



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 06/25/2020 | Report No: ESRSC01414



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Africa	AFRICA	P173763	
Project Name	Second Djibouti-Ethiopia Power System Interconnection Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Energy & Extractives	Investment Project Financing	9/21/2020	1/20/2021
Borrower(s)	Implementing Agency(ies)		
Republic of Djibouti - Ministry of Economy and Finance	Electricité de Djibouti		

Proposed Development Objective(s)

The Project Development Objective (PDO) is to enhance reliable and affordable electricity trade between Ethiopia and Djibouti.

Financing (in USD Million)	Amount
Total Project Cost	75.00

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

No

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

The proposed IDA credit will co-finance with the AfDB the Djibouti section of the 2nd Djibouti-Ethiopia interconnector. Additional Technical Assistance, Capacity Building and Program Management may be provided under the IDA credit.

D. Environmental and Social Overview



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

The project consists in financing the construction of the transmission line from Galafi to Nagad. Galafi is the border crossing between Djibouti and Ethiopia while Nagad lies 12 km south of Djibouti ville. The length of the transmission line from Galafi to the Nagad substation is 190 km. The African Development Bank (AfDB) and the World Bank are co-financing the project. While the Bank's financing is limited to Djibouti, AfDB will also finance the Ethiopian side of the same line, about 90 km from the border with Djibouti to Semera (Ethiopia).

An Environmental and Social Impact Assessment (ESIA) for the whole line (Semera to Nagad) was prepared in 2017. It is unclear whether the ESIA was based on a feasibility or preliminary design, as the E&S team has requested but has not received supporting documentation. According to the 2017 ESIA, two corridors were initially considered and one was pre-selected based on technical (technology, ease of maintenance, proximity to roads), environmental (limiting impact on vegetation, oasis and waterways) and socioeconomic (avoid proximity to inhabited areas and impacts on assets) considerations. The Borrower is in the process preparing a new detailed ESIA and ESMP.

The corridor selected in 2017 crosses four of the five regions of Djibouti: Dikhil, Ali Sabieh, Arta and Djibouti. The corridor starts from the existing Nagad substation and continues in parallel to an existing transmission line from Nagad to the town of Holl-Holl. The corridor then bypasses Holl-Holl and continues north, close to old railway up to Daas Bio, from which the corridor veers West through the Grand Barra desert. The route crosses an existing transmission line and continues in parallel to the National Road N1 up to the town of Dikhil. The corridor bypasses Dikhil and changes to a North-West direction up to Yoboki, following the National Road 1 in parallel up to Galafi. At Galafi, the corridor crosses the border to Ethiopia and parallels the National highway 1a up to the Hayu Semera substation.

The 2017 ESIA does not indicate that the corridor crosses any internationally and nationally important natural habitats. However, the new ESIA under preparation would have to confirm that because the corridor's path between Nagad and Holl-Holl isn't mapped clearly. Depending on the exact path of the corridor, it could potentially cross the southern tip of the Djalélo terrestrial protected area which lies North of Holl-Holl. Based on the information in IBAT, there are no birds/bats migratory routes that cross the corridor or are in close proximity to it.

On the Djibouti side, the landscape is mostly characterized by a series of arid plateaus. Livestock rearing of camels, goats and donkeys is the dominant mean of subsistence in the project area. There are some towns and small villages along the corridor, however, they are not detailed in the 2017 ESIA. Nagad lies about 12km south of the capital, Djibouty City and is characterized in the 2017 ESIA as one of the hottest and driest places on the earth. Galafi is a village located 218 km west of Djibouti City and the official border crossing from Djibouti into Ethiopia.

