



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 10/19/2023 | Report No: ESRSA03073

I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P181328	Investment Project Financing (IPF)	ASCENT REAF	2024
Operation Name	Accelerating Sustainable and Clean Energy Access Transformation - Regional Energy Access Financing Platform		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Eastern and Southern Africa		EASTERN AND SOUTHERN AFRICA	Energy & Extractives
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Trade and Development Bank	Trade and Development Bank	24-Oct-2023	01-Dec-2023
Estimated Decision Review Date	Total Project Cost		
20-Oct-2023	590,000,000.00		

Proposed Development Objective

The Project Development Objective is to accelerate access to and financing of sustainable and clean energy in Eastern and Southern Africa.

B. Is the operation 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 Activities

[Description imported from the PAD Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The Project is an integral part of the Phase I of the Accelerating Sustainable and Clean Energy Access Transformation in Eastern and Southern Africa Multiphase Programmatic Approach (ASCENT). The proposed Regional Energy Access Financing (REAF) Platform would be a part of the ASCENT ecosystem, supporting private sector-driven DRE



electrification and access to clean cooking. REAF will provide loans and grants to accelerate DRE and clean cooking markets in the AFE region, while mobilizing additional commercial capital, in order to unlock financing urgently needed to continue the sector’s upward trajectory towards scale.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation’s environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 10,000]

The region’s salient physical features and key environmental aspects include: a variety of landforms such as mountains, plateaus, plains, and deserts. Examples include the Great Rift Valley, Mount Kilimanjaro, the Ethiopian Highlands, and the Sahara Desert. The Nile, Zambezi, Congo, and Limpopo rivers traverse the region. Lake Victoria, Lake Tanganyika, Lake Malawi, and Lake Kariba are significant freshwater bodies. The region is known for its rich biodiversity, encompassing various ecosystems, including tropical rainforests, savannas, wetlands, and coastal areas. The region experiences a range of climates, from tropical to subtropical and desert. The region is abundant in natural resources. It has several important rivers, including the Nile, which provides water for agriculture and other uses. The biological environment of the region is diverse, with a variety of plant and animal species. The region is home to several large wildlife reserves, including the Masai Mara National Reserve in Kenya and the Kidepo Valley National Park in Uganda. Despite the region’s natural resources, the physical and biological environment faces many challenges, including deforestation, land degradation, water scarcity, and climate change which led to food insecurity, poverty, and conflict in some areas.

The region is home to a large and diverse population, countries like Rwanda, Ethiopia, Kenya and DRC have high population densities, while others like Seychelles and Eswatini have smaller less dense populations. The region exhibits a wide range of ethnic groups, languages, and cultures. There are numerous ethnic communities, including Bantu, Nilotic, Cushitic, Afro-Asiatic, etc. The countries have varying levels of economic development e.g. Kenya, Rwanda, and Ethiopia, have relatively well-developed economies, while others, e.g. Malawi, Zambia, and Somalia, face socio-economic challenges such as poverty, limited access to healthcare, and education. Key social issues include rural/urban poverty, economic development, unemployment/low incomes and gender inequality. Increased displacement of the population due to fragility, conflict and violence, including social unrest has disrupted access to basic social services in many countries including Somalia and Democratic Republic of the Congo (DRC). Lack of energy access is impacting the region’s ability to lift its population out of poverty, build human capital and take advantage of technology and digital advancements, build food security, and resilience to climate, pandemic and other shocks. Less than half of population of the Eastern & Southern Africa (AFE) region has access to electricity (48%). In rural areas, only 26% on average have electricity access, with rural electrification rate still below 5% in some countries.

D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

[Description of Borrower’s capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 10,000]



TDB is a multilateral development financial institution with an asset base of over US\$8 billion. TDB has two major lending activities: trade finance loans (low risk), and project and infrastructure finance loans (medium to high risk). It lends to public sector, large, small, and medium corporations, and other FIs. Petrochemicals and agribusiness dominate its loan book. Energy, including hydro, geothermal, wind, and oil and gas, is a top financed sector due to trade facilities for oil and gas purchase. Although TDB has a history of providing direct loans to infrastructure and energy projects. Nevertheless, its experience in indirect lending (via other financial intermediaries) within these sectors is limited. In the context of indirect lending, the primary emphasis has traditionally been on trade finance and SME lending. However, TDB is now committed to expanding its involvement in lending through financial institutions (FIs). To facilitate this expansion, TDB is enhancing its Environmental and Social Management System (ESMS) by creating a Guidance Note specifically tailored to its lending activities through FIs

Review of TDB's portfolio shows the focus is on relatively high-risk sectors such as agriculture, trade, industry, infrastructure, energy, and tourism. Its loan book is dominated by petrochemicals and agribusiness, with gross exposure of 36 percent and 23 percent in 2017, respectively.

Twenty (20%) of TDB's gross portfolio as of June 2022 constitutes lending through financial intermediaries. Most of these are line of credits for SMEs and trade finance. TDB currently has fourteen FIs clients in the AFE region and one multi-regional bank. The FI pipeline for the facility includes twelve banks in the region and five multi-regional banks. TDB's approach to E&S risk management in its lending activities through FIs is as yet nascent (E&S Management System updated in 2021 to include the requirements for PFIs).

TDB's commitment to sustainability dates to 2005 when it first developed its Environmental Policy with support from the Netherlands Development Finance Company, FMO. In 2010, TDB harmonized its E&S policy. In 2015, these policies were comprehensively reviewed with African Development Bank's (AfDB) TA. TDB's current E&S Management System (ESMS) aligns with international standards like International Finance Corporation's (IFC) Performance Standards (PS) and the E&S requirements of other Development Finance Institutions' (DFI) and is relied upon by other financiers such as AFD and EIB. TDB's ESMS includes an E&S policy, categorization procedures, E&S screening, due diligence, monitoring requirements, and external communication. The current ESMS covers E&S procedures for direct lending but lacks guidelines for lending through PFIs and TA activities. To bridge this gap, TDB is working on a Guidance Note, which will be appended to the main ESMS, for lending through PFIs. This is expected to be ready by Q4, 2023. Furthermore, all high-risk projects will be excluded from ASCENT, both direct and indirect lending. For this, the ESMS will include a screening process and a project-specific list of restricted activities.

