



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 27-May-2021 | Report No: PIDC31936

**BASIC INFORMATION****A. Basic Project Data**

Country Eastern Africa	Project ID P174175	Parent Project ID (if any)	Project Name Horn of Africa Regional Integration for Sustainable Energy Supply (P174175)
Region AFRICA EAST	Estimated Appraisal Date Mar 28, 2022	Estimated Board Date May 26, 2022	Practice Area (Lead) Energy & Extractives
Financing Instrument Investment Project Financing	Borrower(s) Intergovernmental Authority on Development (IGAD), Eastern Africa Power Pool (EAPP), Federal Democratic Republic of Ethiopia, Federal Republic of Somalia, Republic of Sudan	Implementing Agency Ethiopian Electric Power (EEP), Federal Ministry of Energy and Water Resources- FGS - Somalia, Ethiopia Electric Utility (EEU), Sudanese Electricity Transmission Company Ltd (SETCO), Électricité de Djibouti (EDD), Kenya Power (KPLC), Ministry of Energy and Minerals - Somaliland	

**Proposed Development Objective(s)**

The objective of the project is to enhance regional energy integration and improved borderland access to clean energy in the Horn of Africa countries.

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	1,035.00
<b>Total Financing</b>	1,035.00
<b>of which IBRD/IDA</b>	1,035.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**



International Development Association (IDA)	1,035.00
IDA Credit	220.00
IDA Grant	815.00

Environmental and Social Risk Classification

High

Concept Review Decision

Track II-The review did authorize the preparation to continue

## B. Introduction and Context

### Country Context

- The Horn of Africa is a fragile hotspot characterized by a high degree of socio-economic variation between and within countries.** For this project, the Horn of Africa (HoA) includes Djibouti, Ethiopia, Kenya, Somalia, and Sudan. The HoA is home to a population of about 230 million people – 2020 estimates (about the size of Pakistan), expected to reach 260 million by 2030. The region is home to some of the smallest and the largest countries in Africa with populations ranging from less than a million people in Djibouti to more than 112 million people in Ethiopia, and comprises landlocked countries such as Ethiopia and countries with the longest coastline in the African continent (Somalia). Approximately 70 percent of the HoA population lives in rural areas. The combined Gross Domestic Product (GDP) in the region is estimated at about US\$210 billion. The region exhibits varying levels of poverty, ranging from 68.6 percent in Somalia to 17 percent in Djibouti.
- Most HoA countries exhibit conflict or vulnerability.** Somalia and Sudan suffer from protracted internal conflict and political strife arising from challenges of low level of development, resource scarcity, and economic shocks from global economic crises and climate challenges.<sup>1</sup> In the FY2021 global list of Fragile and Conflict-affected States (FCS) released by the World Bank Group, Somalia is listed in the high-intensity conflict category. A humanitarian crisis is looming in the Tigray region of northern Ethiopia since the breakout of the conflict in November 2020. Tensions are ongoing between Kenya and Somalia around the Beled-Hawo area. Clashes between Sudan and Ethiopia over disputed borders have been protracted and at times been compounded by the conflict in Tigray.
- The HoA countries are beleaguered by the ongoing triple crisis: the Coronavirus (COVID-19) pandemic, resulting economic crisis, and food insecurity due to droughts and locusts.** The HoA has had about 490,000 infections and 10,000 deaths from COVID-19 as of May 12, 2021 compared to 4.6 million infections and 125,000 deaths for Africa as a continent. The African continent, including the HoA region, has experienced extraordinary supply and demand shocks leading to a sharp overall decline in economic activity. Growth rebound in the HoA in 2021 is expected to be an average of 4.1 percent. Poverty is expected to rise, and decades of economic progress is threatened. These COVID-19 driven shocks are compounding already difficult challenges resulting from drought and locusts, which have heightened food insecurity and depressed the economic output of the agriculture sector.
- The HoA countries launched the Horn of Africa Initiative in 2019, recognizing the need for a concerted effort to**

<sup>1</sup> IGAD regional Strategy, Volume 1: The Framework, January 2016.