D. 2. Borrower's Institutional Capacity

Electricité de Djibouti (EDD) will be the implementing agency. It is a public utility company that manages the electricity production, transmission and distribution network. It is currently implementing two project financed by the World Bank: (i) the Sustainable Electrification Program (P158505) and (ii) the Geothermal Power Generation Project (P127143), the latter of which was completed in December 2019. The two projects are being implemented under the old safeguard policies. EDD has recruited environmental and social development consultants to ensure the projects activities are being implemented according to the requirements of the World Bank. Regular safeguard supervision missions have been conducted since the projects' inception, and the implementation of the safeguard instruments is



on track. Moreover, EDD has been proactive in integrating the recommendations from the missions. However, the proposed project will apply the ESF, which is a new framework for the Borrower. EDD has committed to retain environmental and social consultants to support them with the preparation and the review of the ESF instruments. This support should be retained during the implementation of the project. Moreover, the inclusion of environmental and social experts should be a requirement for the Supervision Consultant’s team.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

The Proposed Environmental Risk Rating is “Substantial”, due to the nature and scale of activities to be financed under the Project. Environmental risks and occupational health and safety hazards will mostly originate from activities under Component 1: Transmission line from Galafi to Nagad and Nagad substation extension. Most of the expected impacts are likely to occur during the construction (and subsequent operation) of the high voltage transmission line (TL) and the construction and equipment activities at the Nagad substation. The foreseen adverse impacts are expected to be medium in magnitude and small to medium in spatial extent (sharing existing corridors for national highways or existing TL as much as possible). Most of the foreseen adverse impacts will be temporary, can be mitigated and are related to dust and noise; air and water pollution; construction wastes; and health and labor safety issues. The ESIA will indicate the Borrower’s capacity to dispose of any hazardous waste material generated by the project . Operational phase environmental risks, such as the risk of impact (or perception of impact) of electric and magnetic fields on population is considered low as siting of the existing substation is remote and at safe a distance from the closest urban center. Any plans for the use of pesticides to control vegetation under transmission lines during operation is not known at this stage and will be identified during project preparation. Finally, given that this TL is the second of the kind between Ethiopia and Djibouti and AfDB’s financing of the rest of this new TL on the Ethiopian side, the ESIA currently under preparation is expected to address cumulative as well transboundary impacts.

Based on information in the 2017 ESIA, the project is not expected to have any negative impacts on areas of high value and sensitivity. However, the ESIA currently under preparation will need to confirm this as data on IBAT shows that the corridor of the transmission line may come close or potentially cross the southern tip of the Djalélo terrestrial protected area north of Holl-Holl. Based on the information in IBAT, there are no birds/bats migratory routes that cross the corridor or are in close proximity to it.

While EDD has some prior experience implementing projects financed by the WB, AfBD and AFD, its experience developing this type of complex project is limited. It will also be EDD’s first experience preparing and implementing a project under the ESF; however, the Borrower plans to strengthen EDD’s capacity to implement the E&S instruments and to meet the ESF requirements.

As stated earlier, AfDB will finance the portion of the transmission line on the Ethiopian side, from the border to Semera as well as the substation extension at Semera. Those two (2) activities on the Ethiopian side are to be considered associated facilities. However, the fact that the Borrower will not have any control over the activities in Ethiopia may present some challenges in terms of risk management.

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Social Risk Rating

Substantial

The main social risks relate to impacts on land use and access to land, especially during construction. These impacts will mostly be economic and temporary in nature, as people will be able to use the land for pasture and low crops after construction. Given that the project does not finance distribution activities and that it will mainly feed existing networks in Djibouti-ville during operation, another potential risk is the exclusion of groups and individuals from the benefits of the project and in particular of affected persons and communities along the transmission line corridor. Another important risk already described above relates to occupational health and safety, with the risk of falls and electrocution during construction and maintenance. Labor influx and associated gender-based violence risks, and the health and safety of the communities in the project area, have been preliminarily assessed as moderate to substantial. Given the scale of the transmission line and its transboundary nature, as well as the lack of experience of EDD in implementing a project under the ESF, the social risks are deemed substantial.

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

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The proposed civil works - construction activities, installation of electrical equipment at substations, installation of cables or wires overhead - will generate some adverse impacts related to dust and noise; air and water pollution; construction wastes; and health and labor safety issues. The potential impacts are expected to be small to moderate in scale, of limited duration, influence a relatively small area, and occur primarily during the construction phase. Operational phase environmental risks, such as the risk of impact (or perception of impact) of electric and magnetic fields on population is considered low as siting of the existing substation is remote and at a safe distance from the closest urban center. Any plans for the use of pesticides (also POPs) to control vegetation under transmission lines during operation is not known at this stage and will be identified during project preparation.

