RURAL ELECTRIFICATION AGENCY

ENERGY = EMPOWERMENT = EFFICIENCY

NIGERIA ELECTRIFICATION PROJECT

THE NIGERIA ELECTRIFICATION PROJECT (NEP)

Environmental And Social Management System (ESMS) A Tool For E&S Guidance

DATE: 15-04-2019

PRESENTATION CONTENTS

ESMF A WB Instrument for Environmental management

ESMS a requirement for Developer and SHS distributor

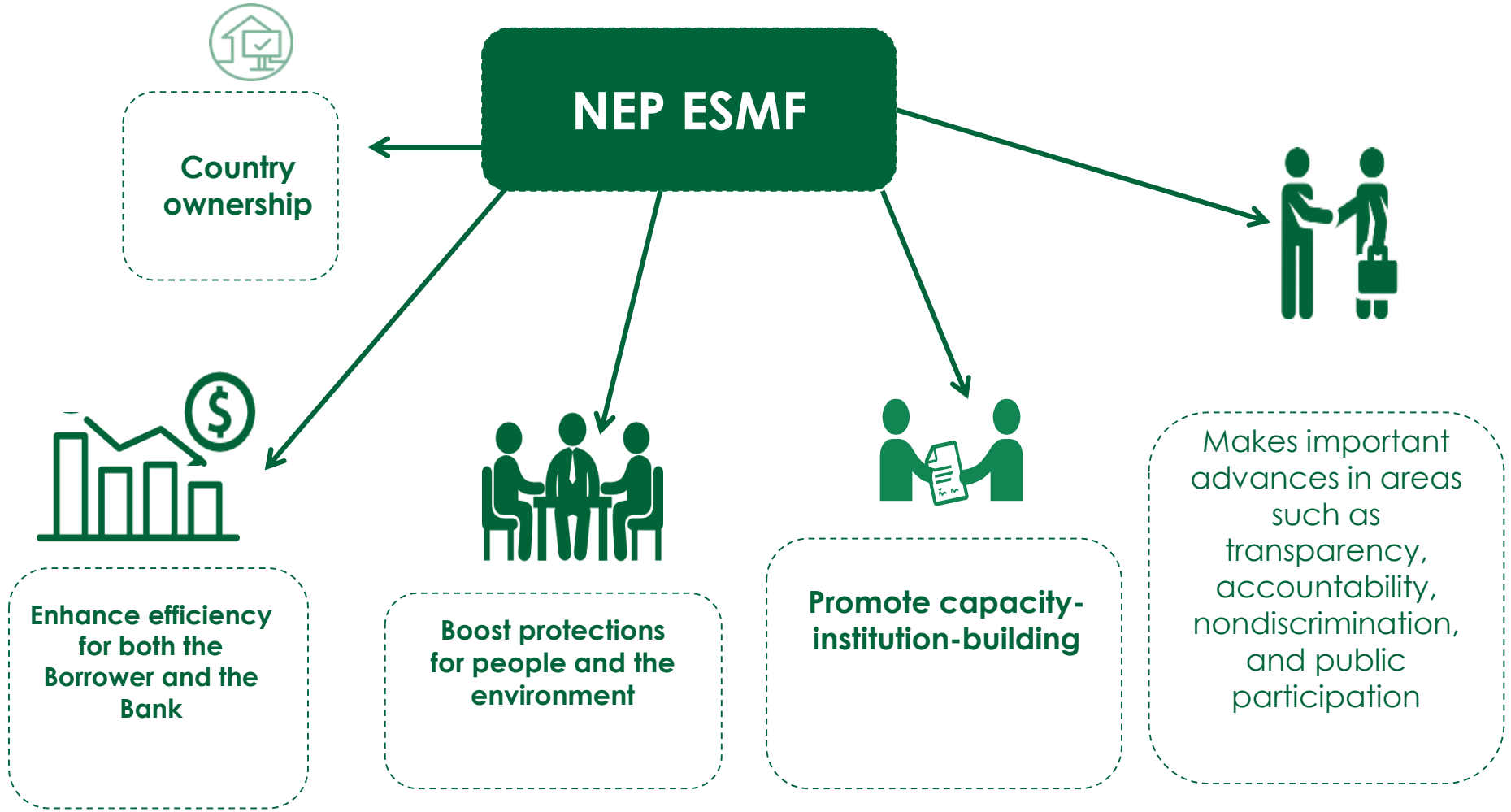
E&S Responsibilities for developers during tendering

