



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 17-Jan-2019 | Report No: PIDISDSA24043



BASIC INFORMATION

A. Basic Project Data

Country Central African Republic	Project ID P164885	Project Name CAR Emergency Electricity Supply and Access Project	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 11-Jan-2019	Estimated Board Date 28-Feb-2019	Practice Area (Lead) Energy & Extractives
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy, Planning, and International Corporation	Implementing Agency Ministry of Development of Energy and Water Resources (MDEWR), Energie Centrafricaine (ENERCA)	

Proposed Development Objective(s)

The PDO is to increase electricity supply and access in Central African Republic.

Components

- Component 1: design, supply and installation of a 25 MWp grid connected solar photovoltaic (PV) plant with 25 MWh of battery storage
- Component 2: Transmission and Distribution (T&D) infrastructure reinforcement
- Component 3: Institutional support, capacity building and project preparation and implementation support
- Component 4: contingent emergency response

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	65.00
Total Financing	65.00
of which IBRD/IDA	65.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	65.00
IDA Grant	65.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate



B. Introduction and Context

Country Context

1. The Central African Republic (CAR) is a landlocked country with a history of political instability. The CAR has an area of 620,000 square kilometers but is sparsely populated with a population of only 4.9 million of which 60 percent live in rural areas (World Bank, 2017). Political fragility in the CAR has aggravated its extremely low socio-economic development. In 2016, CAR ranked 188 out of 188 countries on the United Nation's Human Development Index. The last available data indicates that over two thirds of the CAR's population lived below the international poverty line of US\$1.90 per day even prior to the latest violent conflict (PovcalNet, 2016).
2. Since achieving its independence from France in 1960, CAR has endured 5 military coups, multiple armed rebellions and numerous episodes of localized violence. These conflicts have severely weakened public and private institutions and destroyed the country's socioeconomic infrastructure. In addition, CAR was still recovering from the effects of the 2008 global recession when the domestic political and security crisis erupted at the end of 2012. The 2013 conflict had a devastating impact on economic activity. GDP fell by 36 percent in a single year, government revenue was cut by two-thirds, and public services were either radically reduced or ceased to function throughout much of the country.
3. Challenges are significant and urgent as the CAR attempts to tackle the results of more than a decade of armed confrontation, poor governance and underdevelopment. CAR is now heavily reliant on the international community as long-term development assistance return to complement emergency assistance. The government is strongly committed to addressing issues related to citizen security, national reconciliation, state redeployment, and productive sector recovery. Nonetheless, the security situation remains fraught and authorities are struggling to regain control of extended areas. MINUSCA's presence remains essential to contain the violence, including sporadic inter-ethnic fighting in the capital, Bangui. It is estimated that 2.5 million people, half the country's population, will require humanitarian assistance in 2018. This widescale flight to safety is creating even more pressure on the few public infrastructure systems that still operate.

Sectoral and Institutional Context

4. The electricity sector in CAR is subject to inadequate infrastructure, a weak policy and regulatory framework, and a utility struggling to recover costs and thus to maintain and expand services. Electricity generation and transmission capacity has long failed to keep pace with demand growth. Access to the national power grid is limited, and the electricity supply is highly erratic. The state-owned power utility, ENERCA, suffers from serious technical, organizational and financial deficiencies, and the sector lacks a clear policy vision or national energy development strategy. As a result, electricity access remains extremely low and the country is in a persistent state of supply deficit. The country's 8 percent overall electricity access rate is far below the average for Sub-Saharan Africa. The grid is largely limited to the capital, Bangui, where electrification has reached 35 percent, while access modern electricity services in the rest of the country is just 2 percent.
5. Sector governance is also weak and ENERCA, which has an effective monopoly on the sector, is not achieving cost recovery. The average tariff of US\$ 0.14/kWh is high but below the cost of supply due to usage of thermal generation during peak to complete supply from Boali hydropower system. Total technical and commercial losses are substantially higher than the Sub-Saharan African average of 18-20 percent. Transmission losses are estimated at 7 percent of energy production, and distribution losses at 33 percent of energy distributed, whereas bill collection rate stands around 67 percent. The resulting unfavorable cost recovery ratio is driven primarily by the inefficient collection of payments for electricity that is billed coupled with the large amount of production lost during



transmission and distribution and thus never billed at all. This further discourages investment in industrial or service activities and thus the diversification of the CAR's economy.

