



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 18-Dec-2019 | Report No: PIDISDSC25575

**BASIC INFORMATION****A. Basic Project Data**

Country Africa	Project ID P168185	Parent Project ID (if any)	Project Name Cameroon - Chad Power Interconnection Project (P168185)
Region AFRICA	Estimated Appraisal Date Apr 24, 2020	Estimated Board Date Jun 16, 2020	Practice Area (Lead) Energy & Extractives
Financing Instrument Investment Project Financing	Borrower(s) Republic of Cameroon, Republic of Chad	Implementing Agency SONATREL, SNE, Central Africa Power Pool Secretariat	

Proposed Development Objective(s)

The Project Development Objective is to increase Cameroon's transmission capacity from Southern to Northern Cameroon to enable exports towards Chad.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	685.00
Total Financing	685.00
of which IBRD/IDA	390.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	390.00
IDA Credit	295.00
IDA Grant	95.00

Non-World Bank Group Financing

Counterpart Funding	80.00
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Borrower/Recipient	80.00
Other Sources	215.00
African Development Bank	215.00

Environmental Assessment Category

A - Full Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

Not applicable

B. Introduction and Context

Country Context

1. Despite Sub-Saharan Africa’s significant energy endowment, approximately 600 million people, or two-thirds of its population, are without access to electricity. For those with electricity access, average residential electricity consumption per capita in 2014 was equivalent to about half the average level of China or one-fifth that of Europe.¹

2. While current levels of consumption are among the lowest in the world, demand for electricity is expected to increase many fold in Sub-Saharan Africa over the coming years. A 2015 study on African electricity markets by McKinsey estimates that demand for electricity in Sub-Saharan Africa will register a four-fold increase between 2010 and 2040, representing an average growth of 4.5 per cent per annum.² This growth will be due to an increase in industrial and commercial demand for electricity averaging 4.1 percent per year, and an increase of residential demand averaging 5.6 percent per year. This increase in demand could vary significantly between sub-regions.

3. There are differences between sub-regions across Africa. In terms of long-term security of supply (that is, the extent to which potential base load capacity exceeds long-term demand for power), the McKinsey study notes that Central Africa is the best endowed sub-region due to the massive hydro potential, even though this potential has proven to be particularly difficult to harness. In this context, it is important to optimize supply through regional integration that maximizes economies of scale and links sources of supply to distant centers of consumption, as well as the development of cost-efficient sources of supply, such as hydroelectricity and gas.

4. Within Central Africa, the Lake Chad region appears as one of the most fragile in the world. Indeed, the region adds to the structural vulnerability of Sahelian countries the pressure of high demographic growth, extreme poverty,

¹ World Energy Outlook 2014 Factsheet: Energy in Sub-Saharan Africa today, International Energy Agency.

² Brighter Africa: The growth potential of the sub-Saharan electricity sector: Castellano, A.; Kendall A; Nikomarov. M; Swemmer T; February 2015. McKinsey & Company.



political fragility and climate change impacts. Over an area stretching 1,000 km North to South and 500 km East to West, at the junction of West African and Central African countries, the region counts over 29 million inhabitants in 2017³.

5. With the exception of Eastern Chad which includes its capital N’Djamena, the region covers areas belonging to the periphery of Cameroon, Niger and Nigeria, and accounting for 30, 3 and 9 percent of their population, respectively. Lake Chad therefore has the particularity of including Chad and Niger which are amongst the lowest in Human Development Index ranking, and sub-regions of Cameroon and Nigeria which are substantially poorer than national average, and affected by lower access to education and health services and infrastructure. Since 2009, the Boko Haram conflict has compounded the fragile economic and political situation of the Lake Chad region, and resulted in a humanitarian crisis with large-scale population displacement and numerous victims.

6. The region however benefits from a dynamic cross-border trade, and increased investment efforts from central governments as well as development partners in the years following the Boko Haram crisis. Increasing access to services and infrastructures is key to fostering job creation, one of the many elements to support the resolution of the complex crisis. Given the remoteness from the country centers and the existing cross-border dynamic, regional integration through infrastructure development can present key opportunities for the Lake Chad region⁴. Building on the cross-border power interconnector currently being implemented by the African Development Bank between Cameroon and Chad, further investments to link such interconnector to Southern Cameroon where the power plants are located, and to expand and reinforce the transmission grid in Lake Chad areas of Nigeria and Niger, could contribute to such regional integration around Lake Chad.

