## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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</thead>
<tbody>
<tr>
<td>Cameroon</td>
<td>P163881</td>
<td>CM- Rural Electricity Access Project for Underserved Regions</td>
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<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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</table>

<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>- Ministry of Energy and Water</td>
<td>Rural Electrification Agency</td>
</tr>
</tbody>
</table>

**Proposed Development Objective(s)**

The Project Development Objective is to increase electricity access in Underserved Regions of Cameroon.

### Components

- Component 1: Rural electrification by grid extension
- Component 2: Decentralized rural electrification
- Component 3: Support to Households for Connections
- Component 4: Strengthening Institutional Capacity of the Electricity Sector and Project Management
- Component 5: Contingent Emergency Response Component’ (CERC))

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>165.00</th>
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<tbody>
<tr>
<td>Total Financing</td>
<td>165.00</td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
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</tr>
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<td>Financing Gap</td>
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</table>

#### DETAILS

**World Bank Group Financing**

| International Development Association (IDA) | 150.00 |
B. Introduction and Context

Country Context

1. **Cameroon is a medium-sized (475,650 km²) country in Central Africa with a population of about 23.3 million in 2015, growing at around 2.5 percent per annum.** Cameroon has vast natural resources, including oil, gas, minerals, agricultural land, and forests with remarkable biodiversity, which provide a potential basis for development. Cameroon’s Gross National Income (GNI) per capita stood at US$1,357 in 2016, making it a lower-middle income country. Economic growth averaged 3.3 percent per annum in the 2000s, but the 2009 global financial crisis led to a slump due to weaker demand for Cameroon’s non-oil exports. Whilst economic growth picked up in 2014-15 with a growth rate of 6 percent, the economy slowed down in 2016, when growth was estimated at 4.5 percent and again in 2017, when it reached 3.7 percent. A decline in oil production, lower international commodity prices and the contraction in rubber and coffee production have reduced growth whilst improved energy supply, continued implementation of three-year emergency plan (PLANUT), and increased public works related to the preparation of the 2019 African football cup have acted as a support to GDP growth.

2. **Cameroon remains characterized by weak social indicators, and high levels of poverty, in particular in the northern regions, where 56 percent of the poor live.** Poverty has declined only marginally since 2001, from 40.2 percent to 37.5 percent in 2014, and is increasingly concentrated in Cameroon’s northern regions, where it worsened in the same period. Cameroon was ranked 153 out of 187 on the 2015 Human Development Index, with some indicators, including life expectancy, declining over the last 10 years, and infant and maternal mortality rates still exceedingly high. Moreover, outbreaks of violence in Cameroon’s North and Far North Regions and a secessionist movement in English-speaking areas are inhibiting economic activity, and increased security spending is straining the public finances.
3. **Economic disparities between rural and urban areas, as well as between the North and the South, have grown considerably.** The pattern of consumption growth confirms regional inequalities in Cameroon. Poverty declined only marginally since 2001, from 40.2 percent to 37.5 percent in 2014 and is increasingly concentrated in Cameroon’s northern regions, where it worsened in the same period. The country ranked 153 out of 188 on the 2015 Human Development Index with some indicators, including life expectancy, declining over the last 10 years, and infant and maternal mortality rates still exceedingly high. Moreover, outbreaks of violence in Cameroon’s North and Far North Regions and a secessionist movement in the country’s English-speaking areas are inhibiting economic activity, and increased security spending is straining the public finances.

4. **Five of Cameroon’s regions (namely, Eastern, Far North, North, North-West and Adamawa) suffer from chronic fragility.** Of these, 4 regions: Far North, North and Adamawa and the Eastern region are characterized by fragility, conflict and violence (FCV), and as such, they are subject to multiple poverty traps, including low agriculture productivity, increasing vulnerability to climate change, poor infrastructure, and limited access to health education and electricity services. The Eastern region has been affected by the instability of neighbouring Central African Republic. Poverty and inequality levels have steadily increased over time in northern regions compared with the rest of the country where they have declined. The presence of Boko Haram at Cameroon’s borders with Chad to the North and Nigeria to the West respectively, has resulted in high levels of insecurity and violence involving 2,276 fatalities in 2014-2015, in the loss of livestock, and in risks associated with normal economic activities such as farming. The Far North region has particularly suffered from Boko Haram infiltration and violence, which has caused displacement and severe social and economic disruption. Therefore, the northern regions and the Eastern region are facing a humanitarian and economic challenge. Insecurity has also started to take a toll on the economic activity and has led to a deterioration in the humanitarian situation, as bilateral trade with Nigeria and price stability have been seriously affected.

5. **Cameroon’s sovereign debt situation has deteriorated recently due to the funding of major infrastructure projects concomitant with lower oil revenues.** High levels of public investment have substantially increased the share of non-concessional debt, and debt-service payments are intensifying fiscal pressures. Public debt levels rose sharply from 21.5 percent in 2014 to 33.7 percent at end-2017, and a recent World Bank-IMF assessment concluded that Cameroon is at high risk of debt distress. The rapid deterioration in fiscal and external balances, and the need to restore macro stability in the region and confidence in the common currency, requires Cameroon to implement adjustment measures alongside its CEMAC partners.

6. **Economic policies will require a more stringent focus on resolving several sectoral bottlenecks, including in energy, to allow broader and more efficient exploitation of the country’s resource potential.** Cameroon’s main challenge over the coming years will be to significantly accelerate economic growth and scale up investments while implementing policies that will ensure that the benefits of growth are shared. This will require significant improvements in the business climate, important investments in infrastructure, better governance, and more efficient public spending, as well as fiscal policies that specifically target the needs of the poor. The 2016 Enterprise Survey stated that access to reliable and affordable electricity was a major constraint to doing business, and to date only 50 percent of Cameroonians have access to electricity, with important disparities between urban and rural access.
7. The country has adopted ambitious development goals as laid out in the Growth and Employment Strategy (GES), which establishes the framework for the first implementation phase (2010–2020) of the “Vision 2035”. Vision 2035 sees Cameroon becoming a middle-income, industrialized country with poverty levels below 10 percent by 2035. The strategy emphasizes the need for agricultural diversification, increased productivity, and large-scale infrastructure investment projects. The priority areas identified in the strategy are: (a) infrastructure development in energy, telecoms, and transport; (b) development of the rural and mining sectors; (c) improvement in human resources through health, education, and training; (d) greater regional integration and export diversification; and (e) financial sector deepening and strengthening. Due to its risk of debt distress, Cameroon will need to increasingly attract commercial capital in infrastructure, which will require focusing on improving the business climate.

