies, necessary for the implementation of reform actions; creation of an internship program to enhance technical skills in the electricity sector with a focus on women, and preparation of a study to inform a gender strategy for the electricity sector; capacity building. They likely would also entail moderate environmental risks.

Social Risk Rating

Moderate

The social risk is Moderate. They include (a) potential inadequate management of human resources for project's workers, possible SEA/SH in the workplace and communities’ environment comprising the PIU, the Independent Verification Agency (IVA), and the Owner’s Engineer and other contractual workers; (b) inadequate stakeholders engagement; (c) potential downstream social negative impacts of studies and plans, including E&S safeguards of the activities, which implementation will be financed by the Program; (d) temporary disturbances to the community such as noise, dust and other temporary impacts during the construction of the building for the center of excellence; (e) lack of engagement of vulnerable peoples in the process of preparation of the poverty and social impact assessment to support management of potential social impacts of the tariff reforms supported by the Program. Although there

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are well known measures to address these potential impacts, social risk is rated moderate because of the Borrower's poor track to manage similar risks in a manner consistent with the relevant ESSs. To avoid, minimize or mitigate these potentially social negative impacts, the Borrower, with the support of the Bank shall: a) prepare and adopt a Labor Management Plan with a dedicated GRM for project's workers within 30 days of the project's effectiveness; b) strengthen stakeholder engagement, through public disclosure and consultations, including specific indicators of citizens' engagement. The Stakeholder Engagement Plan (SEP) including a Grievance Redress Mechanism (GRM) will be disclosed on the Bank's website and the Government's website before Project's appraisal; c) ensure that the terms of reference for the preparation of the studies, plans, and E&S and plans for the activities to be financed by the Program, incorporate the principles and requirements of social risks management as set out in the World Bank's Environmental and Social Standards ESSs 1-10. The Bank's social specialists will review and provide no objection to such ToRs and outputs; d) adopt strengthening social capacity measures as included in the ESCP.

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

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

As mentioned, this is a hybrid operation (Operation), comprising a Program (Program) and an IPF component (Project) through the Program- for- Results financing (PforR) instrument. The Program will support the implementation of activities designed to achieve the Government's Cameroon Electricity Sector Recovery Plan goals in three results areas as follows: The three result areas are (i) RA 1: Improved financial performance of the sector; (ii) RA 2: Strengthened operational performance, enhanced accountability and transparency of the sector; and (iii) RA 3: Increased access to electricity.

The Project is to provide TA to support to governmental entities responsible for achieving the results, and for the independent verification of the results by supporting: (a) a PIU to be created at the MINEE; (b) an Owner's engineer to support the PIU in the preparation of technical bidding documents and supervision of works under the infrastructure investments to be financed by the Program part of the Operation; (c) preparation of planning documents for the sector, technical and feasibility studies - including E&S safeguards - necessary for the implementation of the Program; (d) preparation of a poverty and social impact assessment to support management of potential social impacts of the tariff reforms; (e) an Independent Verification Agency; (f) an IT platform to enable the monitoring by the regulator of operational performance of regulated companies; (g) the construction of a building in an existing university for a center of excellence for capacity building of sector professionals and its equipment; and (h) training, workshops, non-consultant services and incremental operating costs related to capacity building and implementation support.

According to the above described activities, there are environmental and social risks that although mostly manageable, due to the limited institutional capacity and commitment of the Borrower to implement social risks management instruments, environmental and social risks are rated as Moderate.

Out of the 10 WB ESSs, five are relevant to the Project. They are ESS1 Assessment and Management of Environmental and Social Risks and Impacts; ESS2 Labor and Working Conditions; ESS 3 – Resource Efficiency and Pollution



Prevention Management; ESS4 – Community Health and Safety; and ESS10 Stakeholder Engagement and Information Disclosure.