7. The region is also home to the G5 Sahel, a group of countries comprising Burkina Faso, Mali, Mauritania, Niger and Chad created in 2014 to improve policy and strategy coordination for development and security. In July 2017, the European Commission, France, Germany, the World Bank, the African Development Bank and the United Nations Development Programme launched the Alliance for the Sahel, which seeks to increase financial and technical resources to the Sahel to address the multi-faceted challenges and drivers of fragility and to promote increased resilience and economic opportunities, including for the most vulnerable. Among the five sectors of focus, the Alliance has proposed an ambitious target of doubling energy access and installed capacity of renewable energy during the period 2018-22 to address energy poverty and to lower sector costs.

8. Power pools exist in central, east, west, and southern Africa. These pools are each at various stages of development. None yet operate on the basis of fully competitive markets, however some are on the cusp of important advances. The South Africa Power Pool (SAPP), established in 1995, is the most advanced of the power pools, with an established intra-day trading market, regional control center, and comprehensive technical/pricing framework. The West Africa Power Pool (WAPP), established in 1999, is the second most advanced, with an enabling operational and technical framework under development, and expansion of the interconnection network in progress. The East Africa Power Pool (EAPP) and Central Africa Power Pool (CAPP) were developed more recently (in 2003 and 2005 respectively). The EAPP still faces weak operational and technical framework and lack of coordination between countries. The CAPP is spearheaded by a CAPP Secretariat, but does not yet have a regional master plan or interconnections. As these regional markets continue to develop, they will help alleviate some of the major challenges in the energy sector of SSA.

Central African Power Pool

³ Extrapolated from: (i) Cameroon census BUCREP-RGPH in 1987 and 2005; (ii) Chad INSEED-RGPH 1993 and 2009; (iii) Niger INS-RGPH 1988 and 2-12; (iv) Nigeria NBS Census Data 1991 and 2006.

⁴ Crise et développement. La region du Lac Tchad a l’épreuve de Boko Haram.



9. Central Africa is home to about 1,745 million inhabitants and span across 6.6 million square kilometers. It is rich in resources, possessing 28 percent of the World oil reserves, substantial mineral concentrations, and significant agricultural and hydropower potential. Nonetheless, average GDP in 2015 was estimated at US\$225 billion, far below that of West Africa and Southern Africa. From 2015 to 2017, economic growth had declining, and was particularly sluggish over the 2016 – 2017 years, with an estimated average growth of 0.9 percent—far below the Africa’s average growth of 3.6 percent. Poverty remains currently widespread, despite a steady decline from about 76 percent in 1996 to 60 percent in 2013. To enhance economic stability, foster peace, and improve living conditions of the population, the Heads of 11 States⁶ came together, in October 1983, and created the Economic Community of Central Africa States (ECCAS). The ECCAS’ main mandate is to promote cooperation and sustainable development in various socio-economic areas including the development of regional transport and energy infrastructure. ECCAS comprises countries at various income levels, including middle-income countries (e.g.: Cameroun and Angola) as well as fragile and conflict-affected countries, such as the Central African Republic (CAR) and the Democratic Republic of Congo (DRC).

10. Recognizing the limits of national self-energy reliance, and the need to pool cost-effective power resources to address huge unmet power demand, the ECCAS created, in April 2003, the Central African Power Pool, and designated as its regional power integration arm in 2004. The CAPP’s main mandate is to establish a power market within Central Africa by expanding regional power infrastructure, and putting in place a conducive legal, commercial, and technical framework for efficient power trade. The CAPP is governed at the highest level by the Heads of States of the member countries represented by the council of Energy Ministers of the member countries, and, at the executive level, by the Managing Directors of the power utilities and/or Principal Secretaries of country ministries in charge of energy. CAPP’s day-to-day operations are run by the General Secretariat (CAPP-GS), which comprises limited core staff, and relies on external committees—but some are nonoperational. To enable adequate operation of the CAPP-GS and the development of CAPP’s sub-projects portfolio, the ECCAS’s Heads of States approved, in 2015, a levy from country power consumption, and the establishment of a regional power development fund. However, these financing mechanisms are not yet operational.