Grievance redress/Waste management

Conclusions/Annexes

ESMF A WB INSTRUMENT FOR ENVIRONMENTAL MANAGEMENT: THE NEP ESMF

The NEP ESMF is guided by:



THE ESMF AS A STEP FORWARD FOR THE NEP

Risk Coverage

Better Integration of environmental issues, including:

✓Sustainable management of water and strategic approach to waste management.

Strong Emphasis on integrated environmental and social assessment and risk management using Environmental and Social Management Systems (ESMS) concept for private sector

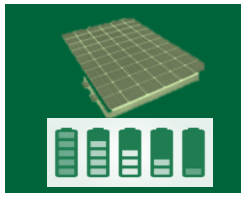
Emphasis on relevant Social Issues, including:

✓Land acquisition aspects
✓Inclusion and non-discrimination
✓Clear focus on gender issues
✓Labor and working conditions
✓Community health and safety

ENVIRONMENTAL AND SOCIAL RISKS IMPACTS FOR THE NEP

For Components 1, 2 & 3

***Land acquisition/ resettlement*:** Involuntary resettlement is not expected to be frequent or large-scale; economic displacement is possible; voluntary land donation practices can occur but not encouraged.



***Waste management*:** Risks associated with disposal of lead-acid batteries and lithium batteries used in mini-grids will present a challenge for the project's long-term sustainability.

Resource consumption (water)

***Biodiversity impacts*:** Impacts on sensitive natural habitats, bird mortality

Labor and working conditions practices Labour and working condition are expected to be adequate and will be monitored on a regular basis, e.g. use of child labor may be possible but not expected to be frequent or severe

MANDATORY E&S REQUIREMENT TO QUALIFY AS A DEVELOPER AND SHS DISTRIBUTOR

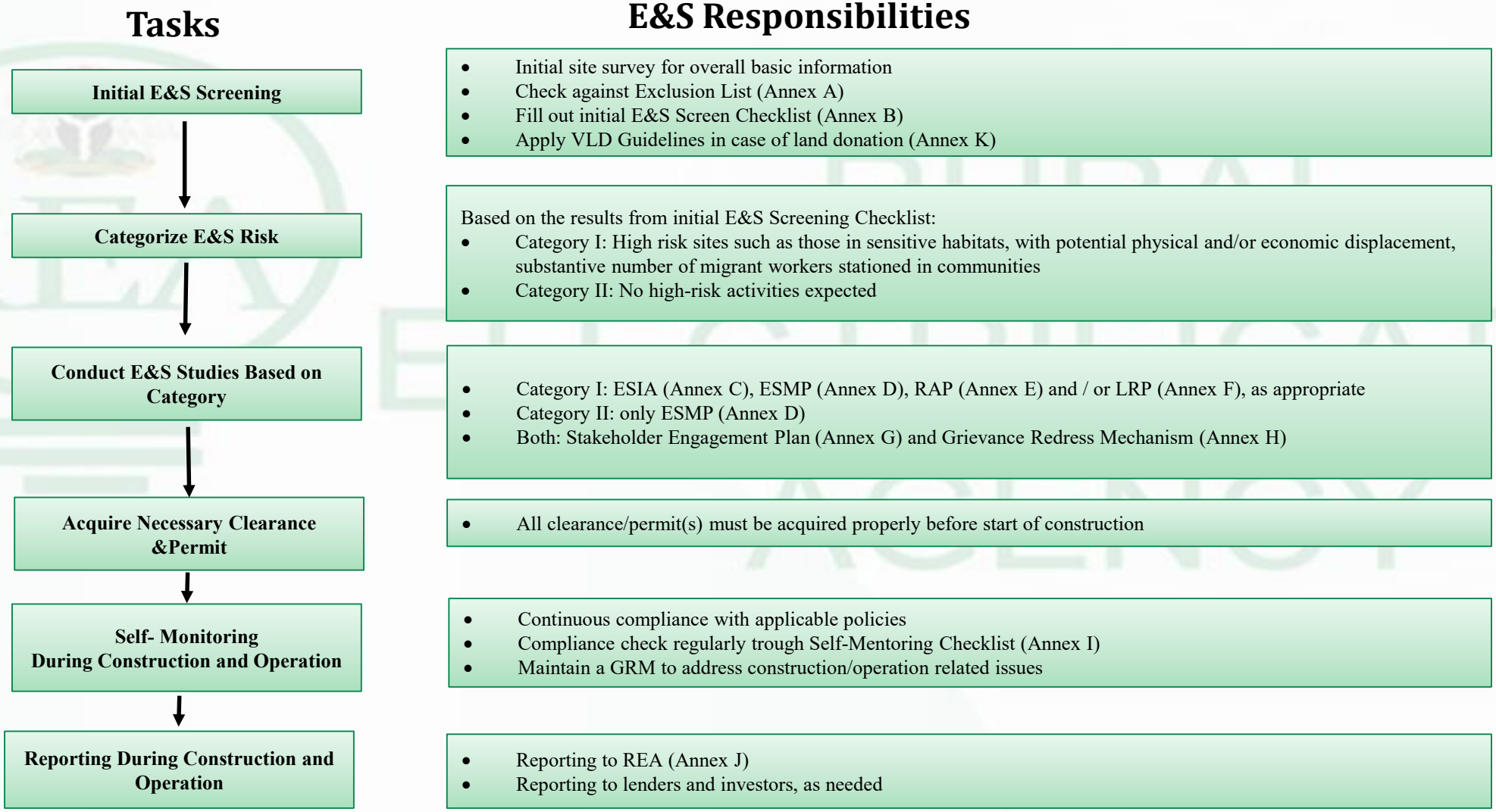
It is mandatory that all would be developers/distributors will establish and maintain an Environmental and Social Management System (ESMS). Incorporating the following elements:

