

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Date prepared/updated: January 13, 2017

Report No.: 112247

I. Basic Information

1. Basic Project Data

Country: Republic of Zambia		Project ID: P157943	
		Additional Project ID (if any):	
Project Name: West Lunga Scaling Solar Energy Project			
Task Team Leader: Mirlan Aldayarov, Arnaud Braud			
Estimated Appraisal Date: December 19, 2016		Estimated Board Date: February 16, 2017	
Managing Unit: GEE08		Lending Instrument: Guarantee	
Sector: Energy and mining			
Theme: Financial and private sector development			
IBRD Amount (US\$m.):			
IDA Amount (US\$m.): 3.5			
GEF Amount (US\$m.):			
PCF Amount (US\$m.):			
Other financing amounts by source:			
Environmental Category: B			
Is this a transferred project		Yes [X]	No []
Simplified Processing		Simple []	Repeater []
Is this project processed under OP 8.00 (Rapid Response to Crises and Emergencies)		Yes []	No [X]

2. Project Objectives:

The project development objective is to increase solar electricity generation capacity and diversify electricity generation resources in Zambia.

3. Project Description:

The project consists of the development, financing, construction, operation and maintenance of a new 55 MW_p solar PV plant located in the Lusaka South Multi-Facility Economic Zone in West Lunga, Zambia (the “West Lunga project” or the “Neoen/First solar project”). The electricity generated from the project will be sold to the Zambian utility company ZESCO through a 25 year power purchase agreement (PPA).

The project is sponsored by Neoen SAS of France (“Neoen”), First Solar of USA (“First Solar”) and IDC of Zambia. Neoen is a leading French developer specializing in the development, financing, construction, and operation of renewable energy projects. Since its inception in 2008, Neoen has financed 864 MW of renewable energy power projects (solar, wind, biomass) across Africa, Europe, and Latin America. Solar represents the largest proportion of Neoen’s existing portfolio with 431 MW of projects in operation and 102 MW under construction. First Solar is a leading PV manufacturer in the United States of America (USA) and a provider of supporting services (finance, construction, operation, maintenance, and end-of-life panel recycling) to utility-scale PV power plants. First Solar has developed, financed, engineered, constructed and currently

operates many of the world’s largest grid-connected PV power plants. First Solar is publicly listed and traded on NASDAQ.

Neoen/First Solar signed their Shareholder Agreement with IDC on November 4, 2016, establishing the project company called Bangweulu Power Company Ltd., as a special purpose vehicle incorporated in Zambia. The company is co-owned by Neoen, First Solar and IDC with respectively 67 percent, 13 percent and 20 percent shareholding. The project expects to reach financial close in March 2017. This project is presented for Bank’s approval through this PA.

The power plant covering a maximum footprint area of about 52 hectares will require about 460,000 thin film modules from First Solar and 12 transformers. The proposed PV system will be connected to the grid and the electrical energy will be evacuated through a substation, via a 33kV underground cable.

4. Project Location and salient physical characteristics relevant to the assessment of environmental and social risks and impacts:

The project site is situated within the Lusaka South Multi Facility Economic Zone (LS MFEZ) about 15 km to the South and East of the Lusaka Central Business District. The site is bordered by the Lusaka National Park to the South and some agricultural holdings to the East.

5. Environmental and Social Safeguards Specialists on the Team:

Sanjay Srivastava, Lead Environmental Specialist, GEN01
 Mwansa Lukwesa, Environmental Specialist, GEN01
 Knut Opsal, Lead Social Development Specialist, GSU07
 Richard Everett, Consultant, GSU01

6. Applicable Performance Standards	Yes	No
PS 1: Assessment and Management of Environmental and Social Risks and Impacts	X	
PS 2: Labor and Working Conditions	X	
PS 3: Resource Efficiency and Pollution Prevention	X	
PS 4: Community Health, Safety, and Security	X	
PS 5: Land Acquisition and Involuntary Resettlement	X	
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources		X
PS 7: Indigenous Peoples		X
PS 8: Cultural Heritage		X

7. If PS 1 and PS 2 are NOT applicable, provide a brief explanation why:

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

See attached Environmental and Social Review Summary, which is disclosed on January 13, 2017 and can be found at

<http://ifcextapps.ifc.org/ifcext/spiwebsite1.nsf/78e3b305216fcd8a85257a8b0075079d/71d2d1f6904733b3852580a700785d92?opendocument>.