TDB subjects its ESMS to periodic reviews performed by external consultants to ensure it continues to be in line with international best practice. The last ESMS review was completed in 2021 with the next expected at the end of 2023. Following the 2021 review, TDB made changes in its ESMS to integrate step-by-step guidelines to assist in implementing the ESMS, bench-marking E&S policy to international practice, standardization of tools and templates; clarification of roles and responsibility, provision of grievance mechanism; and considering the new responsible finance trends and tools. The 2021 review introduced the requirements for E&S screening of the PFIs to ensure that FIs are meeting PS 2 and ESF requirements. It also brought adjustments on the loan E&S screening structure to include the 2019 Equator Principles and EDFI E&S Harmonized Standards/requirements. Through the Bank financed Regional Infrastructure Finance Facility (RIFF) project (P171967), TDB enhanced its capacity in E&S, gender-based violence (GBV) especially as it relates to sexual exploitation and abuse and sexual harassment (SEA/SH), labor, and climate management.



TDB currently has four E&S staff and has retained an Environment, Social & Governance (ESG) consulting firm with a diversified pool of experts (i.e., climate, hydrology, air and noise, and socioeconomic experts) contracted to assist TDB in the E&S due diligence (ESDD) and monitoring of E&S issues. As part of its capacity-building, TDB aims to train staff involved in processing transactions on E&S. TDB will have dedicated E&S staff for the Facility who will be supported by TDB’s team and consultants. To this end, 2 E&S staff are expected to be on board by end of Q4, 2023, and one more in Q1, 2024. The designated E&S personnel for ASCENT will be an E&S specialist with the necessary qualifications. When facing E&S risks concerning occupational health and safety (OHS), biodiversity, social risks, and related matters, the ASCENT E&S specialist will receive support from subject-matter experts, drawn as required, from the ESG consulting firm on the panel. The E&S specialist will be responsible for ESMS implementation including ESDD, supervision and management of ESG consultants.

TDB's performance under RIFF has been deemed satisfactory, demonstrating compliance with the Environmental and Social Action Plan (ESAP) conditions and responsiveness to all WB requests. Notably, TDB has developed its capacity in GBV, climate management, and stakeholder engagement as part of the RIFF project. Under RIFF, TDB adhered to the requirement of obtaining prior approvals from the WB for all subprojects. TDB successfully submitted subproject ESDD reports and E&S instruments to the bank for review and approval. While it did not involve lending through PFIs, it demonstrates TDB's commitment and capacity to undertake E&S risk management aligned with international best practices.

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

A. Environmental and Social Risk Classification (ESRC)

Substantial

A.1 Environmental Risk Rating

Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The environmental risk is substantial. The project will bring significant environmental co-benefits by optimizing energy systems, using lower-emission energy sources, and aiding climate change adaptation through diversified energy supply. It will also enable countries to participate in international carbon markets. However, there are various Environment, Health, and Safety (EHS) risks. The project aims to expand on TDB's existing RIFF component 2 and enable longer-term lending to DRE projects, clean cooking, expanding clean energy for households, enterprises, farmers, schools, health clinics and other public institutions. Noting that the RIFF project has a high-risk rating, specific exclusion criteria is developed for the ASCENT project that allows screening out, and analysis of alternative process for avoidance of sub-projects with high E&S risks since early stages of inception. For instance, subprojects that have significant adverse impact on critical habitats and/or legally protected and internationally recognized areas of high biodiversity value or have adverse impacts on critical cultural heritage will be screened out and excluded. No high E&S risk investments will be supported. The DREs will primarily be solar PV, but other technologies like small-scale (up to 20 MW) hydro may be included. The project will not provide funding for dams or high-voltage transmission infrastructure, or other high-risk investments. *[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]* The environmental risk is substantial. The project will bring significant environmental co-



benefits by optimizing energy systems, using lower-emission energy sources, and aiding climate change adaptation through diversified energy supply. It will also enable countries to participate in international carbon markets. However, there are various Environment, Health, and Safety (EHS) risks. The project aims to expand on TDB's existing RIFF component 2 and enable longer-term lending to DRE projects, clean cooking, expanding clean energy for households, enterprises, farmers, schools, health clinics and other public institutions. Noting that the RIFF project has a high-risk rating, specific exclusion criteria is developed for the ASCENT project that allows screening out, and analysis of alternative process for avoidance of sub-projects with high E&S risks since early stages of inception. For instance, subprojects that have significant adverse impact on critical habitats and/or legally protected and internationally recognized areas of high biodiversity value or have adverse impacts on critical cultural heritage will be screened out and excluded. No high E&S risk investments will be supported. The DREs will primarily be solar PV, but other technologies like small-scale (up to 20 MW) hydro may be included. The project will not provide funding for dams or high-voltage transmission infrastructure, or other high-risk investments. Potential environmental risks include poor management of e-waste, labor issues, and water use. Subprojects will generate battery waste (Li-ion and lead-acid batteries) and e-waste like panels, circuit boards, and wires. Off-grid solar products and mini grids may contain hazardous elements, requiring proper handling and management to avoid soil and groundwater pollution. Absence of national regulations in African countries adds to the significance of these risks. Construction of mini grids with generation could lead to impacts related to occupational health and safety (OHS), contractor E&S management, community safety, environmental pollution and waste management. Risks from small-scale hydro is related to impacts on watersheds, cumulative impacts, impacts on drainage and hydrology at intake sites; resource efficiency and pollution, disposal, and management of hazardous waste, including used batteries; nuisances

A.2 Social Risk Rating

Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000] The Social risk rating is considered Substantial. Under Component 1 & 2 of the project, TDB, acting as an apex FI, will provide project funds to PFIs at the country and regional level for on-lending to DRE subprojects. The focus is expected to be on DREs such as solar home systems, and mini grids. The nature of subprojects under Component 1 and 2 are expected to be the same. Mini-grid subprojects, capped at 20 MW, might require 50-75 acres per subproject, affecting communities, especially in countries like Kenya with communal land tenure. Land-related risks encompass conflicts, exclusion of land users, capacity challenges, and livelihood impacts. Although it is expected that PFIs will present subprojects for financing under ASCENT only when subproject land is available, with the implication that TDB will not finance land acquisition or resettlement activities, there is a risk that such land may have encumbrances or legacy issues or may not have been acquired in line with PS5 in relation to, e.g., compensation, livelihood restoration or resettlement assistance. Also, subprojects may be in areas where Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (IP/SSAHUTLC) are present or areas where SEA/SH or child labor is tolerated due to poverty or cultural reasons, or in countries with weak E&S risk management policies and laws. IPs/SSAHUTLC may experience differentiated impacts such as potential land use changes could affect their traditional territories and livelihoods. Other social risks may include labor management issues, subprojects in areas affected by conflict or violence, or areas hosting refugees; and subproject benefits may not be accessible to vulnerable groups such as women, indigenous people, and rural communities, resulting in their exclusion from project benefits. Social risks may also be because of weak E&S capacity of the PFIs. Additional social risks expected under Components 1, and 2 are

