

Environmental and Social Data Sheet

Overview

Project Name:	<i>CDEEE LOSS REDUCTION PROJECT</i>
Project Number:	20130686
Country:	<i>Dominican Republic</i>
Project Description:	<p>Loss reduction programme aimed at increasing the Cash Recovery Index of the three Dominican electricity distribution companies EdeEste, EdeSur and EdeNorte and the availability of power supply to consumers.</p> <p>The programme is geographically distributed over the territory of the Dominican Republic with circa 60% of the investments concentrated in the outskirts of the capital Santo Domingo.</p> <p>The programme comprises the rehabilitation, according to anti-fraud criteria, of 62 MV feeders and the associated LV networks. This includes contracting of irregular users, normalisation of connections and installation of customers' meters, micro meters and macro meters.</p>
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	yes

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

In the Dominican Republic MV and LV distribution projects are classified as low environmental impact activities that do not require environmental licensing. Similarly, in the EU, MV and LV distribution projects are neither listed under Annex I nor Annex II of the EIA Directive. Overall the negative environmental impacts of the rehabilitation works under the scope of the programme are expected to be modest, in any cases limited to impacts during the construction phase. In order to appropriately mitigate these impacts an environmental management plan has been prepared and will be integrated in the contracts for the implementation of the rehabilitation works. These temporary impacts will be in any case largely outweighed by the benefits stemming from the removal of a large number of unsafe illegal wires and from the reduction in the use of other fossil fuel alternatives to electricity supply.

The rehabilitation works under the scope of the programme will not entail any physical resettlement of population as no third party properties (including squatter properties) will be affected by the works. The expected increase of the availability of electricity supply would result in a number of social benefits such as less indoor air pollution, lower risk of fires and reduced violence and greater security from street lighting. The programme, in combination with the planned strengthening of the state subsidy for low-income consumers (known as Bono Luz) will benefit in particular poor populations, who are the most affected by the unreliability of electricity supply.

Under the finance contract the promoters will have to undertake that a) the rehabilitation works will not trigger any resettlement of population, b) the environmental management plan prepared for the programme will be integrated in the contracts for the implementation of the rehabilitation works and c) an environmental manager in each EDE will be responsible for

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

ensuring and monitoring the implementation of the environmental management plan by contractors.

Under the above assumptions and conditions, the programme is acceptable to the Bank in environmental and social terms.

Environmental and Social Assessment

Environmental Assessment

An environmental management plan for the programme has been prepared and will be integrated in the contracts for the implementation of the rehabilitation works. The plan has been developed on the basis of the Dominican environmental regulations, the Environmental Safeguard Policies of the World Bank (OP. 4.01) as well as of effective environmental and technical practices. An Environmental Manager in each EDE will be responsible for ensuring and monitoring the implementation of the environmental management plan by contractors.

The plan includes measures for handling and disposal of hazardous wastes resulting from the dismantling of the old networks as well as of construction residual products. In line with the corresponding Dominican regulation², the plan sets out a detailed procedure for identifying and handling PCB-contaminated equipment. The equipment so identified will be transported and segregated in so-called Green Points to be successively disposed by specialised companies certified by the Ministry of the Environment. Other measures set out in the plan include health and safety protection to workers and residents, control of gas emissions and noise and control of traffic.

EIB Carbon Footprint Exercise

The programme is expected to reduce by circa 5% the energy distributed in the selected feeders. This is due to the expected reduction of consumption by newly regularised users and the reduction of technical losses resulting from the replacement of obsolete equipment. Therefore, at completion, the programme is expected to enable a saving of 57 ktCO₂e per year.

Social Assessment

The expected increase of the availability of electricity supply would result in a number of social benefits such as less indoor air pollution, lower risk of fires and reduced violence and greater security from street lighting. The programme, in combination with the planned strengthening of the state subsidy for low-income consumers (known as Bono Luz) will benefit in particular poor populations, who are the most affected by the unreliability of electricity supply.

The rehabilitation works under the scope of the programme will not entail any physical resettlement of population as no third party properties (including squatter properties) will be affected by the works. As the programme involves the rehabilitation of existing networks in urbanized areas, the works will be mainly developed on public roads. Therefore it is not expected that the works will require any process for way leave acquisition and that there will be issues regarding access to the work areas.

Public Consultation and Stakeholder Engagement

A key element for the success of the programme is actively engaging with the communities to raise awareness on the benefits of the programme and to introduce the culture of paying for electricity. This will be done by dedicated social teams through community participatory methodologies. The teams will first conduct the analysis of the socioeconomic characteristics and the use of electricity in the neighbourhoods served by each feeder. Once the rehabilitation works and the associated programme of improvement of availability of supply have been defined for each feeder, the social teams will be responsible for disclosing this

² Reglamento Ambiental para Uso, Manejo, Transporte y Disposición de PCB (2006, Secretaria de Estado de Medio Ambiente y Recursos Naturales) y Procedimiento de Gestión Residuos Peligrosos y no Peligrosos de la CDEEE.

information to the members of the community. This preliminary phase will culminate with the preparation and the signature of the so called Social Agreement (Pacto Social). Under this agreement the EDE will undertake to reduce progressively the hours of power interruption to reach the goal of delivering a 24-hour service while the community, by means of its leaders, will undertake to facilitate the work of the EDE and to cooperate to incorporate all customers in the business cycle and maintain a good level of bill payments. The community will be also involved in educational programmes on different aspects of electricity services including positive aspects of 24-hour availability of electricity, efficient and safe use of electricity, measurement of electricity consumption (meter reading), obligations of electricity users and legal consequence of theft of energy. Finally, for one year after the completion of rehabilitation works the social teams will assist the new regularised clients to monitor their consumptions and seek measures to reduce their electricity bills.

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