

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA2799**

**Date ISDS Prepared/Updated:** 25-Feb-2014

**Date ISDS Approved/Disclosed:** 03-Mar-2014

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Nigeria	<b>Project ID:</b>	P123513
<b>Project Name:</b>	Third National Urban Water Sector Reform Project (P123513)		
<b>Task Team Leader:</b>	Miguel Vargas-Ramirez		
<b>Estimated Appraisal Date:</b>	17-Feb-2014	<b>Estimated Board Date:</b>	18-Apr-2014
<b>Managing Unit:</b>	AFTU2	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Water supply (100%)		
<b>Theme(s):</b>	City-wide Infrastructure and Service Delivery (100%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	310.00	Total Bank Financing:	250.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			60.00
International Development Association (IDA)			250.00
Total			310.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

**2. Project Development Objective(s)**

The Project Development Objectives (PDO) are: a) to increase access to improved water supply service in selected States of Nigeria; and to improve the financial viability of existing water utilities in those States, and b) to increase the investment planning capacity of participating States

**3. Project Description**

Component 1: Sector Reforms and Water Supply Investments

This component will finance sector reforms, capacity building and operational development activities, and large strategic investments in Bauchi, Ekiti, and Rivers States. Specific sub-components in these States are as follows:

Subcomponent 1.1 - Rehabilitation and Expansion of Water Production and Distribution Facilities. The project will support Rivers, Bauchi and Ekiti States with resources to implement large investments to rehabilitate water production and expand distribution facilities to increase access to water supply services in the States' capital areas and immediate environs; and to advance implementation of needed reforms and capacity building in their water sectors to increase the sustainability of those services. The component may also finance identified operational development activities in the States to improve performance, such as strategic metering, marketing communication programs, review of technical and commercial cadastral information databases, and office facilities and equipment.

Subcomponent 1.2 - Secondary Towns Water Supply Improvement. (This sub-component will support the implementation of pilot sub-projects (based on appropriate models such as public private partnerships (PPP) and output-based payments) in the provision of secondary towns water services, focusing on a few large towns in Rivers, Bauchi and Ekiti States. These pilots could then be scaled up later by the States to other areas. Inclusion of this sub-component is to be re-confirmed at appraisal.

Component 2: Capacity Building for Reform and System Improvements This component will support the design and implementation of reforms in nine States as well as minor but urgently needed water supply infrastructure investments for quick improvements in service provision. States to be included under this Component include: Kano, Gombe, Benue, Jigawa, Ondo, Abia, Bayelsa, Anambra, and Plateau. The component will work on making these States "finance-ready" (The project will support these States Water Agencies in preparation of investment and business plans, including needed technical studies and design work that would enable them to access financing from other financiers at a later date) for larger sector investments.

Component 3: Institutional Strengthening at the Federal Level and Project Management This component will strengthen the capacity of the Federal Government to, inter-alia, identify an appropriate financing model for the sector, and to support and monitor the reform process, utility performance, and hydrological data collection. It will include:

- a) A study to support the Federal Government in identification of a suitable sector financing model that will allow for more transparent and efficient transfer of resources from the Federal level to the State level, including possibly a Water Fund or similar financing mechanism for the sector, with the participation of Donor partners and the private sector;
- b) Performance monitoring support to FMWR to allow it to maintain and update its monitoring database on States' sector performance to track provision of WSS services nationwide, including the promotion of monitoring tools to track the impact of sector interventions on the poor, vulnerable populations, and impacts by gender;
- c) Support to the National Hydrological Information Service Agency to provide timely data for water source monitoring (to be confirmed at appraisal); and
- d) Project Management to cover additional fiduciary, safeguards and technical expenditures borne by FMWR associated with the implementation of this project.