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inadequate stakeholder engagement, lack of access to grievance mechanism, SEA, especially for solar home systems, etc. Under the Project, TDB will lend directly to private sector subprojects, or, acting as an apex FI, it will provide project funds to PFIs at the country and regional level for on-lending to DRE subprojects. Under Component 2, the DREs will primarily be solar PV, but other technologies like small-scale (up to 20 MW) hydro will be included, although the vast majority of subprojects are expected to be solar PV under 2 MW. Since such mini grids could potentially have physical and/or economic displacement impacts, TDB will share with the Bank its ESDD reports for such subprojects for review and if encumbrances, legacy issues, or other noncompliance with PS5 are identified, such subprojects will not be financed until remedial measures have been implemented to the satisfaction of the Bank. However, subprojects above 20MWs, and high-risk subprojects such as dams or high-voltage transmission infrastructure, or other high-risk investments will be excluded from the project. These principles will be captured in the ESAP and the exclusion list respectively. Under Component 3, TA activities will include support to TDB and TDF for developing DRE and clean cooking business models and building a pipeline of viable subprojects, TA to the DRE and clean cooking companies in the pipeline, including support to ensure their understanding and capacity to comply with E&S requirements TA to other financial institutions to increase understanding of opportunities to finance DRE and clean cooking sector, and TA for due diligence, including capacity building for E&S aspects, and piloting of innovative financing instruments, including enabling local currency lending, market aggregation, mobilization of carbo

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 8,000]

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

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

[Explanation - Max. character limit 10,000]

The Project will apply OP 4.03 (World Bank Performance Standards for Private Sector Activities). OP 4.03 is considered more suitable for TDB since its ESMS incorporates IFC Performance Standards as the underlying technical standards for all its lending operations. Moreover, all its private sector clients, who constitute the primary focus of this project, are familiar with and apply these standards. The project is categorized as FI-2 in accordance with OP/BP4.03 based on the review of the prospective project activities. In addition, the Project will WB EHS Guidelines including General EHS Guidelines and Industry Sector Guidelines (such as EHS Guidelines for Electric Power Transmission and Distribution) and Good International Industry Practice (GIIP). Currently, the exact countries, PFIs and subprojects to be financed from the Project funds are not yet defined. There is a pipeline of twelve banks in the AFE region and five multiregional banks, but the exact PFIs will be known only during implementation participation in the project will be decided upon in collaboration with COMESA. Under the ASCENT, TDB will mostly finance subprojects either directly or act as the apex lending institution and provide funds to PFIs for on-lending to subprojects. Therefore, TDB’s E&S risk management procedures for both direct and indirect lending are of relevance to the Facility. TDB has an existing ESMS and staff which ensures that all projects it supports, either directly or through intermediaries, go through a process of E&S due diligence (ESDD) and regular monitoring. E&S procedures for direct lending: TDB’s ESMS includes procedures and processes for screening, ESDD and E&S monitoring and reporting, which are adequate for direct lending to



subprojects under the Facility. The ESMS includes clear process flow and procedures that are linked to credit and investment cycles, and which conforms to the ESMS requirements defined under OP 4.03, WB EHS Guidelines and GIIP i. These include a comprehensive decision tree/matrix with clearly assigned responsibilities and accountabilities for each step, supported by formal guidance and tools to help the responsible persons fulfil their roles in the process consistently. TDB's E&S procedures include procedures for categorization of direct and indirect lending (through financial intermediaries), ESDD and monitoring, institutional roles, and grievance mechanism. The screening and review of subprojects includes due diligence by TDB's own E&S specialists for low to moderate subprojects and by external consultants for high category subprojects in line with TDBs ESMS provisions. Screening of the subprojects will be undertaken as early as possible (and as part of preparation) to avoid high risk activities against pre-defined criteria which will include but not be limited to availability/ access to land, livelihoods, presence of IP/SSAHUTLC communities, impacts on critical habitat, etc. Subprojects are subjected to E&S review at various stages starting with the ESMS Specialist working closely with other specialists (including legal) at the New Deal Forum, where new projects are given a go ahead based on the screening report and term sheet conditions are recommended, before submitting it to the ESMS Coordinator who reviews it in consultation with the operational and technical committee. This is then submitted to the ESMS Manager who reviews it in consultation with the corporate credit committee. From here the proposal is submitted to the Compliance and Credit Management Department from where it is processed up to the Board level as necessary. The E&S team members sit on various credit committees to ensure E&S is considered at transaction onboarding and that risks are appropriately categorized and weighted (also best practice). Under RIFF, the World Bank is involved in reviewing all subproject ESDD reports and E&S instruments prior to them being included in the RIFF Component 1. TDB requires the subprojects to undertake Environmental and Social Impact Assessments (ESIAs) or develop E&S Management Plans (ESMPs) commensurate with the E&S category and risks and impacts, as well as additional studies for identified thematic risks and impacts. TDB will upgrade its existing ESMS to incorporate the following: (i) project specific list of restricted activities excluding subprojects that leads to conversion of natural habitats/ecologically sensitive areas and/or having adverse impact on critical habitats and/or legally protected and internationally recognized areas of high biodiversity value; direct adverse impact on ecosystem services that may result in adverse health and safety risks to affected communities; production or activities that impinge on the lands owned or claimed under adjudication by indigenous peoples and that require free prior and informed consent (FPIC) of Indigenous peoples, creates adverse impacts on cultural heritag; and where a biodiversity offset is proposed as the mitigation measure; (ii) expanding the E&S risk section to encompass additional sectors like housing, solar home systems, and mini-grids; (iii) defining the role of a potential E&S analyst; (iv) enhancing the reporting template, mandating project submissions covering E&S performance, life & fire safety, OHS data, workplace environment data, grievance information, and ESMP updates; and (v) incorporating PFI training provisions. These upgrades will be made prior to disbursement of ASCENT funds from the World Bank to TDB as reflected in the ESAP. E&S procedures for indirect lending: TDB's ESMS has a procedure and process for screening, ESDD, and E&S monitoring and reporting of PFIs. The ESMS includes procedures for categorization of PFIs as category FI-1, FI-2 and FI-3, and E&S requirements for PFIs. The E&S requirements for PFIs include having an E&S policy, ESMS, and PS 2 compliant HR policies and procedures. It, however, lacks supporting tools and templates on how to undertake an ESDD and ongoing monitoring of PFIs. TDB is already aware of this gap and has developed a draft Guidance Note for Lending through Financial Intermediaries. The draft Guidance Note builds on IFC interpretation Note on Financial Intermediaries (Nov. 2018) and TDB's ESMS, and aims to provide specific guidance to support the assessment, and management of E&S risks associated with TDB's lending activities through PFIs. The note will be appended to the main ESMS and is expected to be ready by Q4, 2023. Finalization of the note to the World Bank's satisfaction is a condition of disbursement of funds to TDB under the ASCENT. This is reflected in the ESAP. To ensure compliance with the World Bank PSs, all PFIs will be