The Recipient, as per the ESF requirements and the five relevant ESSs, will prepare an ESIA or ESMP site proportionate to potential risks depending on the center of excellence building construction design; a Labor Management Procedures that includes addressing OHS and SEA/SH risks and a Grievance Redress Mechanism (GRM) for project’s workers and communities within 60 day of Project’s effective date; will adopt the already prepared Stakeholder Engagement Plan (SEP) , will operationalize of the GRM within the 30 days of the Project’s effective date

The SEP, jointly with the ESCP, will be disclosed in country and on the Bank’s site, before Project’s appraisal. The LMP, will be prepared, consulted upon and disclosed within 60 days of Project’s effectiveness. Additionally, for the TA activities of the Project, the Bank will review and provide no objection to all of them to ensure that they adequately reflect and incorporate the relevant requirements of the ESSs. Furthermore, TA activities will be consulted upon with relevant stakeholders as relevant to inform the finalization of the TA outputs.

ESS10 Stakeholder Engagement and Information Disclosure

ESS10 is relevant. The main stakeholders, including affected and other interested parties and vulnerable peoples, include authorities and civil servants employees at government secretariats and agencies involved (ENEO, SONATREL, ARSEL, AER and EDC); Ministry of Environment, Nature Protection and Sustainable Development (MINEPDED), Ministry of Social Affairs (MINAS), Ministry of State Property, Surveys and Land Tenure (MINDCAF); users of the public electricity service. Other interested parties are the media, non-governmental organizations, and the private sector.

The Recipient prepared a Stakeholder Engagement Plan (SEP), will consult upon and disclose in country and Bank's sites, prior to project’s appraisal.

Stakeholders such as all the electricity agencies (ENEO, SONATREL, ARSEL, AER and EDC) were equally consulted as part of the design of the Program. These consultations will continue within the SEP, and will comprise the Program and the Project activities.

The SEP incorporates a stakeholder mapping with suggested methods of engagement throughout the project's life to guide the Borrower in the interactions with a wide range of affected and interested parties regarding the project's activities. The SEP of the IPF will also cover the entire Program.

The SEP includes a GRM that will be managed by the PIU. The GRM will provide an efficient and effective means by which concerns and complaints from stakeholders, including resettlement, indigenous peoples, and GBV and SEA/SH, will be addressed. The GRM is simple, transparent and accessible with multiples means of raising complaints and a track record of timely response.



This SEP will aim to:

- a) Facilitate timely access to information related to the Project and its environmental and social risks and impacts to affected and interested parties
- b) Benefit from the Project's support to any communication activities. As SEP's requirement all ToR of activities to be financed by the project will foresee the identification of dissemination of information and consultation, including GRM needs and management, including tailored communication approaches for vulnerable individuals and social groups, including indigenous peoples as relevant. The approaches to be taken in the communications will aim to ensure that information is meaningful, timely, accessible to affected stakeholders; addresses cultural sensitivities and challenges deriving from gender, illiteracy, disability; and other cultural barriers.
- c) Facilitate broad, inclusive, and comprehensive public consultations with project stakeholders, including vulnerable and marginalized groups.
- d) Provide access to a grievance mechanism for the Project in line with ESS10, including, indigenous peoples, and GBV and SEA/SH.

B.2. Specific Risks and Impacts

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

ESS2 Labor and Working Conditions

ESS2 is relevant. Project activities will require hiring full-time, part-time and temporary external consultants and workers that are not public servants. These project workers, direct workers or primary supply workers, are for the PIU, the Owner's engineer to support the PIU; the Independent Verification Agency, the IT platform suppliers, and the contractor and supervisor of the construction of the center of excellence.

The Project shall prepare Labor Management Procedures (LMP) according to ESS2 and relevant ESHS guidelines as well as the provisions of the ILO, and should be finalized and adopted within 60 days after project's effectiveness.

This LMP will be applied for Project workers.

