



# Concept Environmental and Social Review Summary

## Concept Stage

### ( **ESRS Concept Stage** )

Date Prepared/Updated: 09/13/2023 | Report No: ESRSC03707



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P181341	Investment Project Financing (IPF)	ASCENT - SOMALIA	2024
Operation Name	Accelerating Sustainable and Clean Energy Access Transformation in SOMALIA		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Somalia	Somalia	EASTERN AND SOUTHERN AFRICA	Energy & Extractives
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Federal Ministry of Finance Somalia	Ministry of Energy and Water Resources	01-Sep-2023	15-Nov-2023
Estimated Concept Review Date	Total Project Cost		
06-Jun-2023	118,500,000.00		

Proposed Development Objective

The PDO is to increase access to renewable energy through private sector participation in Somalia

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

No

C. Summary Description of Proposed Project Activities

The proposed project Accelerating Sustainable and Clean Energy Access Transformation (ASCENT) seeks to increase access to renewable energy through private sector participation in Somalia, which aligns with the ASCENT Multi-Programmatic Approach (MPA) Program Development Objective (PrDO) of accelerating access to sustainable, reliable, and clean energy in Eastern and Southern Africa. The Project components will support (i) Distributed solar generation and expansion of electricity connections on larger mini grids serving the capital area; (ii) Hybridization and expansion of mini grids outside of the capital area; and (iii) Sector capacity and institution building. The Project will rely on the existing institutional and implementation arrangements established under the ongoing Somali Electricity Sector



Recovery Project (SESRP). These arrangements include the Project Implementation Unit (PIU) established at the Ministry of Energy and Water Resources (MoEWR), in close coordination with the Private Energy Service Providers (ESPs).

## **D. Environmental and Social Overview**

### **D.1 Overview of Environmental and Social Project Settings**

The project has two main components. Component 1 targets private electricity service providers (ESPs) in Mogadishu's capital area, while Component 2 focuses on urban centers outside the capital with high power demands. While specific sites haven't been chosen yet, existing concerns regarding environmental, health, and safety issues at private ESP sites exist. These include problems related to diesel generator emissions, wastewater treatment, used oil disposal, and worker safety. The proposed intervention areas have coastal locations, these areas are vulnerable to coastal erosion, sea-level rise, cyclical floods, and droughts due to climate change. The urbanization process in Somalia, particularly in major cities such as Mogadishu, has led to urban sprawl, poorly managed waste, decaying infrastructure, and increased pressure on natural habitats. Socially, clan dynamics, internal displacement, and rural-to-urban migration influence the dynamics within communities, causing resource strain, unemployment issues, and challenges related to social integration. Mogadishu, in particular, has a significant youth population and a mix of ethnicities due to returning diaspora members, which present opportunities and challenges for development. Considering the complex and challenging land management situation in Somalia, land acquisition remains a challenge during project implementation. There is also a risk of excluding vulnerable groups from benefiting. Somalia's history of conflict and fragility, coupled with complex land tenure practices, especially in rural areas, pose substantial risks to the project's implementation with security remaining a major concern due to insurgency by groups like Al-Shabaab. Additionally, the concentration of Internally Displaced People (IDPs) in urban centers, including Mogadishu, adds to the complexity. Despite these risks, the resilience and strong sense of community in Somalia contribute to its ability to recover and adapt.

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

The institutional capacity for environmental and social risk management in Somalia has been gradually improving, although challenges persist. Regulations at the national or State level for environmental and social oversight, especially concerning land issues and occupational health and safety mechanisms, are underdeveloped. The proposed project will leverage the existing institutional framework within the Ministry of Energy and Water Resources, as part of the ongoing Somali Electricity Sector Recovery Project (SESRP) implemented under ESF. Under SESRP the E&S skills and competences of the project's PIU have been greatly enhanced. SESRP performance on E&S and implementation of ESCP was assessed as moderately satisfactory in the last ISR. The E&S specialists hired under SESRP will be engaged in preparation and implementation of the new project with the responsibility to oversee the project implementation, perform the required technical functions, and serve as the focal points for communication with the World Bank, contractors, and consultants. An Owner's Engineer (OE) firm will be recruited to support the PIUs in the detailed designs, procurement, and contract management, including fiduciary, environment, and social risk management aspects, and project monitoring and evaluation. In addition to ensuring that procurement of project-related goods, works, and services are undertaken in accordance with the agreed Procurement Regulations, the OE shall support the PIU in inspection and supervision of the construction works, site supervision during the installation of equipment, and testing, in order to ensure that the goods, the works and services are implemented in accordance with the designs, specifications and terms and conditions of the relevant contracts. An independent monitoring and verification will be hired to provide independent audits covering assessment of E&S performance of contractors and ESPs against the subproject specific mitigation plans.