11. Although CAPP possesses the highest hydropower potential of all Africa power pools, it remains one of the least advanced power pools, and contains some of the least electrified countries in the world. Hydropower potential within CAPP countries is estimated at about 148 GW—the third potential in the world behind China and Russia—with many countries, such as DRC, Cameroon, and Angola possessing far more than 2GW potential each. To turn this potential into power, 24 regional sub-projects and 16 cross border electrification sub-projects were identified and approved in 2004 by the ECCAS as priority projects. Since then, only one sub-project (between Cameroun and Chad) was financed, in 2017, by the African Development Bank (AfDB). Currently, only a very small amount of power trade occurs (about 0.2 percent of all electricity generated in the region⁷) via bilateral trading agreements. In contrast, over 1500 km of high voltage transmission lines were constructed in the WAPP, and various interconnections are under operation in the SAPP. In 2011, CAPP had the lowest access rate of SSA power pools. In 2018, CAPP still comprises four countries—Burundi (7.6%), Chad (8.8%), Central African Republic (14%), and DRC (17.1%)—that are among the 10 least electrified countries in the World⁸.

12. To foster the expansion of regional energy markets, three priority interventions are required in the CAPP: (i) financing critical regional electricity infrastructure; (ii) building trust to facilitate trade; and (iii) strengthening national legal, regulatory and market frameworks as well as institutional capacity of the CAPP. Given the early stage of development of the CAPP, in the short term, these priority interventions would translate into: (i) financing the Cameroon - Chad Power

⁵ Estimated population in 2015. Source: World Development Indicators

⁶ Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tome & Principe.

⁷ ESMAP Consultative Group Meeting 2018: Scaling up electricity trade in the regional power pools.

⁸ World Bank. Tracking SDG7: The Energy Progress Report. 2018.



Interconnection Project (the proposed Project), which would complement the interconnector financed by the African Development Bank to allow evacuation of energy from excess-supply regions in Southern Cameroon to energy-starved Chad, as well as select interconnections between CAR and DRC; (ii) securing political agreement on the CAPP and updating the Central Africa power master plan, a key planning tool that would provide a roadmap to regional power integration and inform efforts to leverage financing; and (iii) provide technical assistance to the countries and support capacity building to the CAPP Secretariat so that it can play a meaningful role in power trade oversight including payment securitization.

Cameroon

13. 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.

14. 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.

15. 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.

Chad

16. Since independence from France in 1960, Chad—a landlocked country in central Africa—has been plagued by instability from internal rivalries between ethnic groups, conflicts in neighboring countries, and the impact of climate change through desertification and the drying up of Lake Chad.



17. Chad joined the list of oil-producing countries in 2003 and since then its economy has been heavily dependent on oil. The economy, previously agrarian, saw per capita GDP grow from about \$497 in 2001/02 (which was less than half of the average in Sub-Saharan Africa) to about \$967 in 2014. However, the combined effect of the 2014 drop in oil price and the weak security environment have left the country in deep recession, with poverty expected to rise to 39.8% by 2019. This is reflected in cuts in public expenditure, low foreign direct investment, and a loss of income caused by the disruption of cross-border trade with Nigeria in livestock. Nonetheless, there were modest increases in agriculture, which constitutes the primary sector of employment for nearly 75% of Chad's working age population.

18. Chad is ranked far down on the 2015 United Nations Development Program (UNDP) Human Development Index (HDI), at 185 out of 188 countries. Many Chadians face severe deprivation and Chad is hosting about 400,000 refugees from Sudan, the Central African Republic (CAR), and Nigeria, who represent about 4% of the country's total population; most of the Millennium Development Goals were not met by 2015. Between 2003 and 2011, Chad achieved moderate but significant progress in poverty reduction, with the national poverty rate falling from 55% to 47%. However, with this current economic and financial crisis, poverty could increase, and the absolute number of poor is projected to rise from 4.7 million to 6.3 million between 2012 and 2019.