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

The project will be implemented in about 12 states across Nigeria. The project will finance Rehabilitation and Expansion of Water Production and Distribution Facilities and associated reform studies in Ekiti, Bauchi and Rivers. The project will also finance studies, training, goods, urgent and minor rehabilitation works and services in Kano, Gombe, Benue, Bayelsa, Anambra, Jigawa, Ondo, Abia and Plateau. With the exception of activities in Rivers State, for which preliminary designs have been prepared, specific locations for most investments are not known in sufficient details at the pre-design stage, hence salient physical characteristics relevant to the safeguards analysis will be assessed in more detail once the locations of the subprojects are identified. For activities in Rivers State, the potential impacts are likely to be small scale and site specific, typical of category B projects.

#### 5. Environmental and Social Safeguards Specialists

Joseph Ese Akpokodje (AFTN1)

Michael Gboyega Ilesanmi (AFTCS)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	In component 1, the project will finance the rehabilitation and expansion of water production and distribution facilities and related investments in the selected states. However, the exact locations and sites could only be ascertained at the time of project preparation for one State (Rivers State). The potential impacts are likely to be small-scale and site specific, typical of category B projects. To successfully identify and manage potential adverse impacts on the environment from project funded activities such as those enumerated above, the borrower has prepared an Environmental and Social Management Framework (ESMF) and a site specific Environmental and Social Impact Assessments (ESIA) for works in Rivers State to better identify the environmental and social challenges and the means to effectively address them in a participatory manner. Safeguards documents have been consulted upon and cleared by the Bank. These documents have been disclosed in-country and at the Banks Info shop .
Natural Habitats OP/BP 4.04	No	The project will not affect or involve natural habitats.
Forests OP/BP 4.36	No	The project will not envision any significant conversion or degradation of forests, nor does it involve forestry.
Pest Management OP 4.09	No	Not applicable.

Physical Cultural Resources OP/ BP 4.11	No	Not applicable.
Indigenous Peoples OP/BP 4.10	No	Not applicable.
Involuntary Resettlement OP/BP 4.12	Yes	The project interventions will avoid, where possible, adverse impacts on people, land and other economic resources and livelihoods. The borrower has prepared and disclosed a Resettlement Policy Framework (RPF); once the location of the subprojects are identified; the borrower will prepare site specific Resettlement Action Plans (RAPs) to address the needs of persons who will be affected by loss of economic activities, land acquisition and/or relocation. However, The RPF and the site specific RAP for Port Harcourt have been prepared, consulted upon and cleared by the Bank. The documents were disclosed on 09/12/13 in Country and 09/13/13 on the Bank's InfoShop
Safety of Dams OP/BP 4.37	Yes	Water supply in some of the States, such as Ekiti and Bauchi depends on sources, including existing multi-purpose reservoirs. The project involves works on rehabilitation, upgrade, and expansion of water distribution networks in these two States where the primary water source is an existing multi-purpose dam or reservoir. These multipurpose dams are also used for agricultural uses. There may be a marginal additional water withdrawal from the dams for project purposes, however most of the works will involve the rehabilitation, upgrade and expansion of the distribution network. In view of the project's reliance on the safe and reliable water supply of dams, namely Ero, Ureje and Gubi Dams, OP 4.37 on Dam Safety is triggered. As per the policy, an independent dam safety expert has conducted an inspection of those dams and prepared a dam safety report including recommendations for dam safety related remedial measures and instruments preparation, which will be financed and undertaken during project implementation. This report has been cleared by the Bank.
Projects on International Waterways OP/BP 7.50	Yes	The Government of Nigeria has notified the Lake Chad Basin Authority and an exemption to

		notification for minimal impact will be sought for the Niger River Basin, in accordance with OP 7.50.
Projects in Disputed Areas OP/BP 7.60	No	Not applicable.

## II. 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 is categorized as a B implying that most of the potential environmental and social impacts will be minor, site-specific and manageable to a reasonable level. Based on the information provided until this stage, the Project triggers four World Bank safeguard policies, namely, Environmental Assessment (OP/BP 4.01), Involuntary Resettlement (OP/BP 4.12), Safety of Dams OP/BP 4.37 and Projects on International Waterways (OP/BP 7.50).