6. To help address these issues, the Bank has invested in CAR energy sector over the past decade. In 2009, the Bank approved the US\$ 10.5 million IDA-financed Emergency Power Response Project, for which the development objectives were to partially restore reliable electricity supply to ENERCA's customers in Bangui, including essential service providers such as the water utility and hospitals, and to improve the financial and operational performance of the sector. In addition, the Bank's 2016 "Central African Republic Building a New Foundation for Stability and Growth" policy note identified increased access to reliable electricity as key priority for improving sector recovery. Accordingly, the Bank approved the US\$ 20 million IDA-financed Water and Electricity Upgrading Project (PASEEL) in January 2018 to continue support to the sector. Notwithstanding these investments, CAR is in dire need of sizeable and urgent increases to its generation capacity to improve reliability in the power system, support stability, and promote peace building in a context of fragility.
7. Against this backdrop, the Government of CAR has committed to develop grid-connected solar photovoltaic (PV) capacity. Harnessing solar resources through a photovoltaic (PV) plant is the least-cost and effective solution in the short term. The country benefits from abundant solar resources, with an annual overall solar radiation of approximately 6.6 GJ m² /p.a. (5 kWh/m² /day) on average, corresponding approximately to a mean sunshine duration of 2,600 hours per year, that is 7.1 hours per day. Because of the country's persistent supply deficit, any additional power production is expected to be consumed, making solar PV the least-cost and most effective solution in the short term. Despite this, utility scale solar power does not yet feature in the country's energy mix. The proposed project is expected to catalyze this process by preparing the site for such a development, financing the phased installation of solar PV capacity with battery storage, and laying the foundation for potential commercial investment in future capacity additions.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Proposed Development Objective (PDO) is to increase electricity supply and access in Central African Republic.

Key Results

1. The proposed project will have three primary beneficiary groups. Firstly, the existing 30,000 private consumers of ENERCA in Bangui will benefit from the improved electricity services and associated gains in economic prosperity. Secondly, the generation expansion will enable ENERCA to add on new consumers (10,000 new connections), private customers and industries. Thirdly, staff and officials in ENERCA and MDEWR, will receive technical assistance for capacity building through this project, notably to support promotion and development of solar solutions to benefit other regions in the country. In the long term, the experience will enhance staff and officials' efficiency and capacity to plan and manage the institutions and sector, which in turn is expected to lead to greater investment in service expansion across CAR, including potentially from private sector. It is also expected that the project would bring direct temporary benefits for skilled and unskilled workers that would be employed for the construction, operation and maintenance of the solar plant. The development of the project, and more broadly the renewable energy sector in CAR could promote development of a local solar project development industry and generate further indirect employment opportunities for the populations.



D. Project Description

2. To achieve the PDO, the project will provide a grant equivalent to US\$ 65,000,000 to fund four components:
3. **(i) Construction of a 25 MWp grid connected solar Photo Voltaic (PV) electricity generation plant with 25 MWh of battery storage near Bangui (US\$50 million equivalent).** This component will finance a greenfield 25 MWp solar PV plant with 25 MWh battery electricity storage system to minimize grid absorption issues and maximize the synchronization between power plant output and demand profile. The IDA grant will finance the supply and installation contract for the plant, in addition to an operation and maintenance contract for a minimum of three years. This plant will be designed such that a 15MWp extension (Phase II) could be installed in the future to increase generation capacity up to 40 MWp.
4. The initial sizing of the energy storage size has been determined based on the following criteria: minimizing the number of instabilities and maximizing the energy available after sunset for night peak demand. Its size will be further refined during the competitive procurement process for the supply and installation of the plant through an Initial Selection plus two-stage Request for Proposal (RfP) approach where potential bidders will have flexibility to propose alternate solutions during the first stage to meet the requirements of grid stability and night peak response. The annual output for the 25MWp – 25MWh is calculated at 37.5 GWh. The average daily generation is around 103 MWh, significantly fluctuating between dry and wet seasons: 110-120 MWh in dry season and 80-90 MWh in wet season.
5. **(ii) Strengthening of the transmission and distribution networks** to support the grid integration of the new generation capacity, and **the installation a Supervisory Control and Data Acquisition (SCADA) system** to facilitate the management of demand-supply balance and the integration of solar generation into the national grid **(US\$8.9 million equivalent)**. This component will finance T&D upgrades necessary (i) to absorb the additional generation capacity; (ii) to help reduce T&D losses; and (iii) to extend the distribution network throughout Bangui and enable future grid extension. It will also enable installation of a SCADA system which will assist the utility ENERCA in improving control and operation of the overall power system, including management of generation assets and T&D networks.
6. **(iii) Institutional support, capacity building and project implementation support (US\$6.1 million equivalent).** This component will finance activities to support planning in the energy sector, promotion of renewables, capacity building for ENERCA and MDEWR, and project implementation support, including financing of compensation related to the implementation of the Resettlement Action Plan (RAP). Support under this component complements activities under PASEEL to support sector planning and reforms.
7. **(iv) contingent emergency response (US\$0).** The objective of this component is to improve the Government's ability to respond effectively in the event of an emergency. There is a significant risk that during the life of the project, the CAR may experience a crisis, which may result in a request to the World Bank to support mitigation, response, and recovery measures. This fourth component will enable a rapid project restructuring including reallocation of funds and disbursements. Once triggered, the component would be subject to the exceptional policy requirements set out in Paragraph 12 of World Bank IPF Policy. An Emergency Response Operational Manual (EROM) will be prepared during implementation to outline procedures should an emergency occur.