Sectoral and Institutional Context

Cameroon

19. Cameroon is endowed with a hydropower potential estimated at over 12 GW, of which about half is concentrated in the Sanaga River Basin in the South of the country, and about 1 GW only has been developed. Cameroon includes 3 networks which are not connected to each other: the Southern Interconnected Network (Réseau Interconnecté Sud - RIS), the Northern Interconnected Network (Réseau Interconnecté Nord – RIN) and the Eastern Interconnected Network (Réseau Interconnecté Est – RIE). The GoC developed a Least Cost Power Sector Development Plan to bridge the gap between long term supply and demand and reach universal access by 2035. Although electricity coverage rate in the country stands at 74 percent, national electricity access rate reaches only about 50 percent. The average access rate masks wide disparities between the Southern and Center regions, where access varies between about 80 percent and 100 percent, and the Northern Regions where access is estimated at between 46 percent and 52 percent. The Least Cost Power Sector Development Plan assessed that connecting the RIN to the RIS which includes the Sanaga River Basin generation plants constituted the least cost option to supply energy-starved Northern regions. Additionally, such plan estimated that, by 2030, overall the Cameroon supply – demand projections would provide about 2.5 TWh of excess energy which could be used towards exports.

20. Policy and structure reforms were implemented to address pressing sectoral issues and boost investment in generation, transmission, distribution and access. In 1998, the GoC enacted the Electricity Law which established the electricity regulator Agence de Regulation du Secteur de l'Electricite (ARSEL) and the rural electrification agency Agence pour l'Electrification Rurale (AER). Additionally, in 2001, the GoC privatized the state-owned, vertically integrated power utility Société Nationale d'Electricite (SONEL), 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. In 2014, AES SONEL became ENEO after AES sold its equity share to ACTIS, a British private equity firm. Finally, in 2011, the GoC enacted the New Electricity Law which introduced key changes: (i) the transfer of the transmission network management from ENEO to a newly created state-owned entity Société Nationale du Transport de l'Electricite (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) changes in tariff regime and regulation.



21. Considerable results were achieved through the above sector reforms. In particular, and beyond the private concession and associated investments in distribution and access, the reforms successfully attracted private sector participation in generation, where investments delivered the 216 MW gas-fired Kribi power plant (with IBRD, IFC and MIGA support) and 88 MW heavy fuel oil Dibamba power plant (with IFC and MIGA support), and a new 420 MW hydropower plant Nachtigal is in the process of reaching financial close (again with IBRD, IFC and MIGA support). However, the sector still faces substantial challenges, related to: (i) the financial sustainability of the sector; (ii) the poor operational performance of ENEO; (iii) the low access rate; and (iv) insufficient investments in generation, transmission and distribution. As a long-term, strategic partner in Cameroon's energy sector, the World Bank Group continues to support the GoC's reform agenda with a strong portfolio of projects and technical assistance to help address these challenges.

Chad

22. Although Chad benefits from significant solar, wind, oil and gas resources, its electricity access rate is amongst the lowest in the world at about 8 percent, with wood and coal representing about 90 percent of the energy consumed. About 80 percent of all generation is consumed in the capital N'Djamena, where the distribution network covers about a third of the city's area.

23. The existing power infrastructure is ageing and in disrepair due to financial constraints at the vertically integrated utility Société Nationale d'Electricité (SNE). The 125MW of installed generation capacity is based on diesel and Heavy-Fuel Oil (HFO), and irregularities in fuel supply combined with inadequate fuel storage capacity at the plants lead to significant load-shedding, with annual power outages reaching up to 190 days. The electricity network covers about only 1 percent of the country and losses are high, estimated at about 32 percent in 2017. One major contributor to such high losses is the status provided to about 2,000 government customers that have been granted free unlimited electricity consumption for security reasons.

24. As a result of tariffs which are below cost recovery, high fuel costs, illegal connections and low billing collections, SNE is reliant on government subsidies, putting additional constraints on its ability to finance much needed infrastructure development.

25. The power sector legal framework, established under the Energy Law of 1999, is weak, lacks a policy or plan to develop renewable sources and to increase access, and has not led to a regulatory framework being established as of yet, amongst others. Overall institutional capacity is low at the Ministry of Petroleum and Energy, the Ministry of Economy, Planning and International Cooperation and SNE.

26. The lack of institutional capacity compounds the sectoral challenges, in a context where current demand (estimated at about 200GWh) is projected to increase to about 1,100GWh by 2030, and domestic generation options are limited or costly.

27. In this context, power interconnections which would connect Chad to the Southern region of Cameroon are key in helping bridge the supply-demand gap in Chad and bringing more affordable electricity towards Chad.

⁹ Source: Chad – Cameroon Interconnection Study, Hatch – Artelia, 2017.



Relationship to CPF

28. The proposed project is aligned with the Cameroon Country Partnership Framework's (CPF) 2017-2021 objective of supporting infrastructure and private sector development through four objectives: (i) increased national availability of electricity; (ii) improved national and international transport; (iii) improved ability to do business; and (iv) increased participation in the labor market.

