Luxembourg, 30/06/2020

Public

Environmental and Social Data Sheet

Overview

Project Name:	INTERCONNEXION ANTANANARIVO TOAMASINA PRIRTEM-1
Project Number:	2019-0162
Country:	Madagascar
Project Description:	The Project concerns the construction of a 220 kV, 270 km-long overhead transmission line and related substations that will interconnect the currently isolated power systems of Antananarivo and Toamasina, thereby supporting the integration of large hydro power plants being developed in both systems and significantly contributing to Climate Action objectives.

EIA required: yes

Project included in Carbon Footprint Exercise[1]: no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

The Project involves the construction of the following facilities:

- Double-circuit, 220 kV, 270-km long overhead transmission line Tana Nord 2-Ambohibary-Antsampanana-Toamasina;
- 220/138/20 kV substations Tana Nord 2 and Ambohibary, the latest being an existing 138 kV substation;
- 220/20 kV substation Antsampanana and 220/138/35 kV substation Toamasina;
- Three 20 kV overhead distribution lines with a total length of 56 km and the associated pole mounted substations for the supply of the localities Morarano Gara, Brickaville and Antsampanana located in proximity of the transmission line route.

The transmission line route crosses the internal regions Analamanga and Alaotra Mangoro and the coastal region Antsiranana. From Antananarivo (Analamanga region) the route runs eastwards to Ambohibary (Alaotra Mangoro region) for circa 60 km and then for further 80 km to Antsampanana (Antsiranana region). From here, the route turns northwards for circa 130 km up to Toamasina.

The Project will be co-financed by the EIB, EU, AfDB and KOEXIM on a parallel basis. Although coordination will be ensured among co-financiers, EIB will retain the responsibility to monitor the environmental and social impacts of the parts of the Project it finances. These include the transmission line between Antsampanana and Toamasina as well as Toamasina and Antsampanana substations.

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

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Environmental Assessment

In the EU the 220 kV overhead line would fall under Annex I of the EIA Directive 2014/52/EU amending Directive 2011/92/EU.

The Project and all its sub-components[2] have been the object of a comprehensive ESIA Report completed in October 2019 by international consultants with financing from AfDB. EIB coordinated closely with AfDB and was able to provide advice and comments directly to the consultants during the preparation of the ESIA Report to ensure compliance with the Bank's E&S Standards.

The ESIA Report was submitted to the competent authority (ONE) in February 2020 and is currently undergoing technical and administrative review by a Technical Committee (CTE) and, in parallel, by a Public Consultation Committee (CAP) as requested under Malagasy law. The issue of the related environmental authorisation is expected in early 2021 as soon as the line alignment will be finalised.

The most relevant negative environmental impacts identified in the ESIA Report and associated ESMP include:

- Loss of 91ha of forested areas outside of formally protected areas of which approximately 7ha have been identified as critical habitat for endemic species
- Loss of approximately 2ha of forest identified as critical habitat inside the protected area Forest Corridor Ankeniheny-Zahamena.
- Potential increase in mortality by electrocution of avifauna and primates.

The loss of forested area has been avoided or minimised at planning stage by carefully selecting the transmission line route and the position of the pylons. Nevertheless, the mentioned residual impact will have to be compensated to obtain a net gain in biodiversity. To this effect, the ESMP envisages the plantation of 182ha of forest in degraded zones and support to wildlife conservation activities within existing protected areas managed by an international NGO already active in the management of Protected Areas (PA) in Madagascar. A Biodiversity Management Plan (BMP) will be produced to define in detail nature and method of implementation of the compensation measures and including formal agreements between the Malagasy government and the PA managers. The production of a BMP acceptable to EIB has been set as a condition for first disbursement to the Promoter.

The risk of electrocution of wildlife can be minimised to an acceptable level with tested technical solutions that reduce wildlife access to pylons and/or cables. Mortality will be monitored by the promoter along the entire route and in proximity of forested areas in particular.

Other potentially negative impacts, typically associated to this kind of investment, include habitat fragmentation, visual impact which have been mitigated at design stage and the diffusion of invasive plants which will be managed during operation.

To ensure that the requirements identified in the ESMP are properly implemented, the Bank will review the tender documents to ensure the ESMP is part of the Contractor's contractual obligations.

Social Assessment

<u>Resettlement</u>

The construction of the transmission line involves the establishment of a 40-meter wide right-of-way along its entire length. Although the route and the position of the pylons have been

[2] With the exception of the distribution scheme for the supply of Brickaville. This comprises the construction of 20 km of 20 kV line and 20/0.4 kV pole mounted substations that are expect to have minor environmental and social impacts.

selected to minimise social impacts, the line will result in physical and economic resettlement of people.

A Resettlement Action Plan (RAP) has been prepared and compensation costs estimated and budgeted. At the cut-off date of 14/09/2019, the line was estimated to affect 937 households, or 7850 PAPs. In accordance with the laws applicable to the concession of the electricity transmission services, the presence of the line will not cause transfer of land property. Nonetheless:

- Buildings within the right of way will be removed and the owners will not be allowed to build any other structures.
- Only certain type of activities will be allowed in the right of way, this could imply the loss of revenue for the people/enterprises currently using the area. Agricultural activities will still be possible but vegetation will have to be kept low for safety reasons.

All affected people will be compensated for the limits imposed on the use of their land or for the costs incurred due to relocation of property in a new area.