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mandated to establish and implement an ESMS and possess the necessary E&S capacity, especially in terms of E&S expertise as per the requirements of the World Bank OP 4.03. These measures will help maintain the appropriate E&S procedures and standards throughout the project implementation. The proposed Project will adopt the following E&S risk management for the E&S risks and impacts. i. Institutional Exclusion List. The TDB ESMS already incorporates an exclusion list. This will be cascaded down to the PFIs. ii. Project Specific List of Restricted Activities for direct and indirect lending. In addition to the institutional Exclusion List, a project specific list of restricted activities is proposed. Subprojects which present one of the restricted activities would not be eligible for financing. The restrictions would be annexed to the loan agreements between TDB and accredited PFIs, and spot checks would be carried out to ensure compliance with the list. The list includes the following restricted activities: • Any subproject or activity for which land acquisition and resettlement concerns are unresolved, and the land required for the proposed Distributed Renewable Energy (DRE) subproject is not unencumbered (this applies to only indirect lending). • Any subproject or activity that leads to conversion of natural and critical habitats/ecologically sensitive areas and/or having adverse impact on critical habitats and/or legally protected and internationally recognized areas of high biodiversity value. • subprojects having direct adverse impact on ecosystem services or that generates huge volumes of hazardous waste that may result in adverse health and safety risks to workers and the project host communities. • Production or activities that impinge on the lands owned or claimed under adjudication by indigenous peoples and that require free prior and informed consent (FPIC) of Indigenous peoples. • Any subproject or activity that creates adverse impacts on cultural heritage. • Any subproject or activity where a biodiversity offset is proposed as the mitigation measure. iii. E&S Staffing: As of July 2022, TDB had a capacity of 4 staff members who are directly responsible for E&S risk management in the TDB operations. The Facility will leverage the existing and planned E&S capacity of TDB to manage any E&S risks. TDB will have dedicated E&S staff for the ASCENT who will be supported by TDB’s team and consultants. To this end, 2 E&S staff are expected to be on board by end of Q4, 2023, and one more in Q1, 2024, one of these will be dedicated to ASCENT. iv. Cascading down of E&S requirements: TDB will require each PFI to have an ESMS aligned with OP 4.03 and acceptable to the World Bank and enforce the E&S requirements on the subprojects to be supported with the Project funds. The ESMS commitments of the PFIs will be explicitly mentioned in the loan agreement signed between TDB and the PFI. Each PFI will have at least one E&S focal point assigned to work with TDB to ensure that the ESMS is in place, confirmed by senior PFI management, and maintained and monitored. PFIs will be required to deploy additional specialists based on the type and number of subprojects. PFIs will ensure applicable E&S requirements are included in financing agreements

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

[Explanation - Max. character limit 10,000]

TDB has a publicly disclosed and functional External Communication Mechanism (ECM) to receive and address inquiries and complaints from the public and stakeholders. The ECM defines the scope, process, and timeline for addressing inquiries and complaints received through the mechanism. Till date, TDB has not received any complaints or enquiries through its ECM. In its ESMS, TDB provides guidance documents to projects on stakeholder engagement and grievance mechanisms. All projects funded by TDB are required to develop and implement a stakeholder engagement plan (SEP) commensurate with the project risks and impacts and the SEP should encompass specific measures and strategies to facilitate meaningful consultations with IPs/SSAHUTLC. XXX All PFIs will be required to develop an ECM and require their subprojects to create a SEP commensurate with the risks and impacts of their activities. SEPs are essential under Performance Standard 1, especially when communities are affected. TDB and PFIs

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must include SEP requirements and procedures in their ESMS, consistent with PS1. These requirements include identifying and engaging with key stakeholders, especially Indigenous Peoples' representatives and vulnerable groups, and defining responsible parties, timelines, information disclosure requirements and budgets for the engagement process. Regarding information disclosure, PFIs must publish their ESMS and ECM on their websites, with the World Bank allowed in writing, to provide a summary on its website. PFIs also need to share subproject information on their websites. Subprojects will be required to develop a SEP and disclose the same along with subproject instruments at appropriate venues that are accessible to the community level stakeholders. Such venues could be the offices of the local administration or the village level community governance systems.

ESS2 - Labor and Working Conditions

Relevant

[Explanation - Max. character limit 10,000]

