

Public

## Environmental and Social Data Sheet

### Overview

Project Name:	JORDAN WATER SECURITY AND CLIMATE ADAPTATION
Project Number:	2023-0145
Country:	Jordan
Project Description:	The proposed Results-Based Loan (RBL) will finance small scale investments aiming to reduce Non-Revenue Water (NRW), increase water supply as well as improve sanitation services throughout Jordan. It will improve water security and contribute to climate adaptation actions in line with EU cooperation objectives and the Government of Jordan's National Water Strategy, Non-Revenue Water Strategy and Financial Sustainability Roadmap.

EIA required: no

The nature of activities under this Results Based Loan makes the necessity of full ESAs unlikely.

Project included in Carbon Footprint Exercise<sup>1</sup>: yes

### Environmental and Social Assessment

#### Environmental Assessment

The Results Based Loan (RBL) will support the development of water supply infrastructure across several governorates in Jordan in support of the Jordanian Government's National Water Strategy. The Promoter of this RBL is the Ministry of Water and Irrigation (MWI). A Delivery Unit (DU) in MWI will be overseeing the implementation of the RBL and will plan, supervise, manage, and monitor its implementation. Investments will be implemented in line with relevant national legislation and in accordance with the EIB's social and environmental standards by four Implementing Agencies: (i) the Water Authority of Jordan (WAJ), (ii) Miyahuna Water Company (MWC) for the central areas, including greater Amman, (iii) Yarmouk Water Company (YWC) in the north, and (iv) Aqaba Water Company (AWC) in the south.

This loan will finance investments in four Results Areas (RAs):

1. Reducing Non-Revenue Water (NRW) across water utilities in Jordan;
2. Increasing sustainable water supply;
3. Enabling operational efficiency; and
4. Increasing service levels of water and sanitation customers across Jordan.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

#### Compliance with applicable Environmental Legislation

All schemes will comply with national environmental requirements as defined in the Jordanian Environmental Protection Law No.52:2006. Environmental Impact Assessment Regulation No.37:2005 sets out the requirements for the Environmental Impact Assessment (EIA). A complete EIA, approved by the Ministry of Environment, is mandatory to obtain environmental clearance and the environmental permit for projects requiring an EIA according to the law. It then complements other non-environmental permitting requirements such as the construction license.

It is expected that investments under this RBL would fall under Annex II of the EIA Directive 2014/52/EU amending Directive 2011/92/EC, with the obligation to prepare a full EIA being subject to the decision of the competent authority or be outside the scope of the Directive. However, the exact categorisation of each individual scheme according to the EU EIA Directive will be determined by the Delivery Unit and considered accordingly.

#### Contribution to Climate Action

The project will have a significant contribution to climate change adaptation according to the EIB's relevant guidelines. In this context, investments to make water supply more resilient to climate change are a top priority for the Government of Jordan as confirmed by the National Water Strategy 2023-2040. Sub-projects under the RBL will contribute to a more resilient water sector amongst others by reducing non-revenue water, replacing outdated network pipes, rehabilitating existing water supply infrastructure, constructing new transmission pipelines and other measures, thereby supporting the development of an overall enhanced water supply infrastructure.

#### Environmental Impacts

The schemes are expected to have minor negative environmental impacts during construction and no negative residual impacts in the operational phase. The schemes are not likely to have negative impacts on nature conservation areas. Nevertheless, the DU will review compliance with EIB environmental and social standards before attributing individual schemes to the various sub-result areas.

### **EIB Carbon Footprint Exercise**

The estimated emissions savings of this loan are 125,000 t of CO<sub>2</sub> equivalent per year. This calculation is based on the assumption that measures to reduce non-revenue water (NRW), i.e. physical water losses (leaks), would make additional water available for consumption and substitute for additional water resources otherwise necessary. The calculation is based on nation-wide water consumption and NRW figures for 2022/2023 and assumes an average specific energy consumption of 3.14 kWh/m<sup>3</sup> and a grid factor of 390 g/CO<sub>2</sub>/kWh.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

### **Social Assessment**

The main social risks identified are related to small to moderate scale civil works proposed under the envelope for reducing physical losses, across the large geographic scope of the Project. These include the rehabilitation of existing distribution pipes and household water connections; the construction of reservoirs; works to replace water pumps within existing water pumping stations or new ones, trunk lines, rehabilitation of wells etc.

The small to moderate scale type of works proposed are likely to cause temporary and limited to occupational and community health and safety impacts. These could include:

- Road safety (traffic accidents), fall at deep excavations, and falling of lifted objects, noise, and dust.
- Traffic public disturbance should be kept at a minimum as construction activities are expected to be short and confined in space.

- Risk of communicable transmittal diseases due to the recruitment of migrant workers. This risk is already taken into account by the country's existing system related to construction permits and will be addressed within the mitigation measures foreseen for the Project.
- Socio-economic and hygiene impacts from water service disruption, especially if the works are not properly coordinated with stakeholders such as municipalities and utilities.

In addition, rehabilitating household connections has the potential to create low/moderate social tensions or exclusions if areas or neighbourhoods are not selected in an equitable and transparent manner or for the disconnection of illegal connections. Operating rules for this loan will ensure equitable and transparent selection procedures.