The Project will bring positive economic and social impacts as the proposed activities would increase efficiency and reliability of electricity supply for the population and economy nationwide. This will reduce the nation's dependence on and use of fossil fuels and contribute to a reduction in greenhouse gas (GHG) emissions. In addition, the power project is also expected to generate employment opportunities both during construction and operation of the transmission line and the substation.

Impacts on economic activities, private assets and land-use are expected to be limited, as the corridor is sparsely populated. Moreover, these impacts will mostly be limited to the construction period, as individuals will be allowed to use the land for pasture and the farming of low crops during operation. Risks related to labor influx are expected to be moderate. Workers camps may be established but are unlikely to be of significant scale, as transmission lines are usually built by small teams composed of mostly skilled workers, working in sections along the alignment. Nevertheless, risks associated with gender-based violence (GBV) or sexual abuse and exploitation (SAE) remain moderate to substantial, given the stark poverty rates in the country. A more informed assessment will be prepared during the preparation phase.

Public Disclosure



Other risks relate to ensuring decent working conditions for contractors and local subcontractors, occupational risks as well as the health and safety of the communities, such as the risk of accidents and road safety during construction, electrocution, or exposure to electromagnetic fields. These risks can be easily mitigated through adequate signage, protocols and stakeholder engagement.

The project recognizes the following standards as relevant: ESS 1, ESS 2, ESS 3, ESS 4, ESS 5, ESS8 and ESS 10. ESS 6 is also potentially relevant. Towards addressing these risks, the following instruments will need to be prepared: (i) Environmental and Social Impact Assessment/Environmental and Social Management Plan (ESIA/ESMP); (ii) Resettlement Plan (RP); (iii) Stakeholder Engagement Plan (SEP); and (iv) Labor Management Procedures (LMP), and a gender action plan. The ESIA and RP will include the assessment of alternatives. The General EHS and Industry Sector EHSs (Electric Power Transmission and Distribution) are applicable to the project and will be incorporated into ESIA/ESMP. The ESIA will indicate the Borrower's capacity to dispose of any hazardous waste material generated by the project and include alternate measures to mitigate impact from such waste if designated landfills are not available.

Moreover, the civil works on the Ethiopian line, consisting in the transmission line completion and the extension of the substation, are considered associated facilities to the project. These civil works will be overseen by the same Djibouti- Ethiopia Interconnection Project Management Office (PMO), which will include staff from EDD. It is also possible that the same contractors will be involved in the construction of sections of the transmission line both in Ethiopia and Djibouti. Therefore, as stipulated under para. 32 of ESS1, the risks and impacts of the transmission line section and substation on the Ethiopian side will also be assessed. E&S mitigation measures and instruments will be reviewed by the World Bank team. While it is understood that Djibouti would not have direct control or leverage over the Ethiopia investment, the team will explore different channels with the Djiboutian counterparts to address key risks to meet the principles of the ESF.

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

The Borrower's E&S framework is not being considered.

ESS10 Stakeholder Engagement and Information Disclosure

The key stakeholders of the project are the EDD, affected persons, residents along the transmission line corridor and around the Nagad substation, local governments, village chiefs and the beneficiaries of the projects (i.e. EDD customers). Other concerned parties include civil society, other Ministries, nomad pastoralists, influential members of the communities (i.e. imams, meres conseilleres, etc.) and other socio-economic actors to be identified in the ESIA. Consultations have been undertaken during the preparation of the regional Environmental and Social Assessment in 2017, during which the key points raised by the participants related to compensations for affected assets, employment opportunities for local community residents during construction, and concerns about social, environmental, health and safety impacts. Additional engagement with key stakeholders will take place during the preparation phase to ensure they are informed about the nature of the project and its environmental and social impacts of the project. A stakeholder engagement plan will be prepared and implemented to ensure a continuous engagement throughout the life of the project.