## **II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS**



**A. Environmental and Social Risk Classification (ESRC)**

Substantial

**A.1 Environmental Risk Rating**

Substantial

The installation of BESS and solar PV systems, optimizing RE generation, reducing GHG emissions, and diversifying energy supply to adapt to climate change will have environmental co-benefits. Component 3 will help the government and ESPs access additional funding sources, including carbon revenue and other climate/sustainability financing. Despite the benefits, installation of RE capacity and rehabilitation of distribution lines pose risks during construction and operation/maintenance phase including the management ESP associated facilities such as operation centers, warehouses, storage facilities, waste treatment facilities, disposal and management of wastes including hazardous wastes from battery systems, soil erosion and degradation, fauna and flora disturbance, dust and noise, contamination and degradation of soil and water, dealing with potential existing EHS liabilities and EHS risks to employees and communities as well as associated facilities cumulative impact. The risks are aggravated due to limited capacity on disposal, recycling, and management of nonbiodegradable hazardous wastes from electrical equipment and further compounded by poor environmental performance, compliance and safety records of ESPs, in addition to the government's low capacity to oversee the environmental risks of the project. There are also no formal in country regulations or codes of standards of practice and mechanisms to vet and enforce electricity services quality, health and safety standards, and concerns about the willingness and capacity of participating ESPs to take on ESF commitment. For component 3 the project will provide ESP with assistance to help them adopt or mainstream WBG ESF requirements in their operations, the management of E&S aspects will be done according to the WB ESF requirement and ESPs have to follow all the requirements and the PIU will be responsible to check on the ESPs. TAs will be implemented in compliance with the Bank's Advisory Note on TAs and ESF.

**A.2 Social Risk Rating**

Substantial

The Social Risk is Substantial at concept stage. Activities under the Project could result in a range of social impacts including (i) land acquisition, restrictions on land use and involuntary resettlement, whose severity will depend on the existing land uses, the importance of sites for livelihoods, and the ability of landowners to use the land after construction. Such impacts will differentially affect vulnerable groups depending on the location of investments as well as women, people with disabilities, and those with smaller land plots or with informal rights to the land they use. Other expected risks include (ii) the potential for labor influx with associated risks for increased SEA/SH cases and the transmission of diseases, including sexually transmitted diseases; (iii) conflict between communities and workers and increased local tensions; and (iv) risks associated with labor and working conditions, including child labor and forced labor, particularly among the primary suppliers of the components and materials for solar panels. The latter will be addressed in line with similar interventions globally and within the power of the project. Security might be also an issue, particularly in the cities, where the presence of armed groups, or internal communities' conflicts, might impact the implementation and supervision of activities. A security risk assessment carried out under the Electricity Sector Recovery Project (SESRP) P173088 will be adapted to accommodate new activities under this project. The nature and extent of these risks will vary depending on the location of the investment, since the urban centres are known to have higher risks of tension and social conflict for a range of reasons, including access to natural resources, historical tensions/conflict between different groups, and migration (including displaced persons).

**B. Relevance of Standards and Policies at Concept Stage**



**B.1 Relevance of Environmental and Social Standards**

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

Relevant

Potential E&S risks is provided in section II A. These risks and impacts will be managed in accordance with the World Bank Group EHS Guidelines as well as the EHS Guidelines for Electric Power Transmission and Distribution, and for Construction Materials Extraction and the relevant requirements of Environmental and Social Standards. To identify and manage the E&S risks and impacts of the Project, MoEWR will leverage the existing E&S instruments for the SESRP (P173088) and develop an ESMF that includes OHS Plan and SEA/SH Action Plan by appraisal. In addition, MoEWR will prepare ESCP, RPF, LMP and Stakeholder Engagement Plan (SEP) including a Grievance Redress Mechanism (GRM) per the requirements of ESS10. Security Risk Management Plan prepared for SESRP will be updated before the commencement of sub project activities. TA activities will be implemented in compliance with the Bank’s Advisory Note on TA. Relevant capacity building measures will be included in the ESMF and ESCP.

**ESS10 - Stakeholder Engagement and Information Disclosure**

Relevant

Prior to appraisal, MoEWR will prepare and implement inclusive SEPs proportional to the nature and scale of the project and associated risks and impacts based on the SEP by the related energy project. Stakeholder engagement will span over the complete project period, starting early on in the design phase all the way to project closure. Stakeholders include supporting ministries, academic institutions, civil society, technical organizations, regulatory authorities, consumers/beneficiaries, vulnerable groups and the private sector. In addition, Project Affected People including vulnerable groups (women, PLWD etc.) in relation to proposed civil works will be engaged. The SEP will include a description of a Project Grievance Mechanism which will include confidential mechanisms for receiving complaints of SEA/SH, as well as other forms of GBV and establish a protocol to enable survivor-centered responses. Consideration will be given to utilizing or existing grievance redress mechanisms.

**ESS2 - Labor and Working Conditions**

Relevant

LMP which identify the main labor requirements and labor risks associated with the will be prepared by appraisal based on the requirements of ESS2 and national labor laws. The project will also apply enhanced due diligence for evaluation of forced labor risks in the solar supply chain; in line with OPCS guidance. Project workers will include (i) Direct Workers who will be directly engaged by the Borrowers to work on the project; (ii) contracted workers employed by third parties to undertake activities during construction and operation/maintenance, provide technical inputs and support the TA activities; (iii) primary supply workers to provide goods or materials needed for the project and (iv) Private sector ESP workers. Use of Community workers not anticipated. The security risk assessment and security management plans will consider risks to project workers based on the contextual situation and develop appropriate mitigation to address the risks to the extent possible.