8. The project will complement PASEEL to increase and improve electricity generation and access in Bangui (including improvement in transmission and distribution) and secondary cities, and continue support to sector planning and reforms, utility's recovery, and promotion of renewable energy solutions, especially capitalizing on solar resources development to benefit other cities and rural areas.

E. Implementation

Institutional and Implementation Arrangements

9. Implementation arrangements for this project will leverage existing implementation arrangements adopted by PASEEL. The government counterpart for this project is the Ministry of Development of Energy and Water Resources (MDEWR) and the utility ENERCA. For project implementation, they will be supported by an existing Project Implementation Unit (PIU), currently located within the Ministry of Transport and Civil Aviation (MTCA), as the MDEWR and utility lack the capacity and experience to take direct fiduciary responsibility for the management of the project. The existing PIU is already in charge of implementing the PASEEL project and considering the wider bank project portfolio it must monitor, the PIU is currently recruiting additional staff to strengthen its capacity. Should additional concurrent Bank-financed projects be implemented, it is expected that the energy sector projects could eventually support a dedicated PIU with direct accountability to the MDEWR.
10. Oversight for the project will be carried out by a Steering Committee, which is being established to provide guidance and direction during implementation. It will be chaired by the MDEWR and include representatives of key stakeholder institutions, including the Ministry of Finance and ENERCA. The PIU coordinator is expected to serve as the Steering Committee secretary. These arrangements have been set up for the PASEEL project and will benefit the proposed project as well.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The solar plant will be located in the greater area of Bangui, about 20 Km north, near the Danzi village, on a 75 Ha area.

G. Environmental and Social Safeguards Specialists on the Team

Richard Everett, Social Specialist

Albert Francis Atangana Ze, Social Specialist

Jean-Pierre Lungenyi Ntombolo, Social Specialist

Joelle Nkombela Mukungu, Environmental Specialist



SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project is rated EA category B, as project activities that focus on enhancing ENERCA's operational performance and increasing access to improved electricity supply under component 1 related to construction of a 25 MWp grid connected solar PV electricity generation plant with battery storage, and component 2 related to strengthening of the transmission and distribution infrastructure to channel new capacity may have potential negative environmental and social impacts. Since the exact location of the installation of the solar power is known already, an Environmental and Social Impact Assessment (ESIA) was developed, consulted upon, and disclosed in the country on December 29th 2018 as well as at the Bank external web site. However, exact locations for activities planned under component 2 (the transmission and distribution infrastructure), are not yet known. Therefore, an Environmental and Social Management Framework (ESMF) has been developed, consulted upon, and disclosed in the country on December 29th, 2018 as well as at the Bank external web site. Specific documents such as Environmental and Social Management Plans (ESMPs) will be prepared once the sites are defined, and before the work start.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	No project activity will impact Natural habitats
Forests OP/BP 4.36	Yes	This policy is triggered as activities under the Component 1 related to construction of a 25 MWp grid connected solar PV electricity generation plant with battery storage will have a negative impact on forested areas in Danzi region surrounding the proposed 75-Ha project site. The ESIA provides specific mitigation measures that take into account the management of these forested areas.
Pest Management OP 4.09	No	No project activity will impact Natural habitats
Physical Cultural Resources OP/BP 4.11	Yes	This policy is triggered as activities under component 1 will impact negatively cultural property (graves and religious site found in the project site). The ESIA