B. Disclosure Requirements Date	
Environmental and Social Review Summary:	
Dates of "in-country" disclosure	January 13, 2017
Date of submission to InfoShop	January 13, 2017
For Category A projects, date of distributing the Executive Summary of the client's ESIA to the Executive Directors	n/a
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

Client's Environment and Social Assessment			
Does the project require a stand-alone Environmental and Social Assessment (including EMP) report?	Yes [X]	No []	N/A []
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes [X]	No []	N/A []
Client's Environmental and Social Management System			
Has the client developed an appropriately detailed ESMS, <u>and</u> does the client have the technical and organizational capacity to implement it?	Yes [X]	No []	N/A []
Labor and Working Conditions			
Does the client have a written human resources policy available to all employees that describes labor and working conditions?	Yes [X]	No []	N/A []
Biodiversity and Natural Resource Management			
If PS 6 is applicable, would the project result in any significant conversion or degradation of critical natural habitats?	Yes []	No []	N/A [X]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes []	No []	N/A [X]
If the project entails use of living natural resources, has certification been obtained or a time-bound plan established to obtain certification?	Yes []	No []	N/A [X]
Physical Cultural Resources			
If PS 8 is applicable, does the project design include adequate measures related to physical cultural resources?	Yes []	No []	N/A [X]
Indigenous Peoples			

If PS 7 applicable, and have Indigenous Peoples communities been consulted in accordance with requirements of PS 7?	Yes []	No []	N/A [X]
Have the requirements for Free Prior Informed Consent been met, and is there reasonable evidence of broad community support by the affected Indigenous Peoples communities?	Yes []	No []	N/A [X]
Involuntary Resettlement			
If PS 5 is applicable, have the requirements been complied with by the client?	Yes []	No []	N/A [X]
Pollution Prevention and Efficient Use of Resources			
Does the project comply with good international industry practice as presented in the WBG EHSOs or a similar internationally recognized benchmark?	Yes [X]	No []	N/A []
Is the project designed for energy efficiency and waste minimization?	Yes [X]	No []	N/A []
Community Health and Safety			
Has the assessment determined that local communities could face significant adverse impacts in event of an accident or emergency situation associated with the project?	Yes []	No [X]	N/A []
If so, has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	Yes []	No []	N/A [X]
Projects on International Waterways			
Have the other riparians been notified by the Bank of the project?	Yes []	No []	N/A [X]
Projects in Disputed Areas			
Has the memo conveying all pertinent information on the international aspects of the project, including the procedures to be followed, and the recommendations for dealing with the issue, been prepared by the Bank?	Yes []	No []	N/A [X]
Disclosure			
If Category A or B, has the ESRS been sent to the World Bank's Infoshop?	Yes [X]	No []	N/A []
Have relevant assessment documents prepared by the client been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes []	No []	N/A []
Monitoring and Reporting			
Has the client agreed to submit an Annual Monitoring Report to the Bank to report on the management of environmental and social risks and impacts, and does the Legal Agreement contain this provision?	Yes [X]	No []	N/A []
Has the client agreed to report at least annually to local affected communities on how the project is performing with respect to environmental and social risks and impacts of concern to those communities?	Yes [X]	No []	N/A []

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mirlan Aldayarov, Arnaud Braud	January 17, 2017
Environmental Specialist:	Mwansa Lukwesa	January 17, 2017
Social Development Specialist:	Knut Opsal	January 17, 2017
Additional Environmental and/or Social Development Specialist(s):	Sanjay Srivastava Richard Everett	
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Nathalie Munzberg	January 17, 2017
Comments:		
Sector Manager:	Wendy Hughes	January 17, 2017
Comments:		