##### A. Environmental Assessment (World Bank OP 4.01)

The project falls into Category B for Environmental Assessment (EA). The actual application of the Environmental Safeguard Policies will vary depending on the proposed locations for, and nature of, works in each State. Once operational, most of the impacts of the Project are linked to the improved access to safe water and are expected to be positive in terms of generation of economic, social and public health. Specific impacts are outlined below:

Potential Positive Impacts may include but not be limited to:

- a) Improved WSS Services: Upgrade and rehabilitation of water distribution systems will provide high quality potable water to a larger population. Improved WSS is also expected to result in reduced operation and maintenance (O&M) costs to the utilities and higher efficiency through decreased water losses and pumping costs.
- b) Additional economic benefits: As a result of the project, economic benefits will occur in terms of increased water volume of good quality and lower medical costs associated with treating water-borne diseases.

Potential Negative Impacts may include but not be limited to:

- a) Negative environmental impacts during the construction phase may entail temporary loss of access during physical works, however they are only temporary. Typical impacts include:
  - Dust raised from the roads in the construction sites and from material carrying trucks
  - Waste water from construction/renovation sites
  - Disposal of solid wastes
  - Use of materials that may damage health (i.e. heavy-metal (lead) containing paints, asbestos-cement tiles, pipes, copper pipes, inflammable and toxic materials etc.)
  - Noise generated by the construction machinery
  - Traffic disruption and disturbance to the residents of the area. Impacts associated with increased traffic concern issues such as public safety, congestion of roads and disruption of regular traffic.
  - Contamination/pollution of resource by construction, human wastes, including fuel & oil,

hazardous wastes, wastewater, etc. Soils and Water Resources

- Business activity might suffer during construction from loss of pedestrian and vehicular access. Interference with water, cable, telephone and electrical power supplies might occur in some urban areas, inconveniencing the public.
- Loss of visual amenities as construction materials are stockpiled and trees and natural vegetation cut down.

#### B. International Waterways (World Bank OP 7.50)

The project triggers OP 7.50 given the location of some project areas in the Lake Chad River Basin and the Niger River Delta. The FMWR sent an official letter to the Lake Chad basin riparian countries, through the Lake Chad Basin Commission, notifying them of the project, in accordance with OP 7.50, with a June 15, 2013 deadline for receiving responses. No response was received by the set deadline. An exception to the notification requirement is being considered in respect to the River Niger riparian countries, concerning project activities in Ekiti and Rivers States, whose water schemes receive water from dams constructed on tributaries or aquifers of the River Niger, because the project is not expected to significantly impact water quantity or quality in the River.

#### C. Involuntary Resettlement (World Bank OP 4.12)

The project interventions will avoid where possible adverse impacts on people, land and other economic resources and livelihoods. However, the Borrower has prepared a Resettlement Policy Framework (RPF) and site specific Resettlement Action Plans (RAPs) to address the needs of persons who will be affected by loss of economic activities, land acquisition and/or relocation. The preparation of these safeguards documents has been inclusive and participatory, promoting community ownership and social accountability. The final RPF has been reviewed and disclosed in-country and InfoShop. The site specific Port Harcourt ARAPs has been reviewed and cleared by both the project safeguards team and the Regional Safeguards Advisor.

#### D. Safety of Dams OP/BP 4.37

Finally, the issue of safety of dams is considered to be of relevance for the project due to its linkage to water supply. Due diligence of analyzing the current situation and establishing the current operation and maintenance regime has been undertaken by a Dam Specialist consultant engaged by the Borrower in coordination with a Bank's Dam Specialist. The draft report covered his findings and recommendations for required dam safety remedial works and instruments preparation. The draft final report has been finalized and it is available in the project's files.

### **2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:**

Please see positive impacts outlined in Section 1 above. As mentioned, most of the negative impacts would be during the construction phase, while the long term impacts are largely expected to be positive, as explained.