Given the highly infectious nature of SARS-Cov-2 and as long as risk of contagion is present, the project will adopt a precautionary approach to stakeholder engagement and favor the use of information technology to the extent



possible and apply physical distancing. At the time of writing in April 2020, the Djibouti Government had taken measures to impose restrictions on public gatherings, meetings and people’s movement to slow down the spread of the disease. Hence the engagement will comply will physical distancing principles and alternative ways will be adopted to manage consultations and stakeholder engagement in accordance with the local laws, policies and new social norms in effect to mitigate prevention of the virus transmission.

The project will implement a Grievance Redress Mechanism (GRM), which will be widely disseminated to the stakeholders. When designing the GRM, MOPH will indicate clearly each step (acknowledgement, investigation, reporting back etc.) as well as their expected timeframe for handling. The GRM should include uptake channel to receive grievances (online and offline, including anonymous grievances), a well laid-out institutional setting and appeal process.

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 may lead to risks associated with occupational health and safety, working conditions and risks associated with labor influx. Key project workers identified at this stage includes: direct workers to be recruited by the Djibouti- Ethiopia Interconnection Project Management Office (PMO), contracted workers (ex. workers under the contractor(s) for civil works and the supervision consultants and consultants hired by EDD to support the project implementation); primary supply workers. It is not expected that the project uses community workers.

It is impossible to determine the number of workers at this stage and most likely until the contractor(s) are on board. Mobile teams of 15-20 workers, most of them highly skilled and international, tend to be deployed to carry out the civil works associated with the transmission line. A bigger team may be required to build the extension of the substation. The number of experts for the team under the supervision consultant, which may oversee the entire project in both Ethiopia and Djibouti, is not known at this stage. An estimate of the workforce and types of workers required will be part of the Labor Management Procedures (LMP) to be prepared to comply with the ESS2 requirements.

Occupational Health and Safety is probably the most important risk associated with ESS2, both during construction and the operation of the project activities. This risk is mitigated by the fact that only trained workers are usually allowed to install, maintain and repair electrical equipment and build transmission lines. The submission of an occupational health and safety plan should be a requirement of the bidding documents. Key obligations under this plan should be part of the LMP.

Another risk relates to working conditions and the protection of the labor force. Djibouti has ratified most of the International Labor Organisation (ILO) conventions relevant to the project such as C029 on forced labor, C087 on Freedom of Association, C098 on Collective Bargaining; C100 on Equal Remuneration, C111 on Discrimination, C138 on Minimum Age, C182 on Worst Forms of Child Labor and C105 on the Abolition of Forced Labor. That said,



enforcement of these conventions remains an issue. Key risks associated with the protection of the labor force will be assessed in the ESIA and bridging measures proposed in the LMP.

Finally, the project is expected to result in labor influx. The ESIA will assess this risk in practice in line with the Guidance Note on GBV and propose measures, such as a code of conduct and an anonymous grievance redress mechanism, in the LMP.

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS 3 is relevant for this project. Assessment of risks and impacts and proposed mitigation measures related to relevant requirements of ESS 3, including raw materials, water use, air pollution, hazardous materials, and hazardous waste will be included within scope of the ESIA/ESMP, as relevant. If the generated waste is considered hazardous, the Borrower will comply with existing requirements for management (including storage, transportation and disposal) of hazardous waste including national legislation and applicable international conventions. Where such requirements are absent, the Borrower will adopt GIIP alternatives for environmentally sound and safe management and disposal, in measures accessible in country's context.

ESS4 Community Health and Safety

ESS4 is relevant to the project. The project is expected to result in health and safety impacts to the community in the project area, such as impacts associated to exposure to dust, noise and vibration, electric magnetic field, an increase in traffic, as well as transmissible diseases or violent behaviors related to labor influx or the use of security force.

Construction works, such as excavations will generate noise, dust and vibration. The ESIA will assess the risks associated with Electric and Magnetic Fields according to international standards and ensure that inhabitable structures remain outside the Right of Way.

While project associated traffic movements are expected to be moderate, there is the likelihood for traffic congestion at the onset of construction activities, while the material is being transported. This matter is further amplified by the limited road network in Djibouti, where there is mainly one road between the two countries. An assessment of potential for increase traffic and road load will be conducted during preparation.