Land acquisition may be required on a temporary or permanent basis, depending on the specific rehabilitation needs. Impacts related to land acquisitions (economic displacement) will be assessed during the implementation phase of each scheme, when detailed designs will be available. Activities triggering physical displacement will not be eligible for financing under the EIB loan. Impacts related to economic displacement (and loss of access to resources) will be reduced to a minimum by limiting the interventions to the right of ways and within current sites.

The potential chance finding of cultural heritage resources during excavation activities is limited to governorates that have rich archaeological heritage sites such as Amman and Jerash. Chance find procedures will be included in the Project's general Environmental and Social Management Plan, bidding documents and specific C-ESMPs.

An Environmental and Social Management Framework (ESMF) prepared for similar operations, financed by others IFIs (World Bank, KfW), is already in use by the promoter's office of environmental and social standards directorate (ESSD). It will be updated to reflect EIB environmental and social requirements. The ESMF will be complemented by a land acquisition and livelihood restoration plan and a stakeholder engagement plan.

All schemes are expected to have a positive impact on the living conditions of the inhabitants, in terms of access to water and sanitation. In addition, the investments will provide job opportunities during the construction phase. The DU will be responsible for implementing the activities financed under the EIB loan in line with the EIB's environmental and social standards as well as in compliance with the environmental and social plans prepared to mitigate identified, potential impacts.

### **Public Consultation and Stakeholder Engagement**

The environmental documents as required in the ESMF and related management plans will be consulted and disclosed on the promoter's website. The promoter has prepared a Stakeholder Engagement Plan (SEP) aiming to provide a framework for the appropriate and timely consultation and information disclosure for project affected parties (PAPs). This SEP has identified projects stakeholders including responsibilities for contractors and will develop further site-specific stakeholder engagement measures when needed. This SEP will be updated and aligned to the EIB requirements for stakeholder engagement.

The promoter already has in place a grievance and redress mechanism that will be updated to align it with EIB Environmental and Social standards.

### **Other Environmental and Social Aspects**

#### Promoter's E&S capacity

The RBL's implementation arrangements are aligned with the current institutional architecture of the water sector in Jordan led by the Ministry of Water and Irrigation (MWI).

The existing Environmental and Social Standards Directorate (ESSD) within WAJ will ensure the implementation of the E&S mitigation measures identified in the ESMF and other

associated management plans in all activities funded by the RBL. Their tasks will include supervising of activities undertaken by all implementing agencies. Currently the ESSD consists of two staff: the Head of the ESSD and the Head of the Environmental and Social Impact Assessment (ESIA) department. The ESSD team will be supplemented by additional staffing dedicated to the implementation of the RBL.

Each Implementing Agency will assign or recruit at least one Environment, Health and Safety Focal Point and one Social/Community Outreach Focal Point with relevant qualifications such as knowledge of the national environmental laws and regulations, knowledge of international standards, and experience managing environmental, health and safety and social risks, with terms of reference acceptable to the Bank.

Additional environmental and social expertise will be provided to the project through Technical Assistance aiming to strengthen the implementing agencies' capacity, and to respond to specific needs during implementation. The Technical assistance, placed at the Delivery Unit, will support the Implementing Agencies in preparing environmental and social documents and incorporation of environmental and social requirements into bidding documents.

## **Conclusions and Recommendations**

Given that detailed information on the schemes to be included under the RBL is not available at this stage, environmental and social aspects will be subject to an external review as part of each disbursement. The result of the review will be the basis to be considered for disbursement and it will be based on reports and documents provided by the DU.

The overall anticipated environmental and social impacts of the operation are deemed positive. Minor negative (temporary) impacts during the construction will be offset by considerable social, public health and environmental benefits.

Considering the above, the RBL is acceptable for EIB financing from an environmental and social point of view.

### Undertakings

1. The following documents related to Environmental and Social Compliance have been submitted to the satisfaction of the Bank and endorsed by competent authorities no later than 6 months after signature of the Finance Contract: (i) Environmental and Social Management Plan (Framework), (ii) Stakeholder Engagement Plan, (iii) land acquisition and livelihood restoration plan, (iv) Grievance and redress mechanism (v) Labour Management Procedures.
2. The Water Authority of Jordan's Environmental and Social Standards Directorate (ESSD) confirms the assignment of one Environmental Specialist (ES) and one Social Specialist (SS) to the Deliver Unit, with Terms of Reference (ToR) acceptable to the EIB as members of the Delivery Unit no later than 3 months after signature of the Finance Contract.
3. Each of the four Implementing Agencies (i) Water Authority of Jordan, (ii) Miyahuna Water Company (MWC), (iii) Yarmouk Water Company (YWC), and (iv) Aqaba Water Company (AWC) confirm the availability of an environmental contact person and one community outreach contact person no later than 6 months after signature of the Finance Contract. These contact persons will report to the ESSD staff in the Delivery Unit. This will be evidenced by a letter from the Ministry of Water and Irrigation to the EIB that lists the respective environmental and social contact person for each Implementing Agency.