INTEGRATED SAFEGUARDS DATA SHEET  
CONCEPT STAGE  

Report No.: ISDSC1478  

Date ISDS Prepared/Updated: 21-Oct-2013  
Date ISDS Approved/Disclosed: 04-Feb-2014  

I. BASIC INFORMATION  
A. Basic Project Data  

<table>
<thead>
<tr>
<th>Country:</th>
<th>Bolivia</th>
<th>Project ID:</th>
<th>P127837</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name:</td>
<td>Access and Renewable Energy Project (P127837)</td>
<td></td>
<td></td>
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<tr>
<td>Task Team Leader:</td>
<td>Lucia Spinelli</td>
<td></td>
<td></td>
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<tr>
<td>Estimated Appraisal Date:</td>
<td>02-Dec-2013</td>
<td>Estimated Board Date:</td>
<td>27-Feb-2014</td>
</tr>
<tr>
<td>Managing Unit:</td>
<td>LCSEG</td>
<td>Lending Instrument:</td>
<td>Investment Project Financing</td>
</tr>
<tr>
<td>Sector(s):</td>
<td>General energy sector (60%), Other Renewable Energy (40%)</td>
<td></td>
<td></td>
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<tr>
<td>Theme(s):</td>
<td>Rural services and infrastructure (100%)</td>
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</tr>
<tr>
<td>Financing (In USD Million)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Project Cost:</td>
<td>51.00</td>
<td>Total Bank Financing:</td>
<td>50.00</td>
</tr>
<tr>
<td>Financing Gap:</td>
<td>0.00</td>
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</table>

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>BORROWER/RECIPIENT</td>
<td>1.00</td>
</tr>
<tr>
<td>International Development Association (IDA)</td>
<td>50.00</td>
</tr>
<tr>
<td>Total</td>
<td>51.00</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental Category:</th>
<th>B - Partial Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is this a Repeater project?</td>
<td>No</td>
</tr>
</tbody>
</table>

B. Project Objectives  

A. Proposed Development Objective(s). The project development objective is to expand and improve access to electricity in the rural areas of Bolivia under a viable and sustainable model of electricity access expansion that is consistent with the new national decentralized framework.  

C. Project Description  

The proposed project comprises the following four components, scheduled to be completed within a 5-year period (January 2014 – January 2019):
Component 1: Electricity services for rural areas (US$42.6 million). This component would support investments in infrastructure to provide electricity services to people living in rural areas and rural villages throughout Bolivia. It includes the following sub-components:

a. Sub-component 1.1 – Grid extension (US$30 million). Investments to be financed under the sub-component would consist in the construction of low voltage distribution lines to facilitate new connections to existing grids in villages in rural areas with limited social and environmental impact. Grid systems will be financed 100 percent by the central government or 80 percent by the central government and 20 percent by the municipality sponsoring the project, depending of the areas. Once built, subprojects will be managed, operated and maintained by the distribution utilities working in the area, as stipulated by the regulator.

b. Sub-component 1.2 – Installations of Individual Residential Solar Photovoltaic Systems (US $5.4 million) in remote rural areas. Under this sub-component near 6,800 solar photovoltaic systems would be installed in households in rural areas of Bolivia. The household solar PV system would include a PV module mounted on a pole or on the roof, controller, battery, and several fluorescent lamps. Each solar PV system would provide electricity for basic lighting, a radio, a battery charger, and a TV. Off-Grid Systems for residential users (SPV) will be financed 80 percent by the central government and 20 percent by the municipality sponsoring the project. Once systems are installed, operation and maintenance will be a municipal responsibility. In order to fulfill it, Municipalities will outsource the services to trained O&M entities.

c. Sub-component 1.3 – Installations of Solar Photovoltaic Systems in Public Institutions (US $72 million) to support provision of electricity to around 1,700 un-served schools in rural areas and other public institutions (health centers, community centers, etc.) . The solar systems for schools will include the PV panel and mounting structure, controller, battery, metal cabinet, inverter, AC breaker, a TV and media player as well as didactic material about renewable energies for teachers and students. These systems will be financed 100 percent by the central government. Once built, operation and maintenance is a municipal responsibility.