E&S RESPONSIBILITIES FOR DEVELOPERS DURING TENDERING

During the tendering process, when developers submit their proposals/bids, their E&S responsibilities at this stage should include:

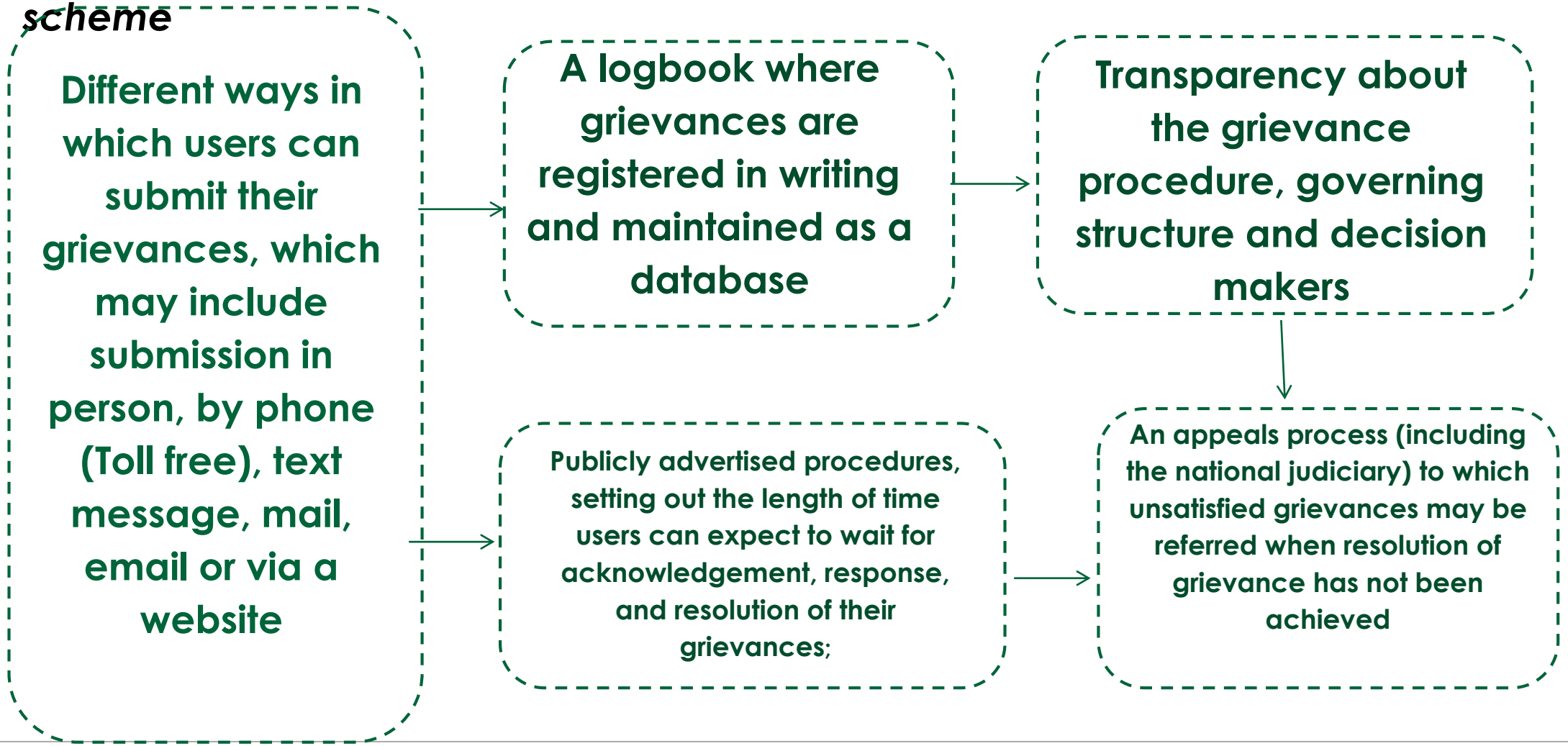
- ✓ Prepare and submit documents meeting selection criteria, including ESMS as part of Business Plan for REA to review and verify (a template ESMS is provided in Annex IV of the ESMF); and
- ✓ Provide evidence of clean track record, such as no environmental or labor violations or fines in past 3 years.