Sectoral and Institutional Context

B. Sectoral and Institutional Context

8. Access to electricity in Cameroon is about 50 percent, however access in rural areas especially in underserved regions is limited. While the electricity coverage rate¹ in the country is 74 percent, the electricity access rate² is about 50 percent, which is relatively low compared to the country’s per capita income and indicates that a significant portion of the population is not connected despite being in proximity of the grid. The average coverage rate also masks wide disparities between the underserved regions (Far North, North, Adamawa) and the rest of the country. The coverage rate is about 100 percent for the Littoral region, 92 percent for the Center region, 82 percent for the South region, 79 percent for North West region and 80 percent for South-West region. However, it remains low for other regions: 46 percent for Far-North and North regions and 52 percent for Adamawa (see Figures 4). Overall coverage rate in underserved areas is 47 percent versus 88 percent in the rest of the country. ENEO, had 1.2 million total connections at the end of December 2017 and about 65 percent of energy consumption originates from the two largest cities of the country (Douala and Yaoundé).

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¹ Electricity coverage rate is the number of people living in electrified villages / total number of people.
² Electricity access rate: number of households with connections/ number total of households
9. In the light of the low access rate in the underserved regions, the GoC adopted the Rural Electrification Master Plan 2016-2035 (REMP) in 2017, which paved the way for scaling-up access to electricity in rural areas. REMP, developed through a least cost approach and geo-spatial planning, aims to balance electricity access between the various regions so as to reduce the access gap. The REMP’s targets is to achieve an access rate of at least 85 percent by 2020 and the underserved regions from 47 percent to 70 percent by 2020 and nearly universal access to electricity for all Cameroonian by 2035. Priority is given in the first phase to (a) areas with low access rates; (b) localities with at least 500 inhabitants by 2017; (c) localities according to the administrative status. REMP will focus on underserved regions with the lowest access rates (Far North, North, Adamawa and North West and East) during the first five years of its rollout, which will rebalance access rates across the country (see Figure 3 above) and helps to reduce regional inequalities.

10. According to the REMP, 80 percent of localities non-electrified are located less than 20 km from the grid. By implementing REMP, the national access rate is expected to increase to 98 percent by 2030 (by connecting one million households to the grid) falling short of the SDG target of universal access by 2030. Over 80 percent of access should be done by grid extension (at least 200 000 new households) and 20 percent (at least 20,000 households) by mini-grids/off grids for the first five years of the rollout of the REMP. Hundred percent of the localities with more than 150 inhabitants will be electrified by grid extension by 2035. To achieve this objective over the first five years, an investment of approximately US$400 million is needed, of which US$250 million would be by grid extension (including approximately 75 percent in the Far North, North and Adamawa). The overall investment amount needed to achieve near universal electrification in Cameroon is approximately US$1 billion over 20 years, with an additional US$100 million for environmental and social impacts aspects.

11. Implementation of the REMP for the first five years in underserved regions will also require an additional generation capacity notably in the Northern network (RIN) as well as strengthening the transmission and distribution networks. The implementation of REMP is expected to increase energy consumption in rural areas from 230GWh to 1,200 GWh between 2020 and 2035, representing an additional load of 53MW in 2020 and approximately 300MW in 2035. However, the available installed capacity in the underserved regions mainly in the RIN and the projected additional capacity, especially the Beni Warak hydro power plant (72 MW) will be insufficient by 2020/2021 to meet the projected demand. Therefore, additional capacity in the RIN network is needed. Interconnection of the South network (RIS), where there will be excess capacity thanks to the ongoing development of hydropower in the Sanaga River basin, with the RIN is
the proposed solution to meeting projected demand. The GoC has asked the World Bank to support a feasibility study and to lead the development partner’s community towards financial closure of a proposed RIS-RIN interconnection project. The feasibility study will be funded by the ongoing Electricity Transmission and Reform Project implemented by SONATREL. This interconnection will also enhance the feasibility of Cameroon-Chad interconnection and pave the way of integration with Nigeria. The estimate cost for this interconnection in double circuits 225kV is approximately $250 million. The World Bank will provide support to finance the RIS-RIN interconnection transmission line as regional project.

12. Cameroon’s electrical system is the largest in CEMAC region with an installed generation capacity of 1,332 Megawatts (MW). ENEO’s installed electricity generation capacity representing 1028 MW, IPPs have 304MW3 installed (18.3%). The peak demand is about 1,145 MW in 2016. Hydropower (732.2MW) represents about 55 percent of the total installed capacity) concentrated in three large hydropower plants – Song Loulou (384 MW), Edéa (267 MW), and Lagdo (72 MW). Total power generation in 2016 reached 6,500 GWh fed into three grid systems (East Interconnected Grid, North Interconnected Grid, and Southern Interconnected Grid), and power energy needs ranging between 5,700GWh and 6,300 GWh. As generation capacity is further developed, Cameroon is expected to become a sub-regional energy exporter—with CEMAC and via Nigeria—while at the same time scaling-up its domestic supply. With the coming on stream of Natchigal and the interconnection of South grid and North grid, access in northern regions will be fueled by an affordable energy mix.

13. Although Cameroon’s hydropower development potential is estimated at over 12 GW across the country with half of this potential concentrated in the Sanaga River Basin, less than one GW of this potential has been developed. The World Bank Group (WBG) is supporting development of the hydroelectric potential on the Sanaga River, through the 420 MW Natchigal Hydropower Project, which Board date is July 19. This is the first hydropower project to be developed under a public-private partnership (PPP) structure and it will benefit from the Lom Pangar dam (financed by the Bank). Hydropower is expected to play a key role in the country’s ability to expand access, including both large hydro and mini-hydro for decentralized-grid schemes.

14. The Least Cost Power Sector Expansion Development Plan (Plan de Développement du Secteur de l’Electricité) (PDSE) 2015-2030 aims to bridge the gap between long term supply/demand deficit and access expansion. To address the growing gap in the long term between installed generation capacity of 1,605.2MW in 2017 and peak demand estimated at over 1,800 MW in 2020 and growing at 7.5 percent per year, the GoC adopted the PDSE (developed with IDA assistance) which aims to ensure long-term energy security. The PDSE forecasts peak demand by 2035 to quadruple and range from 3,900 MW to 5,500 MW depending on the growth scenario (median or high). Electricity consumption is expected to range from 24,400 GWh (median) to 33,400 GWh (high). The PDSE will be updated to include GoC’s new industrial strategy aiming to promote and develop small and medium size industries under this Project.