Component 2: Technical Assistance (US$2.4 million). This component would support capacity building activities that help leverage the investments in grid extension and off-grid systems and help assure a better and more sustainable impact of the energy services. Workshops for SPV users, workshops for municipal staff and local service providers on technical aspects related with O&M, the development of adequate outreach material, user’s manual, consultations, and baseline studies for impact evaluation are some of the activities to be financed under this component. The preparation of inter-institutional agreements (see institutional arrangements section), activities related with an overall support to access to modern household energy services (for instance cook stoves) and some studies to help strengthening the MHE will also be part of this component.

Component 3: Project Management and Operation (US$5.0 million). Under this component, the VMEEA through the PIU (PEVD) would carry out the following project management activities: (i) technical assessment to evaluate and supervise investment sub-projects and manage the technical assistance component; (ii) project management and administration (including procurement, project audits, a financial management, safeguards and environmental management supervision, outreach activities, etc.); and (iii) monitoring and evaluation.
D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will be implemented in various departments in the country.

- Solar photovoltaic systems would be installed to households, schools, health care and community centers in rural areas of Bolivia that do not have access to electricity. Eligibility criteria for solar PV system would include: (i) provincial governments (governaciones) or municipalities with high poverty and indigenous people rates; (ii) population density equal or above 5 users per kilometer; (iii) communities with no rural electrification plans in the next 5 years; and (iv) where the provision of electricity service to smaller and more dispersed population through grid extension or small hydro is increasingly costly.

- Eligibility criteria for network densification would include: (i) provincial governments (Gobernaciones) or municipalities with high poverty rates; (ii) average connection density by kilometer of constructed network equal or above 5 users; and (iii) potential consumers located beyond 100 meters from the existing low-voltage transmission lines, as stipulated by the Electricity Law.

The project would especially target the poorest communities of Bolivia located in the municipalities of the Potosí and Chuquisaca Departments. In Chuquisaca, 95% of the inhabitants of the municipalities are Quechua speakers. Statistics from 2005 also show that 64% of the population in Chuquisaca is indigenous, while this number reaches 82% in Potosí.

E. Borrowers Institutional Capacity for Safeguard Policies

The Electricity Program for Living with Dignity (PEVD), within the Vice-Ministry of Electricity and Alternative Energy’s Alternative Energy General Directorate, will be the project executing agency. It is expected that the PEVD’s project implementing unit (PIU) will include environmental and social specialists. Terms of Reference for these specialists will be prepared by the Borrower with Bank support. These specialists will be responsible for ensuring compliance with Bank Operational Policies related to environmental and social safeguards, and with Government of Bolivia rules and regulations. Given that the location of a majority of sub-projects will not be identified prior to appraisal, an Environmental and Social Management Framework (ESMF) will be prepared. Prior experience with the Decentralized Infrastructure for Rural Transformation project (ITDR project) exposed the Borrower to Bank’s social and environmental safeguard policies but also evidenced high demand for Project implementation support. The project budget provided funds for capacity building on timely and effective application of social and environmental management and safeguards.

F. Environmental and Social Safeguards Specialists on the Team

Noreen Beg (LCSEN)
Juan Carlos Enriquez Uria (LCSEN)
Adam John Behrendt (LCSSO)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/ BP 4.01</td>
<td>Yes</td>
<td>Although the project will have a positive impact on the environment overall, by improving the supply of energy in rural areas of Bolivia,</td>
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</table>
thereby reducing the use of fossil fuels for
domestic consumption, and the use of firewood,
OP/BP 4.01 is triggered because the physical
interventions resulting from the implementation
of investments under Component 1 (Electricity
Services for Rural Areas) could have low to
moderate negative impacts on the environment.
The Project is classified as Category B- a
project with environmental impacts that are
easily identified and mitigated-requiring a
partial environmental assessment.