This PS is relevant to the Project as TDB and the PFIs it will support, will have to manage the working conditions of their workforce in accordance with relevant aspects of national laws and PS2 on Labor and Working Conditions as required by para. 17(b) of BP 4.03, including a functional internal grievance redress mechanism for employees of TDB and the PFIs. Under the Bank financed RIFF project, TDB's human resources processes were strengthened and are now aligned to the PS 2 requirements. TDB now has in place and maintains appropriate labor management procedures, including procedures relating to working conditions and terms of employment, nondiscrimination and equal opportunity, grievance mechanisms and occupational health and safety. TDB, as part of its due diligence of PFIs, review their human resource policies and procedures against the national regulatory requirements and PS 2 (for all World Bank financed projects). TDB will continue to do so under ASCENT. All PFIs that will be enrolled for the Facility implementation will have to have PS 2 compliant human resources policy & procedures, especially an employee grievance mechanism and sexual harassment prevention and response procedures. Given that the Project will involve DRE subprojects, potential labor-related risks are expected. These may include: (i) OHS risks especially working at height and electric shocks, (ii) child and forced labor in the supply chain of solar products and battery, (iii) risks of child and/or forced labor during construction of mini-grids and associated generation; (iv) SEA/SH affecting the communities around construction sites project workers respectively; (v) security of workers; (vi) conflicts between workers, gender-based exclusion from workforce, (vii) working and living conditions, and absence of labor laws in some AFE countries. TDB and PFIs will assess these risks in the subprojects they finance based on their ESMS procedures. Depending on the identified risks, the subprojects would be required to undertake OHS risk assessment, develop and implement OHS plans, safe systems of works, and permit to work for high-risk activities, etc. The OHS risks in subproject should be addressed in line with OHS requirements of WB EHS Guidelines and other relevant OHS standards of GIIP. These potential risks will be assessed as per the procedure defined in the ESMS of TDB and the PFIs, including the potential scale of the risks as influenced by the sub-project location, scale and contextual factors which are likely to vary between countries, as part of the preparation of a subproject proposed for financing under the Facility. The confirmed risks will be mitigated by the application of PS 2 and WBG's General EHSs and relevant industry sector guidelines which PFIs will be expected to apply as part of the operation. In addition, TDB does not directly finance any project, infrastructure or trade finance activity involving production or activities involving harmful or exploitative forms of forced labor/child labor as per TDB's exclusion list in its ESMS. Also, TDB has incorporated the GBV/SH management principles and procedures in its ESMS. For the anticipated and other labor related risks, TDB will require the PFIs to ensure that the subprojects they support have detailed employment and labor management procedures, including procedures for the management of sexual harassment in the workplace, the prevention and

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response mechanisms for SEA, and the prevention of child and forced labor. SMEs that employ less than 20 persons are required to comply only with national labor laws. While they are not required to comply with the PS 2 requirements, they must, at minimum: (i) adopt a human resource policy appropriate to its size and workforce, which sets out its approach to managing employees. The policy must provide information regarding their rights under national labor and employment law, including their rights related to wages and benefits; (ii) document and communicate to all employees and workers (including contract workers) their working conditions and terms of employment; (iii) adopt non-discrimination and equal opportunity policy; (iv) provide an employee grievance mechanism; (v) adopt a policy on child and forced labor; and (vi) provide workers with safe work environment. In addition, OHS requirements as defined in PS 2 and WBG EHS Guidelines will be applicable to all SMEs, proportionate to the level of risks. All PFIs will monitor compliance with these requirements as part of their ESDD and ongoing monitoring.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

[Explanation - Max. character limit 10,000]

The Project is expected to yield climate benefits by promoting access to renewable energy, thus avoiding, and reducing carbon dioxide equivalent emissions. Furthermore, nearly 95% of the mini grids in the pipeline are expected to be under 100 KWp, thus limiting the environment pollution risks. Nevertheless, considering the nature of DREs being considered, environmental pollution both during construction and operations are expected. The key environmental pollution concern is related to the management of e-waste especially panels & batteries, construction induced pollution such as air, noise, fugitive dust, & waste, management of hazardous waste and energy efficiency. All these are expected to be managed by proper enforcement of FIs and PFIs Construction Environmental and Social Management Plans (C-ESMP). TDB will also expect all FIs and PFIs to comply with its Electronic Waste Management Plan which is part of its ESMS during design, sourcing construction, operation and decommissioning stages. TDB has experience in E&S risk management for subprojects across sectors including solar home systems, off grid solar and mini grids. It already has an ESMS in place, implementation of which has been assessed by the World Bank during the course of RIFF. Although some enhancements have been proposed for the ESMS, it is found to be sufficient for the types of subprojects previously funded by TDB, along with its implementation. TDB will require the PFIs to undertake an ESDD of subprojects against the E&S requirements which include the exclusion list, list of restricted activities, participating country's regulations and World Bank PS. TDB and the PFIs will ensure that the subproject activities efficiently use resources, particularly water and energy and prevent or mitigate the pollution or degradation of natural resources that include soil and water arising from their operations. TDB will ensure that the PFIs have the capacity in their ESMS and staff to identify, assess and manage risks. As such, the screening process of TDB and the PFIs will seek to ensure the sub-projects onboarded meet the PS 3 requirements. All subprojects, whether supported directly or through PFIs, will be required to assess PS 3 related risks by undertaking an E&S impact assessment (ESIA) or an initial environmental examination, depending on the project's size and complexity. Once these impacts are identified, the subprojects will be responsible for developing and implementing suitable Environmental and Social Management Plans (ESMPs) to mitigate and address the identified impacts. The PFIs will review and validate the adequacy of the assessments and ESMPs in accordance with PS 3 and relevant WBG EHS Guidelines.

ESS4 - Community Health and Safety

Relevant

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[Explanation - Max. character limit 10,000]

Subproject activities carry potential Community Health and Safety (H&S) risks, including equipment design, hazardous materials, traffic safety, and disease transmission. Worker presence in unfamiliar areas could increase conflicts and violence due to cultural differences. While no large-scale construction is anticipated, including dams and high-voltage transmission lines, construction near villages might raise H&S concerns. All subprojects must evaluate and mitigate community H&S risks as per PS4 guidelines and WB EHS Guidelines (general and sector specific). In conflict-affected project countries, security is crucial, potentially requiring security personnel deployment to safeguard workers and assets. Yet, their presence poses community risks, including of SEA/SH. Security personnel use will be cautiously evaluated in line with the applicable WBG guidelines and assessments, with subprojects potentially needing security management plans, including Codes of Conduct, for community interaction. TDB and the PFIs will identify and address community H&S risks including assessment and mitigation of disaster risks as well as emergency preparedness and response procedures in the subprojects by developing and implementing appropriate management plans. TDB has already been conducting assessments of these risks as part of their subproject due diligence. Under ASCENT, security risks assessment will be included in TDB due diligence. TDB's existing ESMS has relevant procedures to assess and manage PS4 related risks in subprojects.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant

[Explanation - Max. character limit 10,000]