15. On the governance front, Cameroon implemented successive policy and structural reforms in 1998 and 2011 aimed at addressing pressing issues in the electricity sector, and at boosting investment in generation capacity, as well as the distribution and transmission systems. The GoC enacted the Electricity Law in 1998 which established: the Agence de Régulation du Secteur de l’Electricité (ARSEL)

3 KPDC (216MW); DPDC (88MW)
4 Law no.98-22 dated December 24, 1998 governing the electricity sector.
as the sector’s regulatory agency, with advisory functions; and the Agence pour l’Electrification Rurale (AER) as the sector’s rural electrification agency. In 2001, GoC privatized Société Nationale d’Electricité (SONEL), the state-owned, vertically-integrated power utility, through the sale of a 56 percent equity stake and the award of a 20-year concession to the American Electricity Supply Corporation (AES) thus creating AES SONEL. AES SONEL was granted a monopoly over transmission and distribution and the right to own up to 1,000MW of generation capacity. Finally, the GoC enacted the 2011 New Electricity Law6 which introduced key changes, namely: (i) the transfer of the transmission network management from the Energy of Cameroon (ENEO) to a newly created state-owned entity Société Nationale de Transport d’Electricité (SONATREL); (ii) changes to water storage activities, including the transfer of the water storage concession of the Sanaga basin reservoirs to the Electricity Development Corporation (EDC); and (iii) change in tariff regime and regulation with: (a) low voltage (LV) and MV customers tariff regime changed from a price cap to a revenue cap7; and (b) unregulated and subsidized tariff for high voltage (HV) consumers.

16. Following these reforms, Cameroon’s current electricity sector institutions include the following public and private entities. The Ministry of Water and Energy which is responsible for power policy definition and implementation, the Electricity Development Corporation (EDC)8, a state-owned company created by Decree with a specific mandate to, among others, develop, manage, and operate hydroelectric assets; SONATREL as the electricity transmission system operator; ARSEL as the electricity sector’s regulator; AER9 a public institution which promotes and develops rural electrification projects across the country with a Rural Energy Fund to finance rural energy projects; and ENEO, as a private company that operates the national distribution network and some hydro generation plants under a 20-year concession contract10. ENEO operates the Southern Interconnected Grid, the Northern Interconnected Grid, and the Eastern Interconnected Grid. There are also Independent Power Producers (IPPs) KPDC (Kribi Power Development Corporation) and DPDC (Dibamba Power Development Corporation) which are thermal power production plants fueled by natural gas and heavy fuel oil produced by SNH a public company. The figure 1 below shows sector institutional set up.

17. With regards to concession, on June 13, 2018, the GoC issued a letter to ENEO notifying it of its intention to extend the generation and distribution concession for ten years until 2031 and confirming its off-taker role under the Nachtigal Project11. Negotiations with the private concessionaire are expected to begin shortly on the terms of this extension with the expectation that an amendment between the GoC and ENEO will be signed in the coming months. The GoC is keen to ensure that incentives are in place to improve the operational performance of the utility, namely with regards to reducing distribution losses and enforcing minimum quality of service criteria. In addition, GoC’s

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5 In 2014, AES sold its stake in AES SONEL to Actis, The Company was renamed Energy of Cameroon (ENEO).
6 Law no2011/022 dated dec, 14, 2011
7 Revenue-cap regulation is a system for setting the prices charged by regulated monopolies by limiting the total revenue in a given period. Revenue cap regulation is a form of incentive regulation, using rewards and penalties to induce the utility company to achieve desired goals, affording the operator some discretion in how to achieve these goals. A revenue cap is similar to a price cap, except the constraint is placed on total revenue rather than a particular price or basket of prices. For Cameroon, the choice of a revenue cap rather than a price cap denoted that ENEO does not face any quantity risk.
8 Decree no.2006/406 dated November 2006.
9 Decree 99/193 dated 8 September 1999.
10 The contract with ENEO is set to expire in 2021; GoC has offered to extend by 10 years the concession in the same perimeter.
11 Both ENEO and Actis confirmed in separate response letters to the Government, dated June 14, 2018, their willingness and intention to seek an agreement to the new amendment/extension of the Concession in the coming months.
expectation is that SONATREL will take over the transmission assets from ENEO on January 1, 2019 allowing time for negotiations, which is mandated by the 2015 amendment #2 to the concession agreement, where a number of CPs must be fulfilled before termination of the transmission concession.

18. Considerable results have been achieved through the above sector reforms, namely: (a) the creation of a regulator and the rural electrification agency; (b) the concession of the historical utility to a private operator; (c) the opening of the sector to IPPs and integration of new generation capacity; (d) unbundling of transmission and distribution segments through transfer of the transmission network from the private utility to a separate state-owned entity for private sector participation; and (e) an increase of investments in distribution.

19. Despite these results, key electricity challenges continue to plague the sector, namely: (i) financial sustainability of the sector; (ii) insufficient investments in the generation, transmission and distribution networks; (iii) poor operational performance of ENEO. These challenges are discussed below:
(a) **Cameroon’s public electricity tariffs are an average of US$0.14/kWh (82FCFA/kWh) higher than the regional average for countries with hydro-based power systems.** Tariffs for consumers have not been adjusted since 2012 for social and political reasons, putting in risk the financial sustainability of the sector. The GoC is addressing this challenge by subsidizing the power sector. The GoC pays ENEO for the difference between actual costs and revenues. Over time, with the introduction of low-cost hydropower plants such as Natchigal and the reduction of losses in the grid, the cost of service in Cameroon is expected to decrease. Power sector and ENEO’s profitability is driven by the amount of the yearly GoC compensation owed to ENEO in lieu of tariff increases if necessary. This compensation amount is narrowly linked and highly sensitive to, (i) ENEO’s cost of equity, (ii) its regulated asset base, and (iii) its distribution efficiency (losses). On the projected period (2018-27), ENEO will have a steady growing net income (see annex4: financial analysis of Cameroon Power Sector). The World Bank supported First Fiscal Consolidation and Inclusive Growth DPO1 (P163657) (closed) and the second Fiscal Consolidation and Inclusive Growth DPO2 (P166694) under preparation aim at resolving this critical issue through prior actions and triggers to clear arrears owed by GoC to ENEO and to implement a sustainable process to ensure funding and timely payment of any compensatory subsidies going forward.