**collectively augment the development trajectory.** Leaders of the HoA countries requested support from the World Bank (WB), African Development Bank (AfDB) and European Union (EU) to deepen economic integration. The HoA Initiative (HoAI) prioritizes investments for US\$15 billion structured in four thematic areas: (i) development of regional infrastructure networks covering upgrading of economic corridors, energy, and digital connectivity; (ii) trade and economic integration covering trade facilitation, regional value chains, and improvements in the investment climate; (iii) resilience building involving strengthening of pastoral production systems; and (iv) human capital development, focusing on building skills for future employment and empowering women and youth.

5. **The HoAI offers opportunities to reap the benefits of connectivity, create and diversify jobs, reduce poverty, conflicts, and inequality, and support a post-COVID economic recovery.** Between 2014 and 2019, growth in the HoA outpaced growth in Sub-Saharan Africa (SSA) as a whole, but opportunities to close at a faster pace the development gap are missed due to low-level of integration and infrastructure challenges. Trade in the region, for example, plays a role in the economy considerably below what would be expected based on the economic size and location of the countries. The multi-sectoral HoA Initiative has been designed in this context to support countries fully realize their economic potential through selective high-impact measures, investments, and institution building efforts.

#### Sectoral and Institutional Context

6. **Expansion of electricity services in HoA has been robust, especially in Ethiopia and Kenya. In both Ethiopia and Kenya, access has quadrupled since year 2000.** In Kenya, a concerted effort to increase access through grid expansion and densification and off-grid solutions has resulted in an average of one million new connections annually over the past four years. Since 2016, energy access in Kenya has grown from approximately 50 percent to 75 percent. In Ethiopia, electricity access is currently at 45 percent, compared to 23 percent in 2011. The National Electrification (NEP) Program launched in 2017 by the Government envisions universal access by 2025.

7. **Decentralized electricity sources, especially off-grid solar, have contributed significantly to recent access acceleration in many countries.** As of 2019, Ethiopia, Kenya, represented roughly 25 percent of all off-grid solar products sold across the globe. The growing role of off-grid technologies is increasingly being formally integrated into government planning through geospatial least-cost grid expansion studies and national electrification strategies, notably in Kenya and Ethiopia. Off-grid markets in Djibouti and Somalia are nascent, however, with negligible experience in designing conducive policy and regulatory frameworks, and constrained by limited market size, access to finance, and consumer awareness.

8. **The HoA countries are also endowed with significant and diverse renewable energy resources and efforts are underway to harness these resources using public private partnership modalities to increase electricity access through power trade.** Renewable energy, especially solar and wind IPPs are being developed in Kenya and Ethiopia along with Egypt Tanzania, Burundi in the broader Eastern Africa region; Kenya and Ethiopia are considering private sector participation in transmission infrastructure. The region has one of the best conditions for solar renewable energy in the world, having Global Horizontal Irradiance level between 5.21 kWh/m<sup>2</sup> and 6.74 kWh/m<sup>2</sup>. It also has high quality wind resources with the mean wind speed exceeding 8 m/s (Global Wind Atlas). Similarly, the region also has ample hydropower and geothermal resources. Solar, wind and geothermal are complementary to hydropower which has high seasonal and yearly variations. Kenya and Ethiopia have launched feed-in tariffs and auction programs respectively to attract private sector to develop renewable, especially solar and wind resources. Power trade could help harness this enormous renewable energy potential and thus provide adequate supply of electricity to the region. Power trade already exists between some countries including Ethiopia-Sudan and Ethiopia-Djibouti but there is tremendous potential to increase existing trade between these countries and involve other countries in the region.



**9. About half of the HoA population remains without electricity and 70 percent lives without clean cooking solutions.** The HoA is home to 106 million people without access to electricity, about half of the total HoA population and 17 percent of the overall access deficit in Sub-Saharan Africa. The access deficit is particularly dire in HoA borderlands. Access to electricity service is limited to 0-20 percent in most of the borderlands compared to the regional average of 50 percent, resulting in about over 1.4 million households living in the dark, representing 70 percent of total households in the borderlands. The market for clean cooking is still nascent in all HOA countries, albeit clean cooking solutions are now available in most of urban centers.