The Project's off-grid DRE subprojects involve developing solar home systems (SHS) and hydro/solar-based mini-grids, potentially necessitating land acquisition and resulting in displacement risks. Mini-grid subprojects, capped at 20 MW, might require 50-75 acres per subproject, affecting communities, especially in countries like Kenya with communal land tenure. Land-related risks encompass conflicts, exclusion of land users, capacity challenges, and livelihood impacts. TDB currently evaluates the risks associated with land acquisition, but its expertise in handling involuntary resettlement matters is limited. Considering this limited experience, the Project will establish a threshold of 100 persons for both physical and economic displacement. Should this threshold be exceeded, TDB will seek prior approval from the World Bank before providing support for the subproject. Depending on the nature of impacts, a resettlement action plan and/or livelihood restoration plan may be required for subprojects. Regarding subprojects to be financed by PFIs, the risk mitigation strategy entails permitting PFIs to initially support subprojects with a capacity of under 2 MW. Furthermore, PFIs will exclusively support DRE projects only if unencumbered land is readily accessible, including land that may be required for a potential 20MW mini grids. Essentially, PFIs will support only those DRE subprojects where all land and resettlement issues have been addressed and finalized, and land for the proposed DRE subproject is available and has no encumbrances. The World Bank will require TDB and the PFIs to ensure through their respective ESDDs, including undertaking an audit of the land acquisition process and related matters such as compensation, that land presented to them by subprojects was acquired in line with PS5. Non-compliant projects will not be eligible for support. PFIs must include procedures in their ESMS to identify and assess land acquisition risks, mirroring the TDB procedures as contained in their ESMS. TDB's due diligence of PFIs will confirm the adequacy of the PFI procedures, and PFIs should establish grievance redress mechanisms for potential land-related grievances.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

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[Explanation - Max. character limit 10,000]

Mini-grid subprojects and especially hydro based may lead to impacts envisaged under PS6. While ASCENT will only support small hydro based on river flow technologies without any water impoundment/ reservoir, the biodiversity impacts could include reduced residual flow, deposition of fine sediments, reduced organic matter retention affecting fish availability, cumulative impacts at the basin level, and hydrology impacts. All subprojects supported under the Project are expected to mitigate biodiversity impacts as per the PS6 requirements. During the ESDD process of subprojects, TDB and the PFIs will assess the risks associated with biodiversity. While TDB's ESMS includes procedures for such assessments, it has limited experience in dealing with complex biodiversity issues, especially those related to modified or natural habitats, and projects that may impact or depend on ecosystem services. To minimize environmental risks in subprojects, a list of excluded activities is agreed with TDB. This excludes activities and interventions that could have adverse impacts on critical habitats, legally protected areas, internationally recognized regions with high biodiversity value, and subprojects proposing biodiversity offsets as mitigation measures. The list of excluded activities will be cascaded down to the PFIs. TDB, PFIs and subprojects will be required to screen all subprojects for biodiversity risks and undertake analysis of alternatives to avoid critical habitats, from the feasibility stage. TDB and the PFIs will require subprojects to develop and implement biodiversity management plans (BMPs) where significant impacts are foreseen.

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

Relevant

[Explanation - Max. character limit 10,000]

IP/SSAHUTLC are present in some AFE countries like Kenya and Ethiopia, while other nations like Somalia have distinct tribal or clanic groups requiring tailored measures for inclusion and benefit access. Some subprojects might impact areas where IP and vulnerable groups reside, leading to specific impacts. The assessment of social risks and engagement with IPs in these cases will depend on the subproject's context, complexity, and the sub-borrower's capacity to manage IP-related risks. Although TDB has a policy on IPs, its practical application remains untested, even under the RIFF project. TDB is committed to not financing projects that encroach on lands owned or claimed by IPs without their documented consent, as outlined in TDB's current ESMS. TDB will be required to cascade the PS7 requirements down to the PFIs and to ensure that the PFIs have the capacity in their ESMS and E&S staff to identify, assess and manage subproject risks as per PS7 requirements. This capacity will only be tested, should TDB finance a project in IP areas or through PFIs. Should such a situation arise, the Bank will support the training of TDB E&S staff in the management of risks of subproject. TDB will then be expected to support the training of PFIs in PS7 application. The training will cover ESDD guidance, outline consultation requirements, assist in determining the applicability of Free, Prior and Informed Consent (FPIC), and offer guidance to subprojects on the implementation of measures aligned with PS7 requirements. To ensure IPs and other vulnerable groups or individuals have equal opportunity to access project benefits, especially under Component 2, TDB will be required to develop and implement an inclusion strategy targeting these groups, and to cascade the strategy to PFIs. The strategy will need to be in place within year 1 of effectiveness.

ESS8 - Cultural Heritage

Relevant

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[Explanation - Max. character limit 10,000]

TDB-financed subprojects may have direct, indirect, and possibly cumulative risks or impacts on cultural heritage. TDB’s ESMS prohibits financing of any subproject, infrastructure or trade finance activity impacting upon World Heritage sites and other protected areas. TDB has experience with projects that have impacted cultural aspects of some of the affected communities, e.g., on matters of handling graves. Any gaps in TDB’s own ESMS will be identified prior to appraisal and supplemented by requirements of PS8. All subprojects, whether supported directly by TDB or through PFIs, must consult with affected communities to identify cultural heritage of importance, and to incorporate into the decision-making process the views of the affected communities on such cultural heritage. The requirements for managing potential project impacts to the cultural heritage of IPs are covered under PS7. Given that the funds will also be provided to subprojects via PFIs, TDB will cascade down the E&S requirements to the PFIs. TDB will ensure that the PFIs have the capacity in their ESMS and staff to identify, assess and manage risks as per PS8.

ESS9 - Financial Intermediaries Relevant

[Explanation - Max. character limit 10,000]

ESS9 is not relevant to the project because the project will be implemented under OP 4.03.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways No

OP 7.60 Operations in Disputed Areas No

B.3 Other Salient Features

Use of Borrower Framework In Whole

[Explanation including areas where “Use of Borrower Framework” is being considered - Max. character limit 10,000]

TDB's E&S framework, i.e. their ESMS is being considered in its entirety. Where deficiencies are noted, TDB will be required to strengthen their ESMS by updating it to ensure compliance with the WB PSs. For example, TDB is currently in the process of incorporating World Bank comments that are meant to further strengthen its current ESMS to ensure its full compliance with the bank's PSs. In addition, TDB is in the process of updating its ESMS to include a Guidance Note for lending through PFIs and for TA activities. This is because currently, the TDB ESMS does not have provisions for lending through PFIs or for TA activities to ensure the PFIs and TA activities are compliant with the WB PSs. The Draft Guidance Note has been shared with the Bank for review. The PFIs ESMSs will mirror the TDB ESMS and PFIs with no ESMS will adopt the TDB's ESMS. They will be trained in ESMS application and supported by TDB as they gain experience in ESMS implementation.