(b). **Poor operational performance of ENEO, including high level of technical and commercial losses (approximately 30 percent of energy generated) need to be addressed:** While ENEO has made some progress including meeting its targets of one million connections in 2017 and reducing the number of incidents and outages on the network, a number of critical issues need to addressed such as: (i) network development did not follow cities growth; (ii) low investments in distribution; and (iii) poor operational performance associated with significant quantities of unserved energy reaching 50GWh/year and a SAIDI\(^\text{12}\) of 105.1h.

(c) **Cameroon’s transmission network requires a major upgrade and RIS-RIN interconnection to increase access.** The PDSE estimates that approximately US$1.9 billion are required over the next decade for investments in transmission including the interconnection line between South network and North one. So far, the Electricity Transmission and Reform Project (P152755) is contributing US$285 million equivalent to the transmission investments, as part of a larger transmission investment program supported by several other financiers\(^\text{13}\) and is meant to pave the way for further private sector investment as well. Increased

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\(^{12}\) **SAIDI:** System Average Interruption Duration Index: Hours of power outages that are linked to malfunctions in the distribution system.

\(^{13}\) **African Development Bank, Banque de Développement des Etats de l’Afrique Centrale, Kribi Port Industrial Complex, EXIMBANK China, EXIMBANK India, Industrial and Commercial Bank of China, Société Générale, NACHTIGAL Project Consortium, Islamic Development Bank, and Deutsche Bank of Spain.**
access requires continued investments in transmission, in the distribution network/substations, and in last mile connections.

20. **The willingness to Pay (WTP) in underserved regions is compatible with applied tariffs and level of electrified costumer’s consumption.** In case of electrification, expenses avoided by households are considered as the minimum that they can afford for electricity and the willingness to pay reflects the amount that households offer to pay. The WTP amount may be less or greater than the expenses avoided. If it is superior, the question becomes whether the households have the capacity to pay the amount proposed. The relationship between the amount shown as willingness to pay and cash income is used for this purpose (see table1). Based on lessons learned, if the electricity bill doesn’t exceed 10% of the income, it is considered that household can afford (see table1) electricity. **If the willingness to pay is lower than the costs avoided, an information campaign should convince the households to pay at least the avoided costs. Such a campaign is strongly recommended in any case because most of the households do not know really their avoided costs.** The detailed analysis is given in annex5.

![Table 1: Willingness To Pay versus household income](image)

<table>
<thead>
<tr>
<th>Household monthly income</th>
<th>WTP</th>
<th>Monthly electricity expenses</th>
<th>%income for electricity</th>
<th>WTP/Income</th>
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</thead>
<tbody>
<tr>
<td>XAF</td>
<td>XAF</td>
<td>XAF</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Far-North</td>
<td>66,541</td>
<td>6,065</td>
<td>4,071</td>
<td>5.2%</td>
</tr>
<tr>
<td>North</td>
<td>61,475</td>
<td>6,065</td>
<td>4,071</td>
<td>5.6%</td>
</tr>
<tr>
<td>Adamaoua</td>
<td>90,644</td>
<td>7,472</td>
<td>5,015</td>
<td>4.7%</td>
</tr>
<tr>
<td>Nord-West</td>
<td>40,109</td>
<td>4,747</td>
<td>3,186</td>
<td>6.7%</td>
</tr>
<tr>
<td>South-West</td>
<td>64,522</td>
<td>4,747</td>
<td>3,186</td>
<td>6.7%</td>
</tr>
<tr>
<td>East</td>
<td>43,553</td>
<td>5,362</td>
<td>3,599</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>64,658</td>
<td>5,819</td>
<td>3,855</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

21. **The AER, with its key role in terms of planning and implementation of both grid extension and mini-grid rural electrification projects, has experienced institutional challenges which impacted its ability to meet rural electrification demands.** The AER is struggling to assert its leadership in the rural electrification area. The challenges include: (a) insufficient technical human resources; (b) shortage of financial resources despite the existence of the Rural Energy Fund (REF) managed by AER; (iii) the multiplicity of actors in rural electrification which undermined the coherence of rural electrification programs and the efficient use of available funds. AER’s achievements in rural electrification include the electrification of 340 localities, which were then transferred to ENEO. Other projects funded by several partners are indicated in table3. The REF has had very limited success since its creation, and no private sector-led mini-grid was granted so far because (i) the cost reflective tariffs for mini-grids continue to be significantly larger than uniform tariffs countrywide even with 70 percent of total investment costs as

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14 ECAM3 (2007) adjusted by inflation to 2017
15 PDSE2035
16 ENEO
subsidy. To address these challenges, the GoC intends to reengineer AER’s organization so that it can fulfil its rural electrification mission.

**Table 2: ongoing projects of AER**

<table>
<thead>
<tr>
<th>Projects</th>
<th>Funding million(XAF)</th>
<th>Source of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Cameroon: CM-Energy Sector Development (P104456)</td>
<td>19,339.00</td>
<td>IDA</td>
</tr>
<tr>
<td>2 Phase II- Rural electrification project of 102 localities in the regions of AD, CE, N, O and SD by extension of interconnected networks North-South (PER II)</td>
<td>17,970.00</td>
<td>IsDB</td>
</tr>
<tr>
<td>3 Rural electrification project of 50 localities in Regions of Adamaoua, North and Far-North by Extension of Interconnected Networks North</td>
<td>5,9340.00</td>
<td>(BADEA)</td>
</tr>
<tr>
<td>4 Decentralized Rural Electrification Project in the Rumpi area (ERD-RUMPI)</td>
<td>3,391.00</td>
<td>UE</td>
</tr>
<tr>
<td>5 Rural Electrification Project of 30 localities by Extension of Networks</td>
<td>1,421.00</td>
<td>AER</td>
</tr>
<tr>
<td>6 Rehabilitation n of MV / LV networks</td>
<td>19.00</td>
<td>AER</td>
</tr>
<tr>
<td>Total</td>
<td>48,074.00</td>
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</tr>
</tbody>
</table>

22. This project will contribute to address some of the challenges above and support GoC’s goal of achieving universal energy access by 2030 and reduce regional inequalities

**C. Proposed Development Objective(s)**

Development Objective(s) (From PAD)

The Project Development Objective is to increase electricity access in Underserved Regions of Cameroon.

**Key Results**

23. Progress toward achieving the PDO will be measured by the following indicators:

(a) People, provided with new or improved electricity services (Corporate Results Indicator) (number);
(b) Increase of electrification access rate in project areas

**D. Project Description**

24. This project is designed to contribute to the rollout of the REMP and have a transformational impact on rural electrification in selected underserviced and fragile areas which includes the Far North, the North, the Adamawa, the North-West and the East.
25. IDA’s funding would provide significant support in the achievement of REMP’s first five years objectives of 200,000 households connections by grid extension and 20,000 by mini grid activities. The project components are based on the priorities identified in the recently adopted Rural Electrification Master Plans. Using the Master Plans as a guide, the GoC decided on the particular investments and geographical areas to be covered in the coming 5 first years.