**10. Regional trade and integration in HoA are currently low even though they were embedded in the regional history.** According to the Common Market for Eastern and Southern Africa (COMESA), four of the HoA countries (Djibouti, Ethiopia, and Sudan) occupy the lowest positions in the African Regional Integration Index. Somalia score nearly zero in integrated infrastructure index. Sudan and Somalia score among the lowest in trade integration. Regional power trade in HoA is minimal with the existing interconnector capacity at ~280 MW and annual traded energy volume at ~1,370 GWh.

**11. Regional integration is one of the cost-effective solutions to advance the energy access aspirations.** Power trade can bring a multitude of benefits to HoA countries including lower operating costs through optimized dispatch, lower investment costs through sharing of reserves and coordinated planning, lower greenhouse gas (GHG) emissions through cost efficient and regional renewable energy projects, increased sector resilience, increased access and reduced unmet demand, increased viability of investments catering to larger regional markets, improved financial standing of utilities and a reduced strain on limited state budgets.

**12. Regional power trade can result in environmental benefits through a greater share of renewable energy production and associated reduction in fossil-fuel based generation.** Increased interconnection can enable greater penetration of renewable energy in Eastern Africa's generation mix by unlocking the region's hydropower, geothermal and variable renewable energy (VRE) resources.

**13. Regional integration can also help tackle the challenges facing the borderlands in HoA.** Regional collaboration at the policy and institutional levels will help ease flow of capital, labor, goods, and services to borderlands. Regional level investments in basic infrastructure and social services will help mitigate the impact of geographic isolation, such as energy, education, health, water, information and communications technology, and access to finance.

**14. Eastern Africa aims to transition from islanded national power systems to a fully interconnected system in the next five years.** Approximately 5000 MW of interconnection capacity is currently under implementation and expected to come online within the next five years. This implies that by 2025 most countries in the region will be interconnected through high voltage transmission lines. HoA countries need to focus both on developing hard infrastructure and actively participating in the development and adoption of soft infrastructure. This can allow countries with lagging power sectors to leapfrog, enabling a faster development trajectory. The Eastern Africa Power Pool (EAPP) and other regional initiatives can enhance the prospect of regional integration within HoA countries, between HoA countries and with the broader EAPP and Southern Africa Power Pool

Relationship to CPF

**15. The project is aligned with the World Bank's Country Partnership Frameworks**



- **Djibouti:** The draft Country Partnership Framework (CPF) for FY21-25 underlines the importance of the HOAI for regional integration and cooperation. The Bank will support transformative regional projects that leverage private sector investments, including renewable energy.
- **Ethiopia:** The CPF FY18-22 emphasizes the diversification of energy sources in the country and increasing access through off-grid solutions. The CPF also highlights the focus on exports of clean energy to neighboring countries to increase power sector revenues.
- **Kenya:** The CPF FY14-18 was extended until FY20. Domain 1 “Competitiveness and Sustainability” calls for infrastructure for sustainable growth with active private sector participation; and Domain 3 “Consistency and Equity – Delivering a Devolution Dividend” seeks to deepen Kenya’s regional integration through cross-border projects.
- **Somalia:** The CPF FY19 – 22 Objective 2.3 ‘Increase access to renewable energy’ targets increase in energy access and the development of a private sector led market for off-grid solutions. The draft 2020 Nationally Determined Contributions (NDCs), setting the target of 30 percent GHG reduction against BAU scenario by 2030.<sup>2</sup>
- **Sudan:** The Country Engagement Note (CEN) FY21-22 objective 2.3 focuses on ‘Strengthening service delivery and resilience’ through the modernization of the energy sector and increasing energy access through low-cost renewable energy sources. In March 2020, Sudan has officially re-engaged with the Bank after clearing its arrears.

16. The proposed investment supports NDC targets (see Table 1) of HoA countries, the WBG’s Africa Regional Integration and Cooperation Strategy Update (FY21-23)<sup>3</sup>, the WBG Climate Change Action Plan, the 2020-25 WBG Strategy for Fragility, Conflict, and Violence, and the 2016-23 WBG Gender Strategy. The project is also aligned with the objectives of the HOAI, the EAPP Strategic Plan, and the IGAD Regional Infrastructure Master Plan. It supports the objectives of the HOA Initiative, which aims to facilitate regional integration and cooperation among HOA countries. The project complements and coordinates other HoAI pipeline projects, and relevant active national and regional WB engagements, from which lessons learned will be drawn.