WORKFLOW FOR MINI GRID DEVELOPMENT

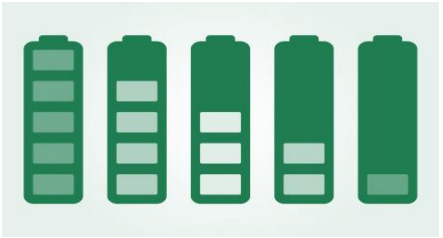


GRIEVANCE REDRESS TO BE MAINTAINED FOR THE NEP

The GRM to be maintained will include the following elements represented in the scheme



CONCLUSIONS

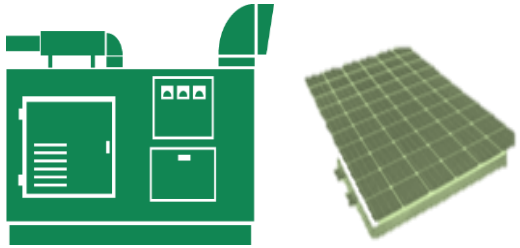


BATTERIES

END OF LIFE BATTERY IS A MAJOR POTENTIAL RISK FOR ALL COMPONENTS.

POLICY

POLICY THAT PROMOTE PRODUCERS RESPONSIBILITIES TO INCLUDE RECYCLING MAYBE THE BEST WAY TO GO.



GENERATORS/SOLAR PANELS

COMPONENTS 1 & 3:

LAND

LAND ACQUISITION

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ANNEXES

Roles and Responsibilities for E&S Risk Management by Project Component

Operational process steps (by component)	Roles and responsibilities (REA and private sector)		
	REA	Private sector	Other key stakeholders
Component 1: Solar Hybrid Mini grids for Rural Economic Development			
(1) Setting applicable E&S requirements	Sets applicable E&S requirements and includes them in the grant application process for mini grid developers (including applying Exclusion Criteria for Min-Grid Developers, SHS Companies, and Contractors) Requires mini grid developers to prepare Environmental and Social Management Systems (ESMS) to manage E&S risks across subprojects each developer will design and implement Integrates E&S requirements in legal agreements with mini grid developers	Mini grid developers incorporate applicable E&S requirements in their institutional ESMS	**N/A**
(2) Screening for E&S risks and impacts	Validates developer process and risk categorization	Determine key E&S risks and impacts of individual mini grids applies exclusion criteria and assign E&S risk category (I or II) Submits list of category I sites to REA before construction.	**N/A**