29. The proposed project is also aligned with the Chad Country Partnership Framework 2016-2020 and its Engagement Theme 1 focused on strengthening the management of public resources, which includes a focus on the energy sector.

C. Proposed Development Objective(s)

The Project Development Objective is to increase Cameroon's transmission capacity from Southern to Northern Cameroon to enable exports towards Chad.

Key Results (From PCN)

30. The expected PDO level results include:

- Increase in Cameroon's export capacity towards Chad (MW);
- Signing of the first contract to exchange power between Cameroon and Chad.

D. Concept Description

31. Cameroon includes 3 networks which are not connected to each other: the Southern Interconnected Network (Réseau Interconnecté Sud - RIS), the Northern Interconnected Network (Réseau Interconnecté Nord – RIN) and the Eastern Interconnected Network (Réseau Interconnect Est – RIE). The proposed Project, which would connect the RIS and the RIN, underpins both a regional integration and a domestic integration strategy.

32. First, the proposed Project carries a strategic regional dimension. It will complement the Cameroon – Chad interconnector financed by the African Development Bank (AfDB) and approved in December 2017. The AfDB project will finance, in particular, a 2x225kV high-voltage (HV) main transmission lines between Ngaoundéré and Maroua (Cameroon) and N'Djamena (Chad). The feasibility studies, preliminary and detailed designs, bidding packages, environmental and social impact assessments, and resettlement action plans were completed in May 2017, and the project is in the process of reaching financial close. The rationale for the AfDB project rests on the opportunity, in the medium term, that the proposed Project would provide access to the considerable hydropower potential in Southern Cameroon, for exports towards Chad. Additionally, and jointly with the AfDB project, the proposed Project would also initiate the infrastructure backbone required to develop the CAPP in the longer term.

33. Second, domestically, the proposed interconnector is identified as a critical project in the transmission investment pipeline in Cameroon. Northern regions in Cameroon face an access rate which is about half of that of the Southern regions. Interconnection of the RIS, where there will be excess capacity thanks to the ongoing development of hydropower in the Sanaga River basin, with the RIN is the least cost solution to meeting projected demand in currently underserved Northern regions, as well as beyond towards Chad.

34. The proposed project would be prepared in close coordination with domestic and regional transmission projects under preparation or implementation by the Bank and other partners. In particular, the project would be closely



coordinated with: (i) the Cameroon and Chad Interconnection Project, financed by the AfDB and currently under implementation, which would directly benefit from the project to enable exports from Cameroon to Chad; (ii) the proposed CAR – DRC Cross Border Electrification Project (P166840), which will amongst others contribute to the infrastructure development in the CAPP; and (iii) the Electricity Transmission and Reform Project (P152755) which supports the development of transmission infrastructure within Cameroon as well as the operationalization of the newly established Transmission System Operator SONATREL.

35. The proposed Project would link the Nkolnkumu substation in the South to the Kousseri substation in the North, through a transmission line which could reach 1,300km in length depending on the design considered. The procurement of the feasibility study, preliminary and detailed designs, as well as Environmental and Social Impact Assessment and Resettlement Action Plan for the proposed project, is currently underway and are financed under the Electricity Transmission and Reform Project (P152755), currently being implemented by SONATREL.

Project components

36. The project's main components are the following:

Component 1: Cameroon South –North Power Interconnection (Project US\$ 335 million, of which IDA Credit US\$ 275 million).

37. This component finances the infrastructure of the about 1,300 km of transmission interconnection between the RIS and the RIN within Cameroon. The component will be implemented by SONATREL and its existing Project Implementation Unit (PIU) which is currently implementing the Cameroon Electricity Transmission and Reform Project (P152755).

Sub-component 1-A: Construction of the Cameroon North – South Transmission Interconnector (Project US\$265 million, of which IDA Credit US\$265 million).

38. This component involves the construction of the transmission lines, the construction and/or rehabilitation of substations, the installation of SCADA equipment, the construction and/or rehabilitation of synchronization/compensation and fiber optic equipment as required along the transmission line.

Sub-component 1-B: Implementation of the Environmental and Social Management Plans (ESMPs) and Resettlement Action Plans (Project USD\$60 million, of which IDA Credit US\$10 million).