Use of Common Approach No

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[Explanation including list of possible financing partners – Max. character limit 4,000]

N/A

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Appraisal Stage PID and PAD – Max. character limit 10,000]

The Distributed Renewable Energy (DRE) projects within the World Bank's ASCENT project bring about significant environmental, social, and safety (EHS) risks and considerations. While the project is designed to deliver substantial environmental benefits, such as optimizing energy systems, using lower-emission energy sources, and contributing to climate change adaptation through diversified energy supply, it also entails various E&S risks.

This project expands on TDB's existing World Bank-financed RIFF project (P171967) under RIFF's component 2 and enables long-term lending to DRE initiatives. It encompasses a multifaceted reach, targeting clean energy expansion across households, enterprises, farms, schools, health clinics, and other public institutions. While the project's primary focus is on PV systems, it will likely finance other technologies like small-scale hydro (up to 20MW), while avoiding investments in dams or high-voltage transmission infrastructure, and any other ventures fraught with high-risk implications. It is, however, anticipated that the vast majority of subprojects will be solar PV under 2 MW.

Environmental risk is categorized as substantial. Potential EHS risks may include inappropriate e-waste management, labor issues, and water resource management. Subprojects within the scope of this Project will generate battery waste, characterized by Li-ion and lead-acid batteries, alongside electronic waste comprising panels, circuit boards, and wires. The off-grid solar products and mini-grids will involve elements of hazardous material, demanding meticulous handling and management to avoid soil and groundwater contamination. The absence of comprehensive national regulations across various African countries increases these risks. The small-scale hydro projects involve additional risks such as impacts on watersheds, cumulative impacts, changes to drainage patterns and hydrology at intake sites, resource efficiency concerns, pollution challenges, and management of hazardous waste, notably used batteries. Nuisances in the form of air and noise emissions, as well as disruptions to land, water, and biodiversity, further compound the environmental challenges that the subprojects might face.

The project's social risk rating is categorized as substantial. The focus is expected to be on DREs such as solar home systems, and mini grids in Component 1 and 2. The civil construction work is expected mostly in the mini grid projects but is likely to be at smaller scale. The impacts of land acquisition depend on subproject size and nature, with impacts varying from low to medium. Mini-grid subprojects, capped at 20 MW, might require 50-75 acres per subproject, affecting communities, especially in countries like Kenya with communal land tenure. Land-related risks encompass conflicts, exclusion of land users, capacity challenges, and livelihood impacts. Social risks extend beyond land concerns, to SEA/SH risks, labor management issues, and potential engagement in areas with IP/SSAHUTLC populations and conflict or violence-affected regions, and areas accommodating refugees. Other social risks could entail the potential exclusion of disadvantaged communities, including women, indigenous populations, and rural residents, from reaping the project benefits.

Component 3 involves providing technical assistance (TA) to develop clean energy projects and improve the capacity of financial institutions. While some TA activities could lead to higher-risk subprojects, social risk is considered low. All TAs will adhere to WB Performance Standards to mitigate environmental and social risks.



The capacity of TDB and the PFIs to effectively monitor and supervise subprojects across a vast geographical expanse is crucial, and equally crucial, is the ability of potential borrowers to meet their E&S obligations. Operating as an apex FI, TDB will serve as the conduit for project funds to the PFIs operating at both the country and regional levels, facilitating the onward lending to DRE subprojects. Collaboration with regional and country-level FIs is key Project execution strategy. The main risks concerning the involvement of these FIs in the Project pertain to their commitment and comprehension of E&S risks and impacts linked to DRE projects. It also relates to their E&S capacity to identify and effectively manage these risks and impacts.

The PFIs will need to screen projects to identify these risks such that high risk subprojects would not be eligible for financing. The ESMS of TDB and PFIs will include screening criteria and project specific exclusions to address these risks. TDB will assess the adequacy of each PFI’s ESMS prior to financing them under ASCENT, and subprojects initially eligible for on-lending via PFIs will be limited to under 2MW.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

[Description of expectations in terms of documents to be prepared to assess and manage the project’s environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 10,000]

TDB will oversee implementation of PFI ESMS by reviewing PFIs ESDD and supervision reports, assessing their annual E&S reports, performing site supervision to selected projects, and evaluating E&S instruments. To ensure compliance with the World Bank’s PSs, the following ESAP conditions will apply.

ESAP Action Completion date

PS 1 Assessment and Management of Environmental and Social Risks and Impacts

1 TDB will upgrade its current Environmental and Social Management System (ESMS) by creating a guidance document that encompasses E&S requirements and procedures for:

- a) Lending through financial intermediaries including procedures for cascading down the E&S compliance requirements to the financial intermediaries
- b) Technical assistance activities covering development of terms of reference for TA activities consistent with World Bank PSs
- c) To incorporate the following: (i) project specific list of restricted activities to exclude high risk activities from direct and indirect lending; (ii) expanding the E&S risk section to encompass additional sectors like housing, solar home systems, and mini-grids and Including screening procedures for avoidance of significant risks and impacts; (iii) defining the role of a potential E&S analyst, including field supervision responsibilities if any; (iv) enhancing the reporting template, mandating project submissions covering E&S performance, life & fire safety, OHS data, workplace environment data, grievance information, and ESMP updates; and (v) Incorporating PFI training provisions.

TDB’s Senior Management shall endorse the upgraded ESMS along with the Guideline Notes and its disclosure. The guidance notes will be appended to the existing ESMS.

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- a) Prior to disbursement of funds for on lending to PFIs
- b) Prior to undertaking any technical assistance activity under the facility
- c) Prior to disbursement of funds from the World Bank to TDB

2 a) TDB will have as a condition with each PFI requiring the PFI to have in place an ESMS in line with the World Bank PSs and EHS Guidelines that mirrors the TDB ESMS and ensure its operationalization and ongoing implementation.
b) TDB will require all PFIs to disclose their ESMS prior to signing financing agreements with each PFI, throughout project Implementation

3 At all times, throughout project implementation, TDB will include the following requirements in all its financing agreements signed with PFIs under the Facility:

- a. PFIs will not support any subproject that is on the list of restricted activities.
- b. PFIs will support only those DRE projects that are under 2 MW and do not entail significant risks.
- c. PFIs will exclusively support DRE projects only if unencumbered land is readily accessible.