Roles and Responsibilities for E&S Risk Management by Project Component

Operational process steps (by component)	Roles and responsibilities (REA and private sector)		
	REA	Private sector	Other key stakeholders
Component 1: Solar Hybrid Mini grids for Rural Economic Development			
(3) E&S due diligence and risk management	Conducts site visits for all category I mini grids and for a sample selection of category II mini grids	Prepare and integrate into design: For category I, ESIA/ RAP/LRP as required For category II, ESMP For both, Stakeholder Engagement Plan (SEP) and grievance mechanism	Federal Ministry of Environment (FMEnv) provides environmental clearance, as required
(4) Monitoring	Conducts monitoring activities during mini grid construction and operation (sample, risk-based checks and site visits)	Conduct self-monitoring activities in line with their ESMS, maintain monitoring records	Communities participate in monitoring, as per SEP

Roles and Responsibilities for E&S Risk Management by Project Component

Operational process steps (by component)	Roles and responsibilities (REA and private sector)		
	REA	Private sector	Other key stakeholders
Component 1: Solar Hybrid Mini grids for Rural Economic Development			
(5) Reporting	Reviews annual E&S reports from developers and conducts follow-ups Maintains records of developer screening, ESIAs, ESMPs, RAP/LRPs, other relevant documents	Prepare annual E&S reports to REA Report any incidents or accidents within several days of occurrence	N/A
(6) Independent E&S audit	Engages independent E&S auditor	Provide all relevant reports and documents to the independent E&S auditor	Independent E&S auditor conducts annual review of developers' E&S performance

Roles and Responsibilities for E&S Risk Management by Project Component

Operational process steps (by component)	Roles and responsibilities (REA and private sector)		
	REA	Private sector	Other key stakeholders
Component 2: Standalone solar systems (Solar Home Systems, or SHS)			
(1) SHS company grant application	Incorporates E&S requirements (ESMS, clean track E&S record, exclusion criteria for minigrid developers, SHS companies and contractors) into application and grant agreements Conducts review of SHS companies' ESMS	SHS companies prepare elements required for ESMS in line with REA's requirements Submit statement of current practice for battery disposal/ recycling	N/A
(2) SHS company operations	Conducts sample performance checks, as needed	Remain in good compliance to all relevant requirements. Participate in battery disposal/recycle program	N/A
(3) Monitoring	Oversees (under TOR for general monitoring of SHS companies)monitoring E&S compliance by independent company	Conduct self-monitoring, provide relevant documentation	N/A

Roles and Responsibilities for E&S Risk Management by Project Component

Operational process steps (by component)	Roles and responsibilities (REA and private sector)		
	REA	Private sector	Other key stakeholders
Component 3: Power systems for public universities and teaching hospitals			
(1) E&S impact assessment	Prepares ESIAs and ESMPs for university mini grid subprojects. Applies exclusion criteria for minigrid developers, SHS companies and contractors. Applies exclusion criteria for minigrid and power generation site Integrates E&S clauses I bid documents for contractors	**Contractors** engaged to construct university power systems integrate ESIA/ESMP requirements into their activities	FMEnv provides environmental clearance
(2) Resettlement planning	Prepares RAPs , as needed, and provide funds for compensation, as needed, at full replacement cost in line with World Bank requirements Maintains targeted stakeholder engagement efforts and a grievance mechanism, in addition to general grievance mechanism	Contractors ensure that works are not started until resettlement is completed	REA prepares and implement RAPs and stakeholder engagement with support from the Universities.

Roles and Responsibilities for E&S Risk Management by Project Component

Operational process steps (by component)	Roles and responsibilities (REA and private sector)		
	REA	Private sector	Other key stakeholders
Component 3: Power systems for public universities and teaching hospitals			
(3) Monitoring	Monitors contractor E&S performance before and during construction	Self-monitors against ESMPs	**Universities** support REA in monitoring process
(4) Independent E&S audit	Engages independent E&S auditor	Provide all relevant reports and documents to the independent E&S auditor	**Universities** will assist independent auditors by providing necessary documents and information