It is expected that project may lead to a moderate influx of people in search of employment in the project area during construction activities. While it is expected that the contractor comes with a team of skilled personnel to carry out the specialized tasks such as laying out the lines, unskilled or semi-skilled workers may be required to prepare the base of the transmission towers. Moreover, some material such as cement may be procured at the local level. This labor influx is expected to subside after the completion of the civil works. Nevertheless, moderate labor influx associated with disposable income may increase the risk of exposing the communities to transmissible infections and HIV/AIDS. Other potential impacts are the rise of GBV, SEA and other type of tensions or violence with the local communities. These risks will be assessed during the preparation of the ESIA and appropriate measures proposed in the ESMP or LMP.



ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is relevant to the project. While impacts on land acquisition and land use are expected to be moderate, impacts on economic activities are expected, especially during construction activities. The ESIA refers to a Right of Way (RoW) requirement of 1800 ha for the entire corridor (in both countries). For the most part, impacts on private or collective land will be limited to the construction period and thus temporary, as they will be allowed to use the land after the construction phase. Permanent impacts will be limited to the locations of the transmission towers. Moreover, while the community will be able to use the land, they will not be permitted to build structures within the ROW. Uses will be restricted to planting low crops and pastoral activities. Key assets expected to be impacted are huts and a few agricultural fields. There is no information on the land requirements and potential impacts for the extension of the substation in Nagad. These impacts and appropriate mitigation and compensation measures will be outlined in the Resettlement Action Plan (RAP).

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The 2017 ESIA does not identify any notable threats to natural habitats. Some vegetation clearance at the way-leave and along the right-of-way (ROW) is expected. However, the corridor’s path between Nagad and Holl-Holl isn’t mapped clearly. Depending on the exact path of the corridor, it could potentially cross the southern tip of the Djalélo terrestrial protected area which lies North of Holl-Holl. Based on the information in IBAT, there are no birds/bats migratory routes that cross the corridor or are in close proximity to it. A more detailed assessment is expected from the Djibouti-specific ESIA currently under preparation.

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

ESS7 is not relevant to the project as there are no communities meeting the requirements of ESS7 in Djibouti.

ESS8 Cultural Heritage

Given the nature of the civil works, ESS8 is relevant. The ESIA will assess the presence of cultural heritage sites in or near the proposed corridor and propose adequate mitigation measures.

ESS9 Financial Intermediaries

This ESS9 is not relevant to the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

Public Disclosure



III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?

Yes

Financing Partners

The African Development Bank (AfDB) is financing the whole line from Ethiopia to Djibouti as well as the substations on both sides. While a formal common approach is not currently envisaged under the project (Djibouti side), the World Bank team will work closely with EDD and the AfDB to coordinate the E&S risk management requirements at national level and for both institutions as well as the preparation of the relevant instruments. In addition, the World Bank will work with the Government of Djibouti and AfDB to review the E&S risks, measures and instruments developed for the civil works in Ethiopia. The team will use all leverage possible to make sure these instruments meet the principles of the ESF.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

Actions to be completed prior to Bank Board Approval:

- Environmental and Social Impact Assessment (with gender action plan and ESMP) prepared and disclosed before appraisal
- Resettlement Plan prepared and disclosed prior to appraisal
- Labor Management Plan prepared and disclosed prior to appraisal
- Gender Action Plan prepared and disclosed prior to appraisal
- Stakeholder Engagement Plan prepared and disclosed prior to appraisal

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

Modalities pertaining to a Common Approach between AfDB and the World Bank
Any responsibilities of the Borrower pertaining the activities in Ethiopia as associated facilities

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

21-Aug-2020

IV. CONTACT POINTS

World Bank

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Public Disclosure



Borrower/Client/Recipient

Borrower: Republic of Djibouti - Ministry of Economy and Finance

Implementing Agency(ies)

Implementing Agency: Electricité de Djibouti

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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Practice Manager (ENR/Social)	Lia Sieghart Recommended on 05-Jun-2020 at 23:12:24 EDT
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 25-Jun-2020 at 12:23:21 EDT