		includes a chapter on the management of these physical and cultural properties. Due to the potential for artefacts discovery during the excavations for the project activities, “chance finds” will be included in all contracts even where probability is very low.
Indigenous Peoples OP/BP 4.10	No	The project site does not involve indigenous peoples.
Involuntary Resettlement OP/BP 4.12	Yes	This policy is triggered as the construction of a 25 MWp grid connected solar PV electricity generation plant with battery storage in component 1 and transmission and distribution infrastructure upgrade in component 2 will require land acquisition. The project will prepare a Resettlement Action Plan (RAP) or Plans covering all sub-project sites (including the access road and the 3-km transmission line to connect to the grid). A Resettlement Policy Framework (RPF) was prepared for component 2 activities because the exact routes of the distribution lines have yet to be determined. A RAP was prepared for component 1 activities (solar PV plant with battery storage), which was consulted upon and will be publicly disclosed both in-country and at the World Bank External Web site prior to Board approval.
Safety of Dams OP/BP 4.37	No	The project will not involve Dams.
Projects on International Waterways OP/BP 7.50	No	The project will not involve international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project does not involve disputed areas.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

No activity funded under this project is expected to have irreversible risks or impacts on humans and the environment. The project aim to increase renewable energy generation capacity in Central African Republic. Beneficiaries will benefit from the improved electricity services and associated gains in health and economic prosperity. However, activities under components 1 (construction of the PV solar plant) and component 2 (transmission and distribution infrastructure upgrades) may have potential negative environmental and social impacts. Therefore, this project has been rated as an Environmental Assessment Category B, and triggers four of the environmental and social safeguards policies: OP/BP 4.01 (Environmental Assessment); OP/BP 4.36 (Forest); OP/BP 4.11 (Physical and Cultural Resources) , and OP/PB 4.12 (Involuntary Resettlement). No large-scale or irreversible adverse impacts and risks are expected.



2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The proposed project is expected to have a positive impact by improving electricity services in Bangui, as well as strengthening institutional capacity. There are no long-term impacts expected from the implementation of activities to be financed under this project.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
NA

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

To comply with safeguards policies, the recipient has developed an Environmental and Social Impact Assessment (ESIA) for activities under component 1 of the project. The ESIA includes specific sections addressing the requirements of the safeguards policies triggered, in particular OP/BP 4.36 (Forests), OP/BP 4.11 (Physical Cultural Resources), and OP/BP 4.12 (Involuntary Resettlement). The ESIA also includes an Environmental and Social Management Plan (ESMP), and is complemented by a Resettlement Action Plan (RAP) as stand alone document. Intervention sites for activities under component 2 are yet to be defined and firmed up, so an Environmental and Social Management Framework (ESMF) was developed to define the impacts that could occur and possible mitigation measures that could be applied, along with a Resettlement Policy Framework (RPF) to clarify the rules and procedures for land acquisition and for identification of affected population. No civil work will start prior to the environmental and social screening process, and the elaboration of the required safeguards document.

The overall responsibility of safeguards processing relies on the Project Implementation Unit (PIU) working in close collaboration with the Ministry of Development of Energy and Water Resources (MDEWR). However, their capacity to assess and address safeguards compliance will be enhanced through a capacity building process during the project implementation.

The project PIU will be responsible for following up all safeguards concerns and would also ensure that all safeguard screening and mitigation requirements to each subproject will be applied.

The project and PASEEL will support recruitment of one environmental specialist and one social development specialist to support with the implementation of safeguards requirements.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders are the ENERCA, the MDEWR, community members near the project area and NGOs. Project safeguards instruments (ESIA and RAP for component 1, and ESMF and RFP for component 2) were duly consulted upon and publicly disclosed both in-country and at the World Bank's External Website. Public sessions (small group discussions, workshops, etc.) were held with stakeholders in October 2018 to validate the different stages of the production process of the expected safeguards documents. The ESIA and RAP were disclosed after Bank review as final draft versions. During that period, the Recipient, with support from the PIU, organized further consultations for the affected stakeholders, and for meaningful consultations, provided relevant material in a timely manner prior to consultations, in a form and language(s) that are understandable and accessible to the groups being consulted.



B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
30-Nov-2018	27-Dec-2018	

"In country" Disclosure

Central African Republic
28-Dec-2018

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
30-Nov-2018	27-Dec-2018

"In country" Disclosure

Central African Republic
28-Dec-2018

Comments

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

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes



Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

Yes

Does the project design include satisfactory measures to overcome these constraints?

Yes

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents 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



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

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