4 a) TDB will recruit a dedicated, technically qualified E&S specialist supported by E&S consultants for the facility.
b) TDB will undertake third-party monitoring of ESMS implementation by PFIs including ESDDs and supervision of subprojects undertaken by PFIs.
c) TDB will require and ensure each PFI has a focal point dedicated for ESMS implementation and technically qualified consultants on call to support the E&S focal point undertake ESDD and ongoing monitoring of subprojects.

- a) Prior to project effectiveness
- b) Throughout project implementation
- c) Prior to disbursement of funds from TDB to PFIs

5 a) TDB will maintain its existing external communication mechanism throughout project implementation to receive, register, screen and assess, track, respond to, and act upon external inquiries and complaints from the public regarding their operations.
b) TDB will require all PFIs to develop, disclose and implement an external communication mechanism to receive, register, screen and assess, track, respond to, and act upon external inquiries and complaints from the public regarding their operations.
c) All subprojects, financed directly by TDB or through PFIs, will be required to develop and implement stakeholder engagement plan including a grievance mechanism commensurate with the subproject E&S risks.
d) TDB will cause PFIs to report to TDB all complaints and grievances that may arise because of project implementation, including how they have been resolved and closed out.

- a) throughout implementation
- b) As a condition of disbursement from TDB to PFIs, and throughout implementation
- c) As a condition of disbursement from TDB/ PFIs to subprojects, and throughout implementation
- d) Throughout implementation cycle



6 TDB will prepare and implement an E&S Capacity Building Plan for itself and PFIs for the implementation of the Facility in accordance with the World Bank E&S requirements. Plan finalized and agreed with the Bank within first 3 months of project effectiveness and implemented per the schedule therein

7 TDB to submit to the World Bank for review and approval, the E&S instruments for the first few sub-projects and subsequently of all subprojects involving resettlement, directly financed from project funds. TDB will submit to the World Bank for review and approval, the E&S instruments of all sub-projects that displace more than 100 people physically or economically. These will be soon as the first projects are identified for financing under the project.

8 a) In line with the Bank’s ERESIRT procedure, TDB will notify the World Bank within 72 hours of becoming aware of any incidents, accidents, or other circumstances related to any program component, whether implemented directly or through PFIs that may have a material impact on compliance with the Performance Standards. Following the notification, TDB will undertake a root cause analysis and share the report with the Bank within one week

b) TDB will require all subprojects, directly finance by it, to report with 48 hours of occurrence of any incidents, and accidents, that may have a material impact on compliance with the Performance Standards.

c) TDB will require the PFIs to report within 48 hours of becoming aware of any incidents, accidents, any such incident or other circumstances within their respective portfolio.

Throughout project implementation

9 Prior to disbursement of funds from the World Bank to TDB, TDB will develop and implement an inclusion strategy that will enable vulnerable and marginalized groups and individuals to benefit from the Project. TDB will be required to cascade the strategy to PFIs.

PS 2 Labor and Working Conditions

10 a) Prior to disbursing project funds to the PFIs, TDB will require and ensure PFIs have HR systems including OHS systems and procedures that comply with Performance Standard 2 requirements and are in line with the EHS Guidelines and GIIP.

b) Ongoing during implementation, TDB and PFIs will ensure, through specific clauses in the financing agreements signed with subprojects that they have in place appropriate HR, including OHS, system or procedures to comply with local labor laws, and Performance Standard 2 requirements. The subprojects will develop and implement OHS plans that are in line with the World Bank EHS Guidelines and GIIP.

PS 3 Resource Efficiency and Pollution Prevention

11 Ongoing during implementation, TDB and PFIs will assess and mitigate through site-specific management plans such as waste management, hazardous material, resource efficiency, etc. risks and impacts associated with PS 3 in all subprojects they finance under the Facility.

PS 4 Community Health, Safety and Security



12 Ongoing during implementation, TDB and PFIs will assess and mitigate through site-specific management plans including road safety and traffic management, security, disaster risk, etc. risks and impacts associated with PS 4 in all subprojects they finance under the Facility.

PS 5 Land Acquisition and Involuntary Resettlement

- 13 Ongoing during implementation: a) TDB and PFIs will assess risks and impacts associated with PS5 in all subprojects proposed for financing under the Facility (through their respective ESDDs and if needed, through land acquisition audits), and ensure that land for subprojects being financed have been acquired in line with PS5.
- b) Should the ESDD/Audit find any land acquisition inconsistencies with PS5, the inconsistencies will be addressed before such subprojects are financed under the Project.
- c) For subprojects impacting people above the agreed E&S threshold, TDB and PFIs will seek the World Bank approval prior to committing financing for such subprojects.
- d) TDB will require all PFIs to ensure compliance with the E&S thresholds agreed with the World Bank.
- e) PFIs will exclusively support DRE projects only if unencumbered land is readily accessible. Essentially, PFIs will support only those DRE subprojects where all land and resettlement issues have been addressed and finalized, and land for the proposed DRE subproject is available and has no encumbrances.

PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

14 Ongoing during implementation, TDB and PFIs will assess and mitigate through site-specific management plans, including a biodiversity management plan, risks and impacts associated with PS 6 in all subprojects they finance under the Facility.

All subprojects with significant risks to critical or sensitive habitats are excluded from the facility.

PS 7 Indigenous Peoples

- 15 Ongoing during implementation: a) TDB and PFIs will assess risks and impacts associated with PS 7 in all subprojects they finance under the Facility.
- b) Should a project financed activity be located in areas where IPs are present, TDB will share with the Bank for review and concurrence, any instruments such as IPPs prepared to ensure the inclusion and access to project benefits by IPs.

PS 8 Cultural Heritage

16 ongoing during implementation, TDB and PFIs will assess and mitigate risks and impacts associated with PS8 in all subprojects they finance under the Facility and put in place measures for handling any chance finds during ASCENT financed activity.

III. CONTACT POINT



The World Bank

Accelerating Sustainable And Clean Energy Access Transformation - Regional Energy Access Financing Platform (P181328)

World Bank

Task Team Leader: Dana Rysankova Title: Lead Energy Specialist

Email: drysankova@worldbank.org

TTL Contact: Marlon Rolston Rawlins Job Title: Senior Financial Sector Specialist

Email: mrawlins@worldbank.org

TTL Contact: Monali Ranade Job Title: Senior Energy Specialist

Email: mranade@worldbank.org

IV. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

V. APPROVAL

Task Team Leader(s): Dana Rysankova, Marlon Rolston Rawlins, Monali Ranade

ADM Environmental Specialist: James Chacha Maroa

ADM Social Specialist: Margaret Auma Ombai

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