The installation of solar panels will require a
plan for disposal of batteries, and the
construction of low voltage electricity
distribution lines. Expected potential negative
environmental impacts will be primarily during
the construction phase of civil works.
Cumulative environmental impacts are not
expected to be significant, as the project is
nationwide but relatively limited in scope (most
activities would be developed in two provinces
– Chuquisaca and Potosí – but a few activities
would remain open to other regions). The
impacts and relevant mitigation measures will
be described in the project’s Environmental and
Social Management Framework (ESMF).

The project is expected to result in positive
social outcomes, through its support to improve
the quality of life for rural populations in
Bolivia as the provision of electricity will
contribute to poverty alleviation by improving
the education, health and public security and by
providing opportunities for economic
development.

The Borrower will carry out public
consultations on the draft ESMF with local and
regional government representatives,
representatives of stakeholders in local
communities, and local NGOs. The ESMF will
document the results of the consultations and
will take into account and address stakeholder
concerns.

Once the ESMF is prepared, it will be added to
the Project Implementation Manual as an annex. As this is a demand driven operation, the Manual will focus on monitoring and implementation of Environmental Management Plans (EMPs). The Manual will also incorporate eligibility criteria for subprojects (both positive and negative, this is, that determine the possibility to move forward or not with the development of specific subprojects) and further details and guidelines for the preparation of specific EMPs, as specific sites might not be known at the time of appraisal. The EMPs will cover both direct and indirect impact of project implementation.

It is expected the ESMF will be finalized by November, 2013 (prior to appraisal). EMPs will be prepared once sites are known (taking into account other findings such as from social consultations) and prior to the start of any works.

<p>| Natural Habitats OP/BP 4.04 | Yes | This policy is triggered because sub-projects (both the low voltage distribution lines and the solar installations) may be located in or close to natural habitats. While the project will not support or lead to the conversion of natural habitats, and the ESMF will explicitly forbid any project activities inducing significant conversion or degradation of critical natural habitats, this policy is triggered to ensure that minor construction works have EMPs that will protect biodiversity and water resources. The most significant impacts will result from the construction of low-voltage distribution lines and construction of related infrastructure, and appropriate mitigation measures will be followed to limit the impact on local fauna, avifauna and to protect indigenous plant and tree species. |
| Forests OP/BP 4.36 | No | Although there will be a need for replacement of trees that will be removed along the Right of Way, this safeguard policy is not triggered because the construction of low voltage distribution lines will not lead to the significant degradation and conversion of critical forest areas and forest ecosystems, nor will they affect |</p>
<table>
<thead>
<tr>
<th>Topic</th>
<th>Triggered</th>
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<tbody>
<tr>
<td>Pest Management OP 4.09</td>
<td>No</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/ BP 4.11</td>
<td>Yes</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>Yes</td>
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</tbody>
</table>

- **Pest Management OP 4.09**: This safeguard policy is not triggered because the project will not support activities that require the use or procurement of pesticides. Any land clearing for placement of distribution poles will be undertaken manually.

- **Physical Cultural Resources OP/ BP 4.11**: This safeguard policy is triggered because civil works (construction of low voltage distribution lines and installation of poles for domestic PV systems) may affect resources of physical, cultural, and/or historical importance. A chance finds procedure will be inserted into construction contracts and included in the ESMF, and the local and national Cultural Patrimony, Archaeology Departments, and/or Museums authorities will be notified when chance finds are made.

- **Indigenous Peoples OP/BP 4.10**: This safeguard policy is triggered given that the operation would be an Indigenous Peoples Project, as the overwhelming majority of direct project beneficiaries are indigenous. Varied strategies and approaches to consultation may be required depending on project area and region (including consultations in native languages), and will be reflected in the PAD. The client will carry-out a social assessment and consultations in indigenous peoples’ areas during preparation and prior to appraisal, which will provide inputs to the Project Appraisal Document and Implementation Manual.