Table 1: NDCs of HoA Countries

Country	NDC
Djibouti	Conditional ambition to reduce emissions by 60% in 2030 relative to BAU of 4.4 MtCO <sub>2</sub> eq
Ethiopia	Revised version in 2020 with an increased conditional ambition of 53.5% emissions reductions by 2030 relative to Business-As-Usual emissions of 412 MtCO <sub>2</sub> eq
Kenya	Revised version in 2020 with an increased conditional ambition of 32% emissions reductions by 2030 relative to BAU emissions of 143 MtCO <sub>2</sub> eq
Somalia	Revised draft under development with conditional target of 30% emissions reductions (60 MtCO <sub>2</sub> eq) against the BAU scenario by 2030

**C. Proposed Development Objective(s)**

17. The objective of the project is to enhance regional energy integration and improved borderland access to clean energy in the Horn of Africa countries.

<sup>2</sup> To achieve this target, Somalia will have to reduce its GHG emissions by about 60 MtCO<sub>2</sub>e relative to the BAU scenario by 2030. The targeted emission reductions from the energy sector amount to 15.3 MtCO<sub>2</sub>e. Priority mitigation action in the electricity sector include (i) development of renewable electricity resources (at least 60 MW new renewable energy capacity by 2030 and 30 percent RE based electricity generation by 2030); (ii) replacement of kerosene lamps by renewable lamps (30 percent renewable lamps by 2030); (iii) reduction of transmission losses to 10 percent by 2030; and (iv) introduction of energy efficient light bulbs (40 percent lower consumption by 2030). In addition, the draft NDC targets increased use of clean and energy efficient Cookstoves (at least 3 million new cookstoves by 2030). Source: Mitigation Analysis Report – Somalia’s greenhouse Gas Mitigation Priorities and Costing, NDC Partnership, December 2020.

<sup>3</sup> WBG (2020) ‘Supporting Africa’s Recovery and Transformation: Regional Integration and Cooperation Assistance Strategy Update, FY21-FY23.



Key Results (From PCN)

18. **The preliminary list of results indicators is as follows:**

- a. Transmission lines constructed or rehabilitated under the project (km)
- b. Increase in power trade (MW)
- c. Number of people in the borderlands provided with new or improved energy services (Number), of which females (%)
- d. Annual greenhouse gases emissions avoided (tCO<sub>2</sub>)

**D. Concept Description**

19. **The proposed project adopts a regional approach to build physical connectivity and expand access complementing the multitude of national initiatives.** The proposed operation is an Investment Project Financing operation. It will provide support to the priority activities identified by the HOA countries under Pillar I of the HOAI and complement with national programs for regional interconnectivity, electrification, and access to clean cooking solutions.

**Component 1 – Physical Interconnection Infrastructure (US\$400 million, IDA)**

20. **The component will provide support for some or all of the following activities, pending investment readiness and political buy-in from the client countries:** (i) the construction of two 230kV transmission lines between Ethiopia and Somalia (Northern and Southern); (ii) the reinforcement of the existing Ethiopia-Sudan 230kV double circuit transmission line; and (iii) the construction of the second Ethiopia-Sudan 500kV transmission line.

21. **Ethiopia-Somalia 230kV new interconnectors.** The Northern 230kV interconnector preliminary routing identified is Dire Dawa-Togo Wajale-Berbera (via Hargeisa) and will extend for about 420km. The Southern 230kV interconnector has two possible routings: via Negele-Dolo Odo-Mogadishu, about 780km long; or Gode-Beledweyne-Mogadishu, about 600km in length. The feasibility study for interconnectors, including a preliminary Environmental and Social Impact Assessment (PESIA), is at the request for expression of interest (REOI) stage. The interconnectors will establish segments of the missing transmission backbone in Somalia supporting the re-establishment of a national grid infrastructure.

22. **Reinforcement of the existing Ethiopia-Sudan 230kV double circuit line.** This existing interconnector is about 200km long and extends from the Gadarif substation in Sudan to the Shehedi substation in Ethiopia. The World Bank and EAPP Secretariat are supporting the two countries in identifying the investment requirements and technical assistance needs to realize the full potential of this interconnector.