39. The cost of implementation of the Resettlement Action Plan (RAP), estimated in the amount of US\$50 million will be covered by counterpart financing. The costs of the implementation of all the aspects of the Environmental and Social Management Plan (ESMP) (USD US\$10 million) - other than the implementation of the RAP - will be financed under the IDA credit. Environmental mitigation measures under the ESMP will be almost entirely included in the contractor contracts.

Component 2: Technical Assistance (Project US\$15 million, of which IDA Grant US\$5 million and IDA Credit US\$10 million).

40. This component will focus on technical assistance (TA) and capacity building activities to the Government of Cameroon and the Government of Chad in bridging the legal, regulatory and market framework gaps towards



regional integration in the CAPP , and with neighboring countries which are part of the WAPP, and in particular Nigeria and Niger. As required and in coordination with the Central African Republic – Democratic Republic of Congo Cross-Border Electrification Project (P166840) currently under preparation, this component may also finance technical assistance to the CAPP Secretariat.

Component 3: Project oversight (US\$10 million, of which IDA Credit US\$10 million).

41. This component will finance the PIU as well as further implementation support through an Owner’s Engineer.

Sub-Component 3-A. Implementation support through an Owner’s Engineer contract (US\$ 5 million of which IDA Credit US\$5 millions).

42. The proposed project will finance an Owner’s Engineer to assist the PIU with (i) overall project management and supervision of the procurement, design, construction and preparation for operation and maintenance of the complete investment, including the full transmission line, construction and upgrade of substations; (ii) supervision and monitoring of the implementation of the Environmental and Social Management Plans (ESMPs) and the Resettlement Action Plans (RAPs), based on an agreed monitoring plan; and (iii) the carrying out of selected studies.

Sub-Component 3-B. Project Management - Extension of the responsibilities of the existing PIU within SONATREL (US\$5 million of which IDA Credit US\$5 million).

43. This sub-component will cover the operating costs of the PIU during the construction of the line, as its responsibilities are extended beyond the scope of the Cameroon Electricity Transmission and Reform Project (P152755) to the proposed project.



Table 1: Breakdown of Project Costs and Financing

Component	Activity	IDA Credit (US\$ mln)	IDA Grant (US\$ mln)	GoC (US\$ mln)	Total (US\$ mln)
Component 1	RIN RIS Interconnection	275		50	325
1.A	Infrastructure	265		-	265
1.B	ESMP and RAP	10		50	60
Component 2	TA	10	5	-	15
Component3	Project oversight	10		-	10
3.A	Owner's Engineer	5		-	5
3.B	PIU	5		-	5
Overall costs		295	5	50	350

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Cameroon includes 3 networks which are not connected to each other: the Southern Interconnected Network (Réseau Interconnecté Nord - RIN), the Northern Interconnected Network (Réseau Interconnecté Sud – RIS) and the Eastern Interconnected Network (Réseau Interconnect Est – RIE). The Cameroon North - South Interconnector, which would connect the RIN and the RIS, underpins both a domestic integration and a regional integration strategy. The project development objectives is to increase Cameroon’s export capacity towards Chad.

The proposed North – South Interconnector Project would link the Nkolnkumu substation in the South to the Kousseri substation in the North, through a transmission line which could reach 1,300km in length depending on the design considered. This transmission line will cross three agro-ecological zones namely humid forest zone, High guinea savannah zone, Soudano-sahalian zone. Many national parks (Benoue National Park (NP), Waza NP, Gashaka-Gumti NP), Wildlife Reserve (Faro Reserve) and even a Ramsar site namely waza logone floodplain are found across these agro-ecological zones. The presence of indigenous people settlements is considered as sensitive characteristics that deems attention during the preparation of the environmental and social management documents.

B. Borrower’s Institutional Capacity for Safeguard Policies

Cameroon and Chad have a comprehensive Environmental and Social Impact Assessment (ESIA) law and regulations as well as occupational safety regulations. Environmental management and protection in both countries are respectively governed by the framework law No 96/12 of 5 August 1996 and Law No. 14 / PR / 98 of 17 August 1998. These laws require proponents to consult with the public, interested and affected parties during the environmental and social assessment.

In Cameroon, a relatively mature central ESIA authorities are in place (Ministry of environment, interministerial Committee on the Environment) decentralized (municipalities, Divisional Committees for technical and administrative supervision of ESMP and ministry of environment decentralized units) but understaffed.



