

Luxembourg, 30.04.2020

Public

Environmental and Social Data Sheet

Overview

Project Name: *SMALL-SCALE SOLAR PROGRAM IN SSA*
 Project Number: *2019-0616*
 Country: *Chad, Comores*
 Project Description: *The operation concerns the financing of the Sub-Saharan investment programme of the Promoter for small-scale solar electrification: (i) solar PV with battery storage to power a mini-grid in Comoros, and (ii) a small solar PV project with battery storage in Chad.*

EIA required: yes for Chad and Comores (according local legislation)

Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

Environmental Assessment

Abéché (Chad) – 5 MW Solar PV with batteries

The Chadian regulations governing the environmental and social assessment process are the environmental law of 17 August 1998, the decree of August 2010 for the regulation of environmental impact studies, and the order of November 2012 regarding the general guide for carrying out an environmental impact study.

If this project component was located within the EU, it would fall under Annex II of the EU EIA Directive, requiring the competent authorities to determine whether an EIA is required. The project was classified B by the competent authority, according to the local legislation, meaning that the potential adverse environmental impacts of the project are limited and readily identified, and can be addressed through known mitigation measures. Therefore, the project was subject to a notice of environmental impact ("Notice d'Impact sur l'Environnement"). Nevertheless, the Promoter carried out an Environmental and Social Impact Study (EIS). A high level Environmental and Social Management Plan (ESMP) was prepared for the plant, and public consultation meetings were held during the preparation of the EIS. The EIS was approved by the Ministry in charge of environment, and the environmental license was issued in October 2018.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

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The 5 MWac (6.5 MWp) PV plant is located over an area of 20ha. The land is arid and not productive, with no socio-economic use. The project includes a 15kV transmission line of ca. 8km, which can be either aerial or underground, but was not part of the EIA. The Promoter will provide a specific environmental and social impact study for the transmission line. The initial project scope considered for the EIS did not include the batteries, but these are likely to be included once an operational and commercial agreement will be reached with the off-taker. Appropriate analysis will be required for such extension.

Dahu (Comoros) – 3 MW solar PV with batteries

The Comorian regulations governing the environmental and social assessment process are the environmental law of June 1994 (amended in 1995 and 2000) and the decree of April 2001 regulating the impact studies.

If this project component was located within the EU, it would fall under Annex II of the EU EIA Directive, requiring the competent authorities to determine whether an EIA is required. As per the local legislation, an environmental impact study was carried out, which included the preparation of a high level Environmental and Social Management Plan (ESMP). Public consultation meetings were also held during the preparation of the study. The environmental license was issued in February 2019.

An area of ca. 20 ha was allocated to the 3 MWac plant (3.8 MWp), but only ca. 8 ha will be actually used by the plant. The original scope included a pumping station for storage, which is not confirmed at this stage, and is not part of this component financed by the Bank. On the other hand, a lithium-ion battery system has been added. The plant will connect to the existing network through a 20 kV overhead line of ca. 0.5 km.

Impacts

Neither site includes a protected area, nor are there any critical habitat or legally protected and internationally recognised areas in the vicinity of the sites. There is no record of protected fauna or flora on the project sites. The main environmental impacts are expected during construction (air emissions, noise, increase of traffic, vegetation removal). During operations, risks and impacts are expected to include increased water consumption, hazardous waste management (e.g. transformer oils), and vegetation clearing operations. The promoter is currently preparing Water Management Plans that will outline the local water availability for both projects. These plans will need to be reviewed by EIB to its satisfaction.

The PV power plants are expected to produce a combined energy of ca. 24 GWh/a in the first year, and will not generate any absolute CO₂ emissions. Based on the avoidance of electricity generation from a combination of existing and new power plants, the project will result in emissions savings estimated at 14 kilotons of CO₂ equivalent in the first year, gradually reducing according the degradation of the solar PV panels (reducing the avoided emissions).