23. **Construction of the new Ethiopia-Sudan 500KV double circuit alternate current line.** The proposed 590 km long interconnector extends from Guba in southwestern Ethiopia (about 15 km to the border with Sudan) to New Jabal Aulia (near Khartoum) via New Rabak with a power carrying capacity of up to 3000 MW. Feasibility and ESIA studies were completed in 2017 and may require a revision in line with the current sector situations in both countries.

**Component 2 – Energy Access Scale-up in the Borderlands and Community Engagement (US\$50 million IDA, US\$10 million grant from the Clean Cooking Fund)**

24. **Component 2 targets energy access interventions in borderland areas, mostly agri-pastoralist population.** It



includes the following activities: (i) electricity access to public institutions (e.g., health facilities, schools, veterinary posts, community centers, street lightening, telecom towers, etc.), (ii) electricity access to households, (iii) electricity access for productive uses (e.g. water points – which are mostly privately owned-, refrigeration and cold chains, agri-processing etc.), and (iv) access to clean cooking for households and social centers in borderland communities of the HOA.

**25. This component will prioritize the most vulnerable and underserved communities or development nodes<sup>4</sup>** where there is lack of energy access, concentrated presence of public institutions and water points along trading routes (places of gathering for surrounding communities, including nomadic population) and markets and existing cross-border trade, etc. The component is designed to follow a least- cost, technology-neutral approach for both electrification (including extension of distribution networks, solar off-grid solutions, mini-grids or hybridization of existing diesel generation with renewable energy) and clean cooking.

**26. This component envisages the adoption of a Result-Based Financing scheme providing partial grants to incentivize service delivery by covering for the risk premium associated with operating in these areas, higher cost of connectivity due to remoteness and fragility, and lack of affordability.** A regional results-based financing facility is expected to be set up and administered by a regional entity such as IGAD, in collaboration with the client countries and NGOs and humanitarian agencies active in the selected areas, where applicable and relevant for project implementation.

**Component 3 – Technical Assistance and capacity building for regional power integration (US\$25 million, IDA)**

**27. Component 3 will provide technical assistance and capacity building to EAPP, its member countries, and the regional Independent Regulatory Board (IRB).** The proposed activities under this component include: (i) upstream analytical and preparatory studies for priority regional transmission projects, (ii) advisory and capacity building support to member countries (through EAPP) for interconnected grid operation and power trade (operational and commercial readiness), and (iii) strengthening of the coordination of power trade and operationalization of the regional power market, including monitoring and coordination of power flows through a new Grid Coordination Unit, (iv) strengthening for the EAPP technical committees to effectively undertake their roles and responsibilities, (v) institutional building of the IRB to make it fully operational, and (vi) facilitation of the power purchase agreements (PPAs) for cross-border transmission lines.

**Component 4: Project preparation and implementation support (US\$25 million, IDA)**

**28. Component 4 will provide technical assistance and capacity support for project preparation and implementation.** It will finance the operating costs of the Project Implementation Units , regional institutions (EAPP, IGAD, IRB etc) and participating countries. Support will be provided to ensure establishment of adequate social and environmental safeguards capacity, as well as fiduciary and Monitoring and Evaluation, for implementation of activities.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	Yes
Summary of Screening of Environmental and Social Risks and Impacts	



Adverse environmental impacts can occur within or in the immediate vicinity of rights-of-way (ROW) during construction, operation, and maintenance of transmission lines. The environmental risks and impacts could be significant if natural or critical habitats such as wetlands as well as protected fauna and flora species are affected. Many of the HOA countries have very high levels of flora and fauna endemism, and these species, many of them found nowhere else on the planet, can be significantly affected with loss or modification of habitats.

Construction of ROW, substations and access roads can result in a range of environmental risks including the alteration, disruption and fragmentation of aquatic habitat and vegetation along the lines. Transmission and distribution will likely lead to some losses in electricity (?line loss?) as it moves from the point of generation in Ethiopia to the end-users in Somalia or Sudan. Power transmission lines, once constructed, will require routine maintenance. Trees and other plants near the wires may have to be maintained to keep them from touching the wires, resulting in loss of vegetation. The maintenance required will lead to cutting of trees and maintaining access roads which may traverse wildlife corridors, critical habitats, such as wetlands, and result in loss of vegetation and deforestation.