In Chad, the main institution in charge of environmental and natural resource management is the Ministry of the Environment, Water and Fisheries (MEEP), which includes the Direction of Environmental Assessment, Control and Pollution Control (DEELCPN). DEELCPN has regional Units, however, capacity remains weak in the Ministry of Environment, in civil society organizations, and among local government bodies. There is often no regular follow up from the Ministry, due to the lack of available resources. A thorough capacity assessment will be carried out during the project preparation and PIU will recruit 01 environmental and 01 social expert.

Cameroon Government has extensive experience on the implementation of social safeguards. Resettlement and compensation guidelines as provided in OP 4.12 on Involuntary Resettlement were implemented in the framework of others energy and transports projects. Cameroon regulations on compensation and OP. 4.12 requirements were harmonized in a “Methodological Note” approved by the Cameroon Government. The Methodological Note was implemented in a transport project and will be soon applied in the framework of “Inclusive cities” project. The same methodology will be used for the Cameroon Electricity Transmission Project and upcoming energy projects.

Even though there is no specific law in Cameroon to protect rights of indigenous peoples (Pygmies in the Cameroon context), they are recognized to be one of the vulnerable populations in Cameroon. Projects financed by the World Bank and that impact IPs always integrate specific provisions to avoid negative impacts on their environment and culture, and to ensure that IPs can take benefit of projects activities.

C. Environmental and Social Safeguards Specialists on the Team

- Kristyna Bishop, Social Specialist
- Aurelie Marie Simone Monique Rossignol, Environmental Specialist
- FNU Owono Owono, Social Specialist
- Cyrille Valence Ngouana Kengne, Environmental Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Transmission lines may affect environmental sensitive areas such as wetlands, forests, national parks, and in addition affect an area broader than the sites subject to physical works in terms of land acquisition and its likely impacts that include displacement and loss of livelihoods. Therefore, the project is categorized A. The borrower will prepare ESIA's, consult upon and disclose in-country and authorize the Bank to disclose on its external website, prior the decision meeting and 120 days before Board date. The purpose of an ESIA will (among others) to help assess alternatives and inform project design. The ESIA would likely identify presence (or not) of IPs and enable the preparation of a plan. In addition, since the cross-border Interconnector between North Cameroon and Chad, currently being implemented/financed by AfDB it is considered an associated facility, the Bank team will have to verify that due diligence done meets Bank policy requirements.



Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	<p>Many national parks (Benoue National Park (NP), Waza NP, Gashaka-Gumti NP), Wildlife Reserve (Faro Reserve) and even a Ramsar site namely waza logone floodplain are located between the Nkolnkumu and Kousséri substations.</p> <p>Given that itineraries of the transmission line and the fiber optic are not yet known, it is likely that those encroach on protected areas.</p>
Forests OP/BP 4.36	Yes	<p>Transmission lines may cross forest areas yet to be identified, mainly in the South Interconnected Network areas.</p>
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	TBD	<p>This policy is triggered because the construction of substations, the installation of optic fiber equipment, etc will induce digging. In addition, transmission lines may cross sacred sites,. A chance find procedure will be required as part of the ESIA/ESMPs, including the contractor’s ESMP. Contractor and sub-contractors will be contractually required to develop a chance find procedure as part of their environmental management activities and to communicate supervision engineer and PIU, at least 15 days in advance, the perimeter of each new area to be stripped as to allow the safeguard specialist to evaluate the risk of chance finds and put in place the necessary procedures.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>Transmission lines footprints might pass through areas where IPs live. To avoid negative impacts on their environment and culture, and to ensure that IPs can take benefit of projects activities, an Indigenous Peoples Plan (IPP) will be prepared for each affected IP settlement/village as identified by the ESIA. These draft IPPs will be prepared and disclosed prior to the decision meeting, and then finalized in due time during the project implementation</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>Transmission lines construction will necessitate land acquisition. During project’s preparation, a Resettlement Policy Framework (RPF) will be prepared to set the scope and principles for all land acquisition, resettlement and compensation activities. For the transmission lines whose corridors are clarified/delineated by the ESIA, drafts RAPs will be prepared and disclosed prior to the decision meeting, and then finalized in due time during the project implementation.</p>



Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Apr 08, 2020

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The independent consultant that would undertake the preliminary ESIA is recruited. Completion is expected by February 2020.

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APPROVAL

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