



European Investment Bank (EIB)

Luxembourg, 30 November 2022

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name: WATER INFRASTRUCTURE MODERNISATION II
 Project Number: 2012-0207
 Country: Georgia
 Project Description: Investments to build, rehabilitate and modernise municipal water sector infrastructure.

Summary of Environmental and Social Assessment at Completion

EIB notes the following Environmental and Social performance and key outcomes at Project Completion.

The promoter is the United Water Supply Company of Georgia (UWSCG) www.water.gov.ge.

The project, which was the Bank's second operation with the UWSCG, targeted small municipalities around the country. The water sector in Georgia is still facing big challenges in terms of quality of service and the technical and financial sustainability. The project addressed these challenges by focusing on water supply, metering, billing, to create sustainable services and systems, so as to be able, in the next phases, to focus more on sanitation measures. Presently there are only very few operational wastewater treatment plants in Georgia, and the priority was given to sanitation and wastewater treatment investments in the largest cities only (Tbilisi and Batumi).

Georgia is one of the few countries of the former Soviet Union that has actively developed its environmental legislation. It is not a candidate EU member state so there is no transposition of full alignment with the EU acquis. In accordance with the Bank's Environmental and Social Standards, the promoter was required to follow the appropriate EU environmental and social principles, standards and practices, subject to local conditions. The usual environmental undertakings were included in the contractual documents, requiring submission to the Bank of ESIA's (including NTS) for any component requiring such level of assessment, as well as the relevant assessments and consents issued for projects with potential impacts on nature conservation sites. Specifically, the promoter had to comply with the requirements in the Georgian laws On Environmental Protection of December 10, 1996 (the "Environmental Protection Law"), On State Ecological Expertise of October 15, 1996 (the "Ecology Law"), On Environmental Permit of October 15, 1996, On Subsoil of May 17, 1996 (the "Subsoil Law"), On Protection of Atmospheric Air of June 22, 1999 (the "Air Protection Law") and On Water of October 16, 1997.

At allocation of funds, the promoter submitted Project Fiches to the EIB for approval for all project schemes, including an environment information section, accompanied where applicable, with the respective documents and environmental consents issued by the relevant Georgian authorities. The information on the water and sanitation strategy for each service area was also provided to the Bank.



European Investment Bank (EIB)

Luxembourg, 30 November 2022

The project was strongly environmentally and socially driven and therefore has had predominantly positive effects for the beneficiaries and the environment.

Most of the works were upgrades of existing sites, with limited adverse impact related mainly to the construction phase. Given the small size of the individual programme schemes, according to information provided by the promoter, no EIA was required under national law and it would not have required EIA under the relevant EU Directive.

The programme contributed to climate change mitigation through the application of technologies with high level of energy efficiency and therefore emission savings, and to climate change adaptation through the protection of existing surface and ground water sources from over-abstraction by reducing non-revenue water and water consumption per capita/day.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter, site visits by the EIB team, inputs provided by Lenders' Supervisors and the EIB Long Term Implementation Expert located in Georgia, during Construction that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.