The construction and maintenance of transmission line ROW can pose fatal risk to birds and bats through collisions and electrocutions. Bird and bat collisions with power lines may result in power outages and forest/bush fires. In addition, many high-voltage circuit breakers, switches, and other pieces of equipment used in the transmission and distribution network may be insulated with Sulphur hexafluoride, which is a potent greenhouse gas. SF<sub>6</sub> can also cause health problems (lung damage) if workers are exposed to the gas during routine maintenance. This gas can leak into the atmosphere from aging equipment or during maintenance and servicing. So far as financially feasible, the project should plan to minimize the amount of SF<sub>6</sub> released through replacing older equipment with more efficient, better sealed units; and improving processes to minimize emissions during maintenance of switchgear and reducing leaks while in service. Habitat alteration from right-of-way construction and maintenance activities could in turn cause loss of wildlife habitat and nesting sites; disturbance of breeding season and other sensitive seasons of different fauna and may also lead to establishment of non-native invasive plant species. Transmission and distribution rights-of-way, access roads, lines, towers, and substations should therefore be sited in such a way that potential risks to critical or natural habitats could be avoided or minimized. Nationally important environmental receptors should also be mapped prior to construction to minimize impact.

Visual and auditory disturbance could occur due the project activities and works because of the presence of machinery, construction workers and transmission towers. Air pollution from dust and vehicle and machinery may result during construction stage. In most cases, wooden utility poles are treated with pesticide preservatives to protect against insects, bacteria, and fungi. The preservatives most used for power poles include oil-based pesticides such as creosote, pentachlorophenol (PCP), and chromated copper arsenate (CCA). Due to their toxic effects on the environment, use of these preservatives is being limited in some countries. The treated poles may leach preservatives into soils and groundwater. The most significant potential environmental impacts occur at specialized wood treatment facilities if not managed appropriately.

There are health and safety concerns that may result from construction and maintenance of transmission line ROW.

Occupational health and safety issues during the construction, operation, and maintenance of electric power distribution project include live power lines, working at height, electric and magnetic fields, and exposure to chemicals. The operation of live power distribution lines and substations may also generate community health and safety risks such as dust, noise, electrocution, electromagnetic interference, visual amenity and noise and ozone.

The anticipated impacts and risks of the Component II include soil disturbance due to vegetation clearance, installation of equipment, and poor waste management. Off-grid solar product and batteries which may be used in borderlands areas where the beneficiaries have no or limited knowledge of disposal and recycling of the e- wastes. Furthermore, vegetation clearance from construction and installation of solar mini grids and construction of distribution lines and solar power system for social institutions which may lead to depletion of vegetation. It could also contribute to disturbance of topsoil and cause micro level erosion. Birds may confuse solar panels with water bodies and could collide with the solar panel. In sum, the potential environment, health, and safety risks of the proposed project is expected to be high as it will be



implemented in contexts where the client capacities are limited. The operation should follow good international industry practice and guidance including the WBG EHS Guidelines for Electric Power Transmission and Distribution to avoid or minimize potential EHS risks.

Acquisition of land for the transmission line and associated infrastructure is a key risk in Somalia, Sudan and Ethiopia. Land acquisition is expected to be challenging, due to the conflict situation, weak institutional frameworks; overlapping land ownership claims; customary communal and clan-based land tenure; and unclear regulations regarding the utilization of the RoWs during operation. The uncertainties also relate to compensation matters (cash compensation, in-kind or land for land compensation, willing seller-willing-buyer, and easement vs transfer of land ownership) and eligibility for compensation entitlements (formal vs informal legal rights). Acquisition is likely to impact livelihood strategies, including farming and pastoral activities. Risks associated with land acquisition may also result to a lesser extent from the Component 2 activities.

Component 1 could potentially impact agricultural pastoralist and agro-pastoralist communities who meet the criteria of ESS7 in both Ethiopia and Sudan. Somali Regional State and Benishangul-Gumuz are identified as emerging regions in Ethiopia, while pastoralists are found along the borderlands in Sudan. The Transmission Lines could affect the livelihoods and land rights of these communities. Within Kenya, Vulnerable and Marginalized Groups are present and may be subject to changes in land rights or uses. Meaningful engagement will be needed to ensure equal access to benefits and address impacts but Free Prior and Informed Consent may be required.