The LMP will contain specific procedures for project's workers recruitment and management and shall define and document the conditions of employment and work, measures for prevention and mitigation of child and forced labour, occupational health and safety risks, sexual harassment and sexual exploitation and abuse risks among the project staff, the grievance mechanisms to address worker complaints.



The project worker's grievance mechanism will be proportionate to the nature and scale of the proposed IPF activities and accessible for all project workers to raise workplace concerns. This grievance mechanism will be provided separately from the Grievance Mechanisms required under ESS10. The grievance mechanism will not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.

The LMP will also contain the provision on which activities of the Project will be performed by government civil servants that will remain subject to the terms and conditions of their existing public sector employment agreement and, therefore, ESS 2 will not apply to them, except as set out in ESS2 para 8 (ESS2 will not apply to such government civil servants, except for the provisions of paragraphs 17 to 20 (Protecting the Work Force) and paragraphs 24 to 30 (Occupational Health and Safety).

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 is relevant to the IPF. Project's activities will lead to the generation of non-hazardous solid waste includes excess fill materials from grading and excavation activities, scrap wood and metals, and concrete spills, construction debris. Hazardous solid waste includes contaminated soils, which could potentially be encountered on-site due to previous land use activities, or amounts of machinery maintenance materials, such as oily rags, used oil filters, and used oil, as well as spill cleanup materials from oil and fuel spills, wastewater, contaminated construction debris. E&S risks and impacts should be identified and mitigated as per ESIA/ESMP and Construction ESMP (C-ESMP) that should be prepared before starting of works. C-ESMP and other plans (as part of ESMP) such as Waste Management Plan (including hazardous and e-waste), OHS Plan, CHS plan, L&FS plan, etc., should be in line with local standards as well as GIIP and WBG General Environment, Health, and Safety Guidelines requirements.

Transport related activities to the IPF will lead to increase in noise pollution, dust emissions, and CO2 emissions from exhaust of transport vehicles. The ESIA/ESMP will provide detailed procedures for the management of E&S risks associated with the transport related activities.

ESS4 Community Health and Safety

ESS4 is relevant. The Project will support an IT platform, including installation of equipment and construction of a building for a center of excellence. The activities of construction and transport of materials may pose some minimal risks to the community. Community protection measures (fencing around construction sites, speed limit, dust suppression, traffic control, covid-19 prevention measures, GBV: SEA/SH risk,) shall be required.

These measures shall be included in the ESMP.



The TA outputs to be developed will incorporate requirements for due diligence, assessment, and mitigation of ESS4.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is not relevant to the Project since no physical works and technical assistance activities entailing involuntary resettlement will be supported by the Project.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS6 is not relevant to the project. Based on the scope of the Project, this standard is not relevant.

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

ESS7 is not relevant based on the current scope of the Project activities. Although the Project's area is nationwide and there are Indigenous Peoples in Cameroun, they will not be the solely or overwhelming majority of direct Project beneficiaries. According to this the Borrower will design and implement the Project in a manner that provides Indigenous Peoples with equitable access to Project benefits as relevant. The Project's Stakeholder Engagement Plan (SEP) and the Environmental and Social Management Framework (ESMF) will include the necessary elements so that the Project will ensure that any of its benefits are provided to all individuals, irrespective of origin or ethnicity and considering the cultural requirements of Indigenous Peoples.

In addition, for the case of TA activities, terms of reference, work plans or other documents defining the scope and outputs of TA activities will be drafted so that the advice and other support provided is consistent with ESS7.

ESS8 Cultural Heritage

This standard is not relevant based on the scope of the Project, this standard is not relevant.

ESS9 Financial Intermediaries

N/A

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No



OP 7.60 Projects in Disputed Areas

No

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

Is this project being prepared for use of Borrower Framework?

No

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

The use of the Borrower Framework is not being considered in replacement of the mandatory environmental and social requirements of the Bank through investment project financing (IPF).

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Republic of Cameroon

Implementing Agency(ies)

Implementing Agency: Ministry of Water and Energy (MINEE)

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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