26. The proposed project is comprised of four components: (i) Rural electrification by grid extension; (ii) Mini-grid rural Electrification (iii)Support to Household Connections costs in Electrified Localities; and (iv) Strengthening the Institutional Capacity of the Electricity Sector and Project Management. The detailed description are in Annex 2.

27. **Component 1: Rural electrification by grid extension: (US$90 million national IDA)**. This component is composed of two subcomponents:  
   (a) **Sub-Component 1.1: Rural electrification by extension of MV/LV networks US$75 million national IDA**. This sub-component will fund the electrification of approximately 417 new localities in selected rural areas, with a total population of 1,040,963 people, representing potential customers of approximately 256,265 households in four regions of Far-North, North-West, South-West and Eastern. The activities to be financed include:  
      (i). Construction of 2,537 km of HTA lines;  
      (ii). Construction of 2,134 km of BTA lines;  
      (iii) Erection of 544 overhead pole substations/transformers including:  
         - 300 transformers of 50kVA,  
         - 172 transformers of 100kVA and;  
   
   (b). **Sub-Component 1.2: Reinforcements and extension of existing HTB/HTA/BTA networks to enable the security of power supply to the new villages (US$15 million)**. This sub-component will finance: (i) the construction of new HTA distribution substations and/or HTB/HTA substations; (ii) construction of HTB/HTA lines; (iii) upgrade single-phase medium voltage (Single Wire Earth Return\(^\text{17}\) (SWER) networks into three-phase networks to cope with the growth of demand; and (iv) restructuring of the HTA network to electrify new localities.

28. **Component 2: Decentralized rural electrification (US$19 million)**: The design of this component is based in two concepts: (i) a PPP concept where the private sector, including ENEO if confirmed, will play a role as operators and not direct investor; and (ii) Securing supply of existing isolated mini-grids operated by ENEO in selected localities by hybridization, namely, adding PV solar mini-plants and extension of

---
\(^\text{17}\) Single Wire Earth Return (SWER) is a single-wire distribution line for supplying single-phase electrical power from an electrical grid to remote areas at low cost. Its distinguishing feature is that the earth is used as the return path for the current, to avoid the need for a second wire (or neutral wire) to act as a return path. It is principally used for rural electrification, but also finds use for larger isolated loads such as water pumps, and light rail. Single wire earth return is also used for High voltage direct current (HVDC) over submarine power cables.
existing HTA/BTA networks for better service coverage. Today about 26 localities are electrified as isolated systems; Thus, this component consists of two sub-components:

(a) **Sub component 2.1: Development of a pilot public-private partnership for decentralized rural electrification (US$6 million):** The delivery model for this PPP for decentralized rural electrification is based on an “affermage” contract type, where the GoC finances the investments and signs a contract to delegate the service to a private operator (“fermier”). The rationale for this type of PPP is based on (i) the uniform tariffs applied across the countrywide and the fragility and poverty of the project area. The operator will be remunerated by the uniform tariffs applied to consumers country wide and a possible subsidy to the OPEX provided by the Government to cover the operator’s costs during the length of the O&M contract if needed. However, it is anticipated that there is no need of OPEX subsidy with the actual level of electricity tariffs applied. AER, and ARSEL will play role as the representative of the Ministry to contract a private operator and control the services operated by the contractor. The competitive selection of operators conducted by ARSEL, will be based on their business plan for O&M and the selection criteria would be the lowest remuneration and operation cost required, given a specific tariff settled by ARSEL. The remuneration will be also fixed based on the performance indicators fixed by the regulator in operator’s contract. AER, the implementing agency, will be responsible for planning of the mini grid sites as well as for preparation and supervision of PPP scheme. The activities of this sub-component include:

(i) Construction of two PCH of 3MW in North-West and Adamawa regions;
(ii) Construction of 70 to 100 km of HTA lines and 70 km of BTA lines to electrify approximately 20 localities and about 2000 customers will have access to electricity; and
(iii) Recruitment of two operators to be responsible for operation and maintenance of facilities built.

(b) **Sub-component 2.2: Securing the power supply of isolated sites by hybridization (US$ 13 million IDA).** The aim is to secure the supply to and extend the distribution network in decentralized sites currently using polluting fossil fuels by hybridizing the existing power plants under the ENEO concession in the selected localities. The objective is to reach 10 localities and add up to 300kWp PV average solar power plant and 5 km to 7 km of additional MV/LV networks (400V / 230V) in each locality. The activities to be financed include:

(i) Construction of 10 PV solar power plants of 300kWp, in 10 localities in the Far-North; and
(ii) Construction of 50km to 70km HTA and BTA and the connection of 1000 customers in total.

29. **Component 3: Support to Households for Connections costs (US$25million National IDA).** This component will support the establishment of a revolving fund to help finance initial household connection costs (including ready boards) to obtain grid supply in the 500 localities (targeted under sub-component 1.1) and in approximately 12 localities that are already electrified. The objective of the revolving fund is to support households to afford the initial connections costs including ready boards. This fund will follow the criteria and other principles defined in the revolving fund’s operational manual and technical specifications utilized by ENEO. The connection of households headed by women in the project areas will
be considered as priority. A fixed charge indexed to kWh will be collected to reimburse the pre-financed connection fees. The scheme is designed so that the customers will pay XAF 2,000 and reimburse the connection fee over a 6 to 8-year period depending on connection type.

30. Component 4: Strengthening Institutional Capacity of the Electricity Sector and Project Management (IDA US$16million). This component will support capacity building of implementing agencies and entities and project management. It will also support structuring an industrial strategy built on rural electrification activities and local expertise for engineering, construction and maintenance of HTA/BTA networks and Support to Institutional reform of the AER. Partnership with local organizations for developing gender technical skills will be also supported. This component consists of five sub-components:

(a) **Sub-Component 4.1: Strengthening Institutional Capacity of the Electricity Sector (US$1.7 million).** This sub-component will support MINEE, ARSEL and AER. As needed, support may comprise analytic and advisory activities, travel, training, equipment, office space, and vehicles. Training needs have been identified in different areas including project management, power distribution and rural electrification, electricity transmission, procurement, finance and accounting, and environmental and social safeguards. In addition, as part of the project’s efforts to support an inclusive and equal approach to electricity services among men and women, gender and energy trainings will be conducted by the AFREA Gender and Energy Program among AER and ENEO staff in charge of connecting the households. The trainings aim at sensitizing those actors involved in the electricity sector on the relevance of the gender aspects in the provision and management of electricity services. The trainings will provide MINEE, AER, staff and ENEO with a more comprehensive understanding of their customers, increasing their knowledge on women and men’s different needs related to electricity services and thus improve provision of services to clients.