Security of project workers, assets and communities, especially in Somalia, is a key risk given the ongoing conflict situation. However sporadic outbreaks of violence can occur in Sudan, Kenya and Ethiopia. A security risk assessment will be needed to understand the risks.

During construction, risks related to labor influx may occur including transmission of communicable diseases and STDs including HIV/AIDS. The risk of COVID-19 has been identified as a transversal risk in all activities across the countries. Competition for scarce resources between project workers and locals, may also occur. Establishment of workers camps (notably in Ethiopia, Sudan and Somalia) and employment opportunities under Components 1 and 2 may facilitate child labor given the stark poverty situations in the borderlands. The labor influx may also cause or exacerbate the existing inter-tribal conflicts or community tensions and conflicts over resources, particularly in the pastoralist and semi-pastoralists areas in Ethiopia, Sudan and Somalia. Labor issues related to equity in employment opportunities may also occur especially for disadvantaged groups such as IDPs, Returnees and minority clans.

While increased energy access in the borderlands in the HOA is likely to be an advantage there is potential for exclusion of disadvantaged and vulnerable groups e.g., women, persons with disabilities, IDPs and refugees from decision making and project benefits (with associated elite capture). These issues may contribute to increased social tension within and between communities associated with rights to access electricity and other benefits. Conversely, Component 2 will provide local benefits to communities which may help facilitate agreements over implementation of this element. Community consultations and meaningful stakeholder engagement is likely to be challenging across all participating countries given the security situation, remote locations, local clinic and tribal considerations and livelihood strategies of communities in the borderlands. Furthermore, developing effective grievance redress mechanisms will be complex due to traditional decision-making structures and existing social tensions.

All social risks mitigation measures will be detailed in the appropriate ESF instruments. Furthermore, options for benefit sharing during construction and operation will be assessed during project preparation to ensure local benefits associated with Component 1.

The SEA/SH Risk Rating is High. Activities under Component 1 and 2 are likely to take place in rural/remote areas conflict areas where there is extreme poverty, lack of accessibility to services and where the prevalence of GBV is high. Labor influx and camps may exacerbate risks associated with SEA. SEA/SH risks are also possible within the workforce including in any worker accommodation and in the workplace as well as during recruitment. SEA/SH Action plans will be developed to address these risks.



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## CONTACT POINT

### World Bank

Xiaoping Wang, Chiara Odetta Rogate  
Lead Energy Specialist

### Borrower/Client/Recipient

Intergovernmental Authority on Development (IGAD)  
Debalkew Berhe  
Coordinator  
debalkew.berhe@igad.int

Eastern Africa Power Pool (EAPP)  
Lebbi Changullah  
Secretary General  
lchangullah@eappool.org

Federal Democratic Republic of Ethiopia

Federal Republic of Somalia

Republic of Sudan

### Implementing Agencies

Ethiopian Electric Power (EEP)  
Ashebir Balcha  
CEO  
ashecha@gmail.com

Federal Ministry of Energy and Water Resources- FGS - Somalia



Abdiwahid Ibrahim Ahmed  
Director General  
dg@moewr.gov.so

Ethiopia Electric Utility (EEU)  
Shiferaw Telila  
Chief Executive Officer  
shiftelsen@gmail.com

Sudanese Electricity Transmission Company Ltd (SETCO)  
Elzein Elsheikh  
Chief Executive Officer  
setcosdn@hotmail.com

Électricité de Djibouti (EDD)  
Awaleh Moussagadid  
Head of Transmission Department  
awalehdinter@gmail.com

Kenya Power (KPLC)  
John Kyalo  
Senior Electrical Engineer  
johnkyalo@gmail.com

Ministry of Energy and Minerals - Somaliland  
Liban Mohamed  
Coordinator - Somaliland  
libanmm@gmail.com

**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>

**APPROVAL**

Task Team Leader(s):

Xiaoping Wang, Chiara Odetta Rogate



**Approved By**

Country Director:	Claire Kfour	27-May-2021
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