Social Assessment, where applicable

Abéché (Chad)

The land had no social or economic purpose and was inhabited. Nevertheless, it was originally privately held, before being attributed to the project. The land acquisition has been managed by the local commission of urbanism (municipality of Abéché), which attributed the land to the Ministry of Oil and Energy, which in turn put it at the disposal of the ADER, the Agency for Renewable Energy Development, which finally made it available to the promoter. The original

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landowners agreed to transfer their land to the state in exchange for other land available around Abéché (swaps of land), without any further indemnification. The finalisation of this process, managed by the municipality of Abéché, and the verification that the new land can be considered of equivalent value, will be a condition of disbursement. The land for the transmission line belongs to the municipality of Abéché, which will provide the rights of way.

Dahu (Comores)

The land made available (20 ha) is used for some housing and economic activities. However, the final layout of the plant (8 ha) does not involve any physical or economic resettlement. The land was not privately owned, and was attributed to the project by the state, with the agreement of the municipality and of the villagers' association. The land agreement includes some works and actions that the promoter will perform for the benefit of the community (including the financing of school supplies and the renovation of the local distribution network). The grid is adjacent to the site attributed to the project, and therefore no additional rights of way are expected to be required.

General

The Promoter will further develop its HR policies and procedures and will ensure that its main contractors will develop similar policies and procedures. At a minimum, the HR Policies will incorporate provisions such as: working relationship; working conditions; terms of employment; workers' organisations; non-discrimination and equal opportunity; grievance mechanism; prohibition of child and forced labour; and occupational health and safety, in line with EIB's E&S requirements.

The promoter will assess the risks posed by the project's security arrangements and ensure that the security contractor and/or the security system operates in line with EIB requirements.

The development and implementation for each project of a 'Traffic Management Plan' and of a 'Security Management Plan' is expected to reduce any community risks linked to traffic and security aspects, whereas the development and implementation of a 'Waste Management Plan' is expected to reduce any community health risks.

Public Consultation and Stakeholder Engagement

Public consultations were held during the preparation of the Environmental and Social Impact Studies in Chad and Comoros. Most concerns were related to community health and safety during construction, environmental standards, employment opportunities, and social works. Meetings were also held after the issuance of the environmental permit, to present the project to the local population, including the technology, the construction methodologies and the potential impacts of the project during construction (traffic, noise, etc).

The promoter will further develop and implement Stakeholder Engagement Plans (SEPs) for the different projects, including grievance mechanisms.

Other Environmental and Social Aspects

The promoter will further develop and implement its 'Environmental and Social Management System' (ESMS) for the management of the projects (construction and operational phases). The ESMS will outline the set of management processes and procedures, including the roles and responsibilities and measures to be developed/taken by the various actors for duly addressing any project-related environmental and social risks and impacts.

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Conclusions and Recommendations

The environmental and social studies and processes carried out to date are considered satisfactory according to the EIB's Environmental and Social Standards. The finance contract will also contain an undertaking that the project will be implemented and operated in compliance with EIB's Environmental and Social Standards and will include the subsequent measures and actions required in line with the Bank's Environmental and Social Standards.

Progress monitoring on compliance with the measures and actions will be included as a requirement in the financial contract, to the satisfaction of the Bank:

For Chad:

- Evidence of the final settlement related to the land swap with the original landowners.
- An environmental and social impact study for the transmission line. Confirmation of the rights of ways for the transmission line.
- Appropriate studies and permits in case the project scope is extended to include batteries.

For Comoros:

- A census of the population located within the perimeter of the land attributed to the project (none of which being subject to physical or economic resettlement).
- Confirmation of the rights of way to connect to the grid if necessary, and that there is no social or economic impact to the local population.

The finance contract will also contain an undertaking that the project will be implemented and operated in compliance with EIB's Environmental and Social Standards, including being in line with the measures and actions outlined in the environmental and social studies and the environmental permits.

With the above conditions, the project is acceptable for EIB financing in E&S terms.