(b) **Sub-Component 4.2: Owner’s Engineers for Project Supervision (IDA-US$5 million).** This sub-component will finance the recruitment of an engineering firm to supervise and control the quality of the implementation of engineering works financed under the project and implementation of the Project’s ESIA and RAP. To ensure the consistency with EIB parallel co-financing, the scope of work of the owner’s engineer could also include the supervision of activities financed by EIB/EU. In a weak capacity setting such as in Cameroon, the arrangement will ensure capacity building, harmonize the implementation of activities and ensure efficiency during implementation of a multi-donor engagement. However, EIB will supervise its own project.

(c) **Sub-Component 4.3: Structuring (i) an industrial strategy built on rural electrification activities; and (ii) local expertise for engineering, construction and maintenance of HTA/BTA networks (IDA US$1.2 million).** The implementation of REMP will generate for 20 years steady and consistent investment flows. The GoC considers REMP as a multi-sectoral vehicle for rural area development. Hence the GoC wants to formulate an industrial strategy built on rural electrification activities under REMP to create industrial businesses to retain part of investment flows in the country. As such this sub-component will finance:

- a study on structuring local expertise in rural network design, erection and maintenance:
- development of a local business promotion policy for electrification works, operation and maintenance;
• creation of new industrial activities in the electricity sector for the supply of equipment for rural electrification (poles, cables, electrical accessories);
• capacity building in management of large long-term project by local actors;
• development of specific regulation (standardization) and control in the field of rural electrification; and

(d) Sub-component 4.4: Partnership with local organizations for developing gender technical skills (IDA-US$2.76 million). This sub-component will support partnerships with local organizations for developing technical skills for women. Specific activities include: provision of trainings and a qualitative study on gender and the energy Program to investigate women and men’s electricity needs and guide the project’s proposed gender-targeted interventions will be developed. Two sets of trainings will be conducted among women and men beneficiaries on the use and benefits of electricity, and among women beneficiaries on the productive use of electricity. Gender income generation (promotion and funding of multifunctional platforms to ease women’s daily activities), and associated capacity building will be funded under this component. Technical support to the already established female-owned energy led enterprises in the project implementation areas will be provided.

(e) Sub-component 4.5: Support to Institutional reform of the AER (US$1.84 million). This sub-component will finance a diagnostic study to review AER’s mission in decentralized electrification, as well as development of an implementation approach for Cameroon’s electricity access program (project management and contracting, planning and decision tools, financing staffing and necessary support and training program). This sub-component will also finance the implementation of outcomes of the diagnostic study. The study will start with the PPA.

(f) Subcomponent 4.6: Project Management Support (IDA US$3.5) million). This sub-component will mainly ensure the provision of needed technical, financial, operational, and fiduciary assistance to two implementation agencies (AER, SONATREL) and ENEO to ensure successful project implementation.

31. Component 5: Contingent Emergency Response Component’ (CERC)(US$0): This component, known as the Contingent Emergency Response Component (CERC), will be available if needed be to redeploy some of the project resources alongside those of other projects in the Cameroon project portfolio to respond to an emergency situation. The available resources would be made available to finance emergency response activities and to address crisis and emergency needs. An Immediate Response Mechanism Coordinating Agency and expenditure management procedures will be defined in an Immediate Response Mechanism Operational Manual (IRM/OM), to be prepared separately and approved by the World Bank, in line with guidance provided under OP 10.00, paragraph 12. In case this component is used, the project will be restructured to allocate financing, revise the PDO and indicators, and detail implementation arrangements.

B. Project Cost and Financing

32. The lending instrument for the proposed project is Investment Project Financing. The total project cost is estimated at US$165 million equivalent of which US 15m counterpart funds of GoC for ESIA and compensation for resettlement costs. Preliminary cost estimates by component are indicated in the table below. The IDA credit will be passed on by GoC as a grant to AER to finance the estimates by component as detailed in the table below. Cost estimates are based on the REMP. These costs will be adjusted when
feasibility studies are finalized for different components of the project.

Table 1: Project Cost and Financing by Component

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Project Cost (US$ million equivalent)</th>
<th>IDA Financing (US$ million equivalent)</th>
<th>GoC financing (US$ million equivalent)</th>
<th>% IDA Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Rural electrification by grid extension</td>
<td>90.00</td>
<td>90.00</td>
<td>15.00</td>
<td>85.7</td>
</tr>
<tr>
<td>2. Decentralized rural electrification</td>
<td>19.00</td>
<td>19.00</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>3. Support to Household Connections costs</td>
<td>25.00</td>
<td>25.00</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>4. Strengthening Institutional Capacity of the Electricity Sector and Project Management (IDA US$16 million).</td>
<td>16.00</td>
<td>10.00</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>5. Contingent Emergency Response Component’ (CERC) 0</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>165.00</strong></td>
<td><strong>150.00</strong></td>
<td><strong>15.00</strong></td>
<td><strong>91</strong></td>
</tr>
<tr>
<td><strong>Total Financing</strong></td>
<td><strong>165.00</strong></td>
<td><strong>150.00</strong></td>
<td><strong>15.00</strong></td>
<td><strong>91</strong></td>
</tr>
</tbody>
</table>

**E. Implementation**

Institutional and Implementation Arrangements

33. **MINEE**: The MINEE will be responsible for oversight of the project and will provide guidance on policy matters.

34. **Project Steering Committee (PSC)**: The PSC chaired by the Minister of energy will be established and include representatives from AER, SONATREL, ENEO, ARSEL, MINEPAT, MINADER, FEICOM, CUCV and PIU. The PSC’s primary responsibility will be to provide advice and strategic direction, as well as general project oversight related to implementation. The PSC will meet at least once every quarter (more often if required).

35. **Project Implementing Entities (PIE)**. The project will have one implementing agency namely AER; and a technical focal point - SONATREL. AER will implement all component while SONATREL will provide technical for Hight Voltage network extension activities (component 1.2). AER, will establish a fully dedicated Project Implementation Unit (Unité de Gestion de Projet, UGP). The PIU will be responsible for the day-to-day management of the project and coordination of project-related activities. The project coordinator will be responsible for overall implementation. The project team will include
specialists who will be responsible for the following areas: procurement, financial management, technical and safeguards.