The servitude within the right of way, including the footprint of the pylons, will be secured via the signature of servitude contracts between the promoter and the individual land owners. These contracts will be signed and the associated compensation will be paid before the start of the works.

Negotiations of the servitude contracts are ongoing. A Public Utility Declaration (DUP) procedure, including a detailed cadastral inventory (enquete parecllaire), has been initiated in parallel and will be used as a remedy in case of failure of some individual negotiations.

The areas for the construction of the 220 kV substations are identified. The promoter owns already the land for the extension of Ambohibary substation and is currently negotiating the purchase of the land for the other three substations. The areas required for these substations are not yet final and the associated social impacts are not yet determined precisely. The RAP will be finalised once the exact areas of the substations are known, the detailed cadastral inventory is completed and the contractor finalizes the alignment of the overhead line.

The compensation scheme under the RAP includes special accompanying measures for vulnerable people affected by the Project. These include female headed households (single, divorced, widows, old age or disabled) and male headed households (old age or disabled) plus other individuals (old age, orphans, disabled etc.)

At the same time, the positive social impact of the Project is significant, as it will provide access to grid supplied electricity for 1500 households along the route. This will in turn generate economic opportunities for the benefiting communities.

Occupational and Community Health and Safety

The construction works will attract workers from different areas in the communities along the route of the transmission line. This poses several public safety and health risks. A dedicated Health and Safety Management Plan will be developed by the Promoter and implemented by the Contractor to minimise the risks during the construction period.

Considering the data available from technical literature, at the boundary of the 40-meter wide right-of-way the EMF generated by the 220 kV transmission line is expected to be far below the limits of exposure set out in the ICNIRP Guidelines.

Labour

Conditions related to labour rights, working conditions, including security arrangements, and workers' accommodation in line with EIB's standards will be integrated in bidding documents and in the contracts for the implementation of the Project.

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Public Consultation and Stakeholder Engagement

In the context of the preparation of the ESIA Report the Project has been subject to two rounds of public consultation (May and August 2019) with the communities impacted by the route of the transmission line.

The initial public consultation (May 2019) involved 68 Fokontany and 26 communes and was aimed at presenting the Project in all its aspects to the potentially affected communities and collect their concerns. In addition, the rationale and proposed methodology for compensation were described.

The final public consultation (August 2019) involved more specifically the districts directly crossed by the route and focused on the compensation measures and on the functioning of the grievance mechanism.

The Public Consultation Committee (CAP) set up by ONE specifically for the Project is expected to undertake further consultation to support the evaluation of the ESIA Report submitted by the promoter in February 2020.

In general, the Project was well received by the local communities, as it would eventually lead to the electrification of currently unserved rural areas.

A Stakeholder Engagement Plan (SEP) will be produced and implemented by the promoter, including a Communication Plan and a project dedicated Grievance Mechanism.

Other Environmental and Social Aspects

Monitoring of ESMP and RAP implementation will be under the responsibility of a Project Execution Unit (CEP) with the support of an external consultancy company hired with AfDB funds. The CEP will include specialists in various areas including biodiversity and environmental protection, gender, socio-economic development and health and safety.

The Project entails potential risks related to gender inequalities. These are related to the flux of external workers during the construction period but also to the method of payment of compensation generally paid to the head of the household and/or owners of the land, which are generally male. Another possible impact is the extension in working hours for women and girls due to the availability of electric lighting in the household.

All this aspects will be mitigated through awareness campaigns, the development of training opportunities for women and girls (specifically in the agriculture and services sectors) and by the inclusion of a gender specialist in the Project Execution Unit (CEP).

Conclusions and Recommendations

With the following conditions in place, the Project is acceptable for financing in environmental and social terms.

Condition for First Disbursement
Provide to the Bank:

- A Biodiversity Management Plan (BMP) satisfactory to the Bank, including formal agreements between the Promoter and the organisations (public, private, NGOs) responsible for implementing the compensation/monitoring measures.
- A Stakeholder Engagement Plan (SEP) satisfactory to the Bank.

Condition for Second Disbursement
Provide to the Bank

- The Environmental Permit issued by the Competent Authority.
- The final RAP satisfactory to the Bank.
- The revised ESMP based on the requirements of the Environmental Permit and any other additional requirement defined in the BMP and/or SEP.

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Condition for all disbursements

Provide to the Bank

- Evidence that the Project Execution Unit (CEP) is staffed with resources satisfactory to the Bank, including support from external consultants, to cover monitoring of RAP and ESMP implementation.

Condition for all disbursements except the first

Provide to the Bank:

- A detailed plan of compensation/reinstallation compatible with the final RAP and clearly outlining the phasing of activities to ensure works on any section of the transmission line or at any substation site do not start before compensation/reinstallation of the related PAPs has been completed.
- Evidence acceptable to the Bank that compensation/reinstallation has been completed as defined in the RAP for each line section and substation location as soon as completed.

If compensation/reinstallation in any specific section/sub-station could not be completed, provide to the Bank with:

- Evidence that the funds related to the outstanding compensation/reinstallation have been deposited into a dedicated account or entrusted to a third party acceptable to the Bank.
- Evidence that the situation has resulted from:
  - The impossibility to identify one or more of the PAPs;
  - An ongoing litigation involving one or more of the PAPs that affects the compensation/reinstallation process;
  - Any other reasons beyond the Borrowers control as discussed with and accepted by the Bank.

Undertakings

- Provide to the Bank a copy of a decree adopted by the Government declaring the public interest of the land and property owned by the PAPs – the Public Utility Declaration (DUP).