### **3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.**

The 'no project' alternative which would maintain the status quo with respect to poor WSS systems and associated conditions, was considered an option. It would however result in a worsening situation in terms of not only the quality of service delivery, but also additional operations and maintenance (O&M) costs to the utilities and States. Implementing the project, through the combination of rehabilitation and reconstruction of WSS infrastructure and reforms aimed at strengthening the WSS sector's capacity to manage services in an efficient, effective, and sustainable manner, was found to be the best alternative. The project will explore maximizing the

potential of the water source and treatment through enhanced distribution before considering exploring new water sources or abstractions. Additionally, newer technologies such as trenchless piping and re-lining instead of replacing would be considered.

**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.**

Two types of safeguard documents/instruments have been prepared, discussed and publicly disclosed, including in the project areas, before the appraisal of the Project. The Environmental and Social Management Framework (ESMF) for the Project has been prepared to provide a framework for how environmental and social safeguards are to be addressed as specific project sites have not been yet clearly identified and have a detailed technical feasibility study during the Project preparation. Second, an Environmental and Social Impact Assessment (ESIA) and including an Environmental Management Plan (EMP) and Social Management Plan (SMP) including an Abbreviated Resettlement Action Plan (ARAP) have been prepared for investments in the city of Port Harcourt and have been finalized, since the specific project location have been identified.

(a) Environmental Assessment: Because specific details of site selection and technology to be used will be determined during project implementation, an Environmental and Social Management Framework (ESMF) has been prepared. The ESMF details the procedure, form, and contents for specific ESIA's and EMP's to be prepared and approved for investments in each State. Implementation of activities carried out under the project will conform to relevant laws in Nigeria and sound environmental and construction management principles. The short-term negative environmental impacts, which are mostly expected to occur during construction or rehabilitation works will be minimized by proper planning and application of preventive measures, as outlined in the EMP, and will be mitigated by restorative actions after the civil works are completed.

Overall, mitigation of any environmental effects will be the responsibility of the PIUs in the States. In addition, it will be the responsibility of the contractors to ensure that mitigation is carried out successfully during construction/renovation works as required in the EMP. The provisions described in this EMP will be incorporated in the contract with construction companies selected to perform the works. The cost of mitigation measures will be included in the cost of the contracts and will be borne by contractors, who will make the necessary provisions for implementation of mitigation measures as part of their contractual obligations.

b) Resettlement Policy Framework: A Resettlement Policy Framework (RPF) has been prepared for this project. The RPF sets out the policies, principles, institutional arrangements, schedules, and funding mechanisms for any land acquisitions that may occur in the project areas as the result of the project. The RPF also provides guidelines to stakeholder participating in the mitigation of adverse social impacts of the project, in order to ensure that the social and economic well-being of project affected persons (PAPs) will not be worsened as a result of the project.

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

Public consultations with regard to EA were held with local stakeholders in all participating States in accordance with Bank Guidelines for EA. The draft Final ESIA report for investments in Port Harcourt and the RAP were disclosed publicly in country on September 12, 2013, and at the Bank's Infoshop on September 13, 2013.

***B. Disclosure Requirements***

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	08-Jul-2013
Date of submission to InfoShop	13-Sep-2013
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
<b>"In country" Disclosure</b>	
Nigeria	12-Sep-2013
<i>Comments:</i>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	08-Jul-2013
Date of submission to InfoShop	13-Sep-2013
<b>"In country" Disclosure</b>	
Nigeria	12-Sep-2013
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	
Not applicable.	

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.37 - Safety of Dams</b>	
Have dam safety plans been prepared?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP 7.50 - Projects on International Waterways</b>	
Have the other riparians been notified of the project?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Has the RVP approved such an exception?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
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 [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

### III. APPROVALS

Task Team Leader:	Name: Miguel Vargas-Ramirez	
<b><i>Approved By</i></b>		
Regional Safeguards Advisor:	Name: Alexandra C. Bezeredi (RSA)	Date: 25-Feb-2014
Sector Manager:	Name: Alexander E. Bakalian (SM)	Date: 03-Mar-2014