36. **ENEO, the future operator of the grid extension infrastructure will be closely involved in project implementation.** An agreement will be concluded between the implementing entities, ENEO, AER and SONATREL defining respective roles and responsibilities. ENEO will appoint engineers dedicated to providing inputs to AER and SONATREL on the supervision of the project activities during implementation working with the PIUs and the owner’s engineer. ENEO’s role in the execution of Component1 will be limited to technical inputs and commissioning of completed works to ensure compliance with grid standards and proper synchronization with the grid. Commissioned infrastructure will be handed over the ENEO for operation and management.

37. **A Memorandum of Understanding (MoU) will be signed between AER and ENEO on operationalization of the revolving fund.** The proposed revolving fund will be set up and managed by AER. An operational manual for the revolving fund will be prepared by AER. ENEO will implement financed connections. Modalities for the implementation including tariff structure for connections, procurement procedures, subcontractors to be used, specifications of materials and security standards will be agreed upon in an MoU between AER and ENEO that will be submitted for approval to the World Bank before effectiveness.

38. **Owner's engineer:** The owner’s engineer financed under Sub-component 4.2 will provide support to the implementation of the project and to the PIUs responsible for supervision of investments under Components 1, 2 and 3. The owner's engineer will also validate the technical specifications for activities under these components before procurement packages are put out for bid. However, the ultimate responsibility for project management will lie with AER and SONATREL for their respective components.

39. **Project Implementation Manual (PIM).** The project will be implemented in accordance with the Project Implementation Manual (PIM), which will be prepared by SONATREL’s PIU before effectiveness.

40. **Other Ministries.** Multiple ministries will play a regulatory, supervisory, or supporting role for the project. These include the MINEE, the Ministry of State Property Survey and Land Tenure (MINDCAF), the Ministry of Finance (MINFI), the Ministry of Economy, Planning and Regional Development (MINEPAT), Ministry of Forestry and Wildlife (MINFOF) and the Ministry of Environment Protection of Nature and Sustainable Development (MINEPDED).

41. **Figure 7 below illustrates the project’s institutional arrangements.**
F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Mainly in the regions of Far North, North, Admaoua, North Wes, South-West and East

G. Environmental and Social Safeguards Specialists on the Team

Leandre Yameogo, Environmental Safeguards Specialist
FNU Owono Owono, Social Safeguards Specialist
Cyrille Valence Ngouana Kengne, Environmental Safeguards Specialist

<table>
<thead>
<tr>
<th>SAFEGUARD POLICIES THAT MIGHT APPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safeguard Policies</strong></td>
</tr>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
</tr>
</tbody>
</table>
positive effects on improved livelihoods, and none of the activities to be financed by the proposed project is expected to induce adverse, irreversible environmental and social impacts. Since the exact location of most infrastructures in the beneficiary regions is still to be determined and detailed designs still have to be completed, an Environmental and Social Management Framework (ESMF) was prepared, consulted upon in-country and published in Cameroon on August 7, 2018, and in the Bank’s website August 8, 2018. The ESMF provides guidelines and procedures for the environmental and social screening process and the preparation and implementation of Environmental and Social Impact Assessments (ESIAs) for sub-projects as they will be identified, including Environmental and social management plans (ESMPs).

A social risk could be posed by bringing in large numbers of outside workers to complete grid extension and mini-grid in project areas. Setting up temporary workers’ camps may result in gender-based violence (GBV), sex trafficking, and child abuse. While the types of civil works envisaged in the project are not expected to result in large numbers of workers from outside the communities; however, the project will be mindful of this risk and take appropriate measures to prevent and address the negative consequences by incorporating obligations in contracts on preventing GBV, trafficking, and child abuse; adopting and enforcing a code of conduct for the workers and educating them. Given that this is an emerging risk, a GBV assessment of the Cameroon Country portfolio (including pipeline operations) with outputs is ongoing, as such, based on the outcome of the review, additional mitigation measures if required will be incorporated into the project design.

<table>
<thead>
<tr>
<th>Performance Standards for Private Sector Activities</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
</tr>
<tr>
<td>The project will not affect Natural Habitats</td>
<td></td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>Yes</td>
</tr>
<tr>
<td>The OP/BP 4.36 (forest) is triggered because MV transmission lines may cross forest areas yet to be identified, and mini-hydropower plants may also be built in a forest area, mainly in the East Region. The project does not support commercial forest</td>
<td></td>
</tr>
</tbody>
</table>
exploitation. However, as per ESMF guidelines, the ESIAs that will be financed through the project will assess and provide relevant guidance to consider during the site selection to avoid or reduce potential negative impact on health and quality of natural forest.

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Triggered</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pest Management OP 4.09</td>
<td>No</td>
<td>The project will not entail pest management</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>Yes</td>
<td>This policy is triggered because of civil works that will induce digging on the future project sites, this policy is triggered and chance find procedure was inserted in the ESMF and will then be reflected later on in enterprises contracts.</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>Yes</td>
<td>The project triggers the 4.10 (Indigenous Peoples) due to the presence of Mbororo people in the Adamawa, North and Far North regions. The Government of Cameroon considers the Mbororo to be indigenous ethnic minorities. An Indigenous Peoples Planning Framework (IPPF) will be developed during the preparation phase to set the guidelines of the Indigenous Peoples Plans (IPPs) that will be elaborated when sub-projects’ locations will be determined.</td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>Yes</td>
<td>Explanation: The project triggers OP 4.12 (Involuntary Resettlement) due to the infrastructure investments (electricity distribution lines, mini-hydropower plants) construction that could imply land acquisition activities. A Resettlement Policy Framework will be elaborated during the project’s preparation phase to set guidelines of Resettlement Action Plans (RAPs) to be elaborated when sub-projects’ locations will be determined.</td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>No</td>
<td>The project will not affect dams.</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>No</td>
<td>The project will not be in international waterways</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
<td>The project will not be implemented in disputed area.</td>
</tr>
</tbody>
</table>
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:
   The project will involve excavations and earthworks, vegetation clearance (both grass and trees), creation of induced access and temporary storage areas. Other aspects will be related to the management of residual hazardous waste from the solar PV systems, MV feeders, decommissioned transformers and decommissioned electric creosote treated poles, once they reach the end of their life time. This project does entail any potential large scale, significant and/or irreversible impacts. However, since this project will be implemented in fragile communities, security issues are likely cause delays in the selection of safeguard consultants and negatively affect environmental and social compliance monitoring activities. These safeguards aspects are particularly important in the fragile communities and the project will ensure that government commitment to address them is genuine.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
   This project will have more diffuse and induced potential indirect and/or long term positive environmental and social indirect impacts, as it will increase access to electricity in rural areas of Cameroon and reduce greenhouse gas emissions and the health effects of indoor air pollution on local communities.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
   This project is a mix of three rural energy options (mini-hydropower, solar mini-plants, extension of MV/LV networks, reinforcements and extension of existing HTB/HTA/BTA networks) and this goes a long way in bringing down global warming as well as safeguarding the environment. The OP/BP 4.01; OP/BP 4.36 and OP/BP 4.11 were triggered. The Project is classified as Category is B. To avoid or minimize potential adverse impacts, the ESMF provides guidelines and procedures for the environmental and social screening process and the preparation and implementation of subsequent safeguards instruments.