  A first preliminary assessment will analyze the national situation, describing general poverty-related issues as well as data that will showcase the relevance of selecting the Potosí and Chuquisaca departments as priority target areas of the Project. This first draft will help prepare topics, questions and guidelines for the field work, including consultations.

  Free, prior and informed consultations will be carried-out during September-October 2013 with relevant Indigenous stakeholders (beneficiaries, NGO’s, National and Subnational Government entities, among others). The Bank team will support the
counterpart in carrying out the consultations, including providing examples and general guidelines on how these could be conducted.

Once the consultations have been developed, their results will inform the social assessment, which would be finalized by the end of October (in order to incorporate its concepts and findings in the Project Appraisal Document). The final assessment will include the cultural dimensions related to project activities, such as traditions and gender and age perspectives. The social assessment will also evaluate the accessibility and cultural adequacy of the overall project governance and communications, of the design and definition of eligibility criteria and issues related to the training and management of PV system maintenance, operations and related tariffs/costs. It will also extract and include lessons learned from previous operations.

Its findings will be incorporated into the Implementation Manual, including criteria to determine eligible subprojects and acceptance of these by beneficiaries.

| Involuntary Resettlement OP/BP 4.12 | Yes | Subprojects financed by the Project are likely to require minor land easement and/or acquisition, including potential investment that might entail resettlement as defined by OP 4.12 (loss of assets, physical displacement, or livelihood losses, particularly along the way leave of the distribution lines). The Borrower will prepare a Resettlement Policy Framework (RPF) to ensure that analysis of alternatives and appropriate compensation and support to potentially affected persons are incorporated into the subproject design. The RPF should be finalized by the end of October, 2013. |
| Safety of Dams OP/BP 4.37 | No | This safeguard policy is not triggered because the project will not support the construction or rehabilitation of dams nor will it support other investments which rely on existing dams. |
| Projects on International Waterways OP/BP 7.50 | No | This safeguard policy is not triggered because the project will not support activities which affect international waterways. |
Projects in Disputed Areas OP/BP

| No | This safeguard policy is not triggered because the project will not support activities in disputed areas. |

### III. SAFEGUARD PREPARATION PLAN

#### A. Tentative target date for preparing the PAD Stage ISDS: 06-Dec-2013

#### B. Time frame for launching and completing the safeguard-related studies that may be needed.

The specific studies and their timing\(^1\) should be specified in the PAD-stage ISDS:

The project will prepare an Environmental and Social Management Framework (ESMF), as well as a Resettlement Policy Framework and social assessment in indigenous areas which will provide inputs to the Project Document. Subproject Resettlement Plans will be prepared (if needed) once exact subproject sites are known, which should be prior to start of any works. These framework documents will be prepared prior to appraisal, and will include documented evidence of informed and transparent consultations with stakeholders. These documents will build on the lessons learned from the implementation of the social and environmental instruments prepared for the Bolivia Decentralized Infrastructure for Rural Transformation Project (ITDR). The ESMF will contain screening criteria for sub-projects, and templates of EIAs/EMPs that must be prepared for sub-projects. The EMPs will address both direct and indirect project impacts, and the appropriate mitigation measures.

As previously mentioned it is expected the different instruments and activities would be finalized by the following dates:

- Consultations: September-October 2013
- ESMF: November, 2013
- Project Implementation Manual: November, 2013
- RPF: October, 2013

### IV. APPROVALS

| Task Team Leader: | Name: Lucia Spinelli |
| Approved By: |
| Regional Safeguards Coordinator: | Name: Glenn S. Morgan (RSA) | Date: 24-Jan-2014 |
| Sector Manager: | Name: Malcolm Cosgrove-Davies (SM) | Date: 04-Feb-2014 |

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\(^1\) Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.