**ESS3 - Resource Efficiency and Pollution Prevention and Management**

Relevant

Risks and benefits related to ESS 3 covered under section II A. ESMF will include guidance for sub project ESIA/ESMP to include proper planning and good maintenance practices to minimize impacts from hazardous materials through development of a waste management plan and Hazardous waste handling, storage and disposal protocol focusing on used and damaged PV- panels and batteries as part of comprehensive ESMP. These control and mitigation measures will be included and required in contractor’s ESMP (i.e., waste management plan, hazardous materials management

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plan). If non-compliances identified, operators will be required to implement immediate corrective actions. The use of water, energy and raw materials should be assessed considering the mitigation hierarchy and efficient use and management of all types of material, including waste. ESP and the government utilities managing the assets during operation/maintenance phase will establish an operational health and safety management system.

**ESS4 - Community Health and Safety**

Relevant

Labor influx is considered to be likely but will vary depending on the nature of the civil works and geographical location and is not expected to be major. Skilled and semi-skilled workers are likely to be sourced from outside the local areas, but it is expected that unskilled workers can be sourced from the community close to the project sites. A community and safety risk assessment and management plan will be prepared as part of the ESMF and sub project specific ESIA/ESMPs. In addition, the need for engagement with communities around these issues will be included in the SEP. Given Somalia’s conflict context there will be need to secure project workers and assets during construction and operation including maintenance activities. Deployment of security forces may be required and this can present risk to the community including SEA/SH. The use of security personal including risks posed to communities will be assessed further during project preparation.

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

Relevant

In Somalia land arrangements for land transfer of formal tenure is challenging, the project should ensure coordination with all stakeholders including the customary land rights authorities of the respective areas as well as members of the communities and seasonal users to ensure to ensure that their land usage is not affected. The Resettlement Policy Framework will outline the approaches to avoid and minimize physical and economic displacement where possible. The RPF will include the approach and guidance to prepare Resettlement Action Plans, which will be needed to acquire land, procedures for voluntary land donation. measures to address the potential risks and impacts of land acquisition associated with the various activities, as well as assessing livelihood losses and restoration plans due temporary disruption due to construction, easements, loss of access to land. This will be captured in the ESCP. The requirements of ESS5 will be included in all TA activities where relevant.

**ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Relevant

The project’s activities are likely to be restricted to urban areas where there are major load centers, existing road, energy corridors or Way leave/ROW and within mini grids existing footprint and therefore impacts on natural and sensitive habitats is expected to be limited. Nevertheless, as the location of actual physical infrastructure are still not identified, the potential direct, indirect and any cumulative impacts will only be identified during project design when specific routes are known and will be addressed in the in the site specific ESIA/ESMP/RAP instruments to be prepared for this project. The screening process shall include an identification of the types of habitats which will be affected and make consideration of potential risks and impacts on ecological function of the habitats at which PV Solar panels will be installed on specific site within remote or rural areas. The ESMF and Subproject ESIA/ESMPS should include provisions for biodiversity assessment.

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

Not Currently Relevant

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Somalia distinct (often minority) tribal or clinic groups exist who may not meet the requirements of ESS7 but may need differential measures to ensure inclusion and access to benefits are present. Respective standards and planning will be included in the project risk management instruments (E&S frameworks and plans).

**ESS8 - Cultural Heritage** Relevant

This standard is TBD. Given the nature and scale of these activities impacts to cultural heritage are likely to be avoidable or limited. The impact on cultural heritage and relevance of this ESS8 will be further assessed during the preparation. As part of this environmental and social screening procedures shall consider impact identification of cultural heritage and assessment of tangible and intangible heritage in consultation with affected stakeholders. A standardized chance-find procedures including screening process will be included as an Annex to the ESMF. The ESIA's will include measures to meet the requirements of ESS8 including stakeholder consultation, identification of tangible and intangible cultural heritage, documentation of impact assessment and action plans and mitigation measures.

**ESS9 - Financial Intermediaries** Not Currently Relevant

TBD.

**B.2 Legal Operational Policies that Apply**

**OP 7.50 Operations on International Waterways** No

**OP 7.60 Operations in Disputed Areas** No

**B.3 Other Salient Features**

**Use of Borrower Framework**

The use of Borrower Frameworks is not being considered

**Use of Common Approach** No

Component 1 and Component 2 will be supported from the Somalia portion (US\$ 18.5 million) of GCF funding under Sustainable Renewables Risk Mitigation Initiative (SRMI). All E&S standards covering the project fall within the World Bank group standards and safeguard policy requirements, including requirements for ESF. This includes any support and respective investments by the ESP

**C. Overview of Required Environmental and Social Risk Management Activities**

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

**III. CONTACT POINT**

Public Disclosure



**World Bank**

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**IV. FOR MORE INFORMATION CONTACT**

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**V. APPROVAL**

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