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.
   AER and SONATREL don't have in place functional environmental and social management units. They will rely on their respective PIU E&S staff to plan and management environmental, social risks and impacts associated with this project. SONATREL has a PIU under another Bank supported project (Electricity Transmission and Reform-P152755), which includes an environmental safeguards expert. This safeguards expert supports all Bank funded projects. to address safeguard policy issues, the following are measures are proposed by the borrower:
   • 10% of the project cost will be set up to oversee implementation of safeguards instruments;
   • AER will establish a PIU, and will hire two seasoned safeguards experts (01 environmental safeguards specialist and 01 social safeguards specialist);
   • A Third-Party Monitoring will be recruited to collect and verify monitoring data (social, environmental). He will also monitor the implementation of the ESMP, and RPF in collaboration with the PIU who have the primary responsibility. The TPM will work in close collaboration with different Divisional Committees in charge of monitoring ESMPs in the project areas;
   • The Project will set up different Divisional Committees in charge of monitoring ESMPs in the project areas. The
costs associated with their operation (supervision and inspection missions) will be supported under component 4. This includes resources to be allocated for the recruitment of environmental personnel (PIU-AER), training, workshops and seminars as well as environmental supervision, inspection and ESMP follow up missions.

- E&S and OHS will be included in tenders and environment contractual provisions will be developed. Roles and Responsibilities for E&S Management (contractors; supervision engineer; owner engineer) clearly defined. For e.g. OHS/E&S staffing for supervision engineer, Owner’s engineer and contractors (Qualified EHS staff and Safety Supervisors); induction training for all workers; sanctions and penalties to address environmental and social non-conformities and late payment of wages; site safety plans; internal and external GRMs; documented internal work regulations including conditions for overtime pay; medical evacuation; reporting (monthly, quarterly including accident statistics-workers grievances-social security contributions, etc.); preparation and approval of sites-EMSP; etc.

- The borrower has committed to dedicate adequate financial resources (15,000,000) to the administrative processing of ESIA reports and compensation.

- The AFREA Gender and Energy Program will provide technical and advisory assistance to support the development of the gender-targeted interventions.

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

Beneficiary feedback would be recorded and monitored for Component 1, 2,3 through the grievance redress mechanism (GRM) that is further described in the ESMF and RPF. The PIU AER and ENEO would gather information about activities where complaints have been brought forward, including information on how they were resolved and relevant follow-up. This information would be included in an annual project progress report and taken into account during implementation. These reports would provide information regarding the source and type of grievance and be disaggregated according to gender.

In terms of social risks, it is recognized that the influx of male workers for construction, rehabilitation, or maintenance of the proposed infrastructure may occur and could potentially have negative impacts on the local population, especially vulnerable groups such as women and girls who might engage in relations with campsite workers. Potential negative consequences of such transitional relations include contracting sexual transmitted infections, adolescent pregnancy, and sexual and gender-based violence. Labor influx might also have critical negative impacts on local children. In order to prevent and address the potential social risks related to the labor influx, codes of conduct on child protection and gender-based violence will be integrated in the bidding documents and in the contracts of all employees, contractors, and consultants contributing to the development of the project’s infrastructure. A compliance team (CT) based at AER, will be also established to coordinate and monitor the application of the codes of conduct. In order to operationalize the principles enshrined in the codes of conduct, the CT will develop the action plans on child labor and gender-based violence.

Security in project areas may delay implementation of Project activities. Security issues concern a small part of one of the project area (Far North) and the two anglophones regions (North-West and South -West regions) where emerging war is ongoing. Some villages along the border of Nigeria and Lac Chad, may be the target of Boko Haram attacks, and as a result, a risk premium for contractors working in these parts of project area may be required. Mitigation: As an extensive infrastructure project, an agreement between the Ministry of Energy and the Ministry of Defense may be put in place during project implementation especially in the Far North to provide overall security. The World Bank will explore the possibility to recruit a Third-Party Monitoring Agency (TPMA) to assist the Bank with Project supervision and implementation support in the event that Bank staff cannot travel to the areas of anglophone regions due to security restrictions.
### B. Disclosure Requirements

#### Environmental Assessment/Audit/Management Plan/Other

<table>
<thead>
<tr>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
<th>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>07-Aug-2018</td>
<td>08-Aug-2018</td>
<td></td>
</tr>
</tbody>
</table>

**"In country" Disclosure**

- **Cameroon**
  - 07-Aug-2018

**Comments**

#### Resettlement Action Plan/Framework/Policy Process

<table>
<thead>
<tr>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>07-Aug-2018</td>
<td>08-Aug-2018</td>
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</tbody>
</table>

**"In country" Disclosure**

#### Indigenous Peoples Development Plan/Framework

<table>
<thead>
<tr>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>07-Aug-2018</td>
<td>08-Aug-2018</td>
</tr>
</tbody>
</table>

**"In country" Disclosure**

- **Cameroon**
  - 07-Aug-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?
No

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?
No

OP/BP 4.10 - Indigenous Peoples
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?
Yes
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?
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?
No
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?
No

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

World Bank
Alassane Agalassou
Senior Energy Specialist

Borrower/Client/Recipient
-Ministry of Energy and Water
Elounda ESSOMBA GASTON Elounda ESSOMBA
Minister of Energy and Water
cabinet.minee@gmail.com

Implementing Agencies
Rural Electrification Agency
Moussa OUSMANOU
DG
samuel_ndjom@yahoo.fr

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

APPROVAL

Task Team Leader(s): Alassane Agalassou

Approved By

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<th>Safeguards Advisor:</th>
<th>Charles Joseph Cormier</th>
<th>14-Sep-2018</th>
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<td>Practice Manager/Manager:</td>
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