

Luxembourg, 15 May 2025

Environmental and Social Data Sheet

Overview

Project Name:	ARMENIA - RESILIENT SYUNIK PROGRAMME
Project Number:	2022-0193
Country:	Armenia
Project Description:	Framework loan to support priority socio-economic investments in the recovery of the southern regions of Armenia, particularly Syunik, affected by the Nagorno-Karabakh conflict, including basic infrastructure needs of displaced population.

EIA required: this is multi-scheme Framework Loan operation. Some of the schemes may require an ESIA

Project included in Carbon Footprint Exercise¹: No

Environmental and Social Assessment

Environmental Assessment

The Armenia - Resilient Syunik Programme is designed to assist Armenian communities, particularly in the Syunik province, by financing the development of vital infrastructure that addresses significant gaps in public services and utilities resulting from recent conflicts and longstanding neglect. Specifically, the operation will facilitate access to safe drinking water in rural areas, enhance technical and vocational education and training (TVET) colleges in the cities of Sisian and Kapan, and improve healthcare facilities and ambulatories across the province. These improvements are crucial not only for immediate recovery but also for sustainable development in the region.

The promoter, the Ministry of Territorial Administration and Infrastructure of Armenia, will be responsible for managing, implementing, and monitoring the operation through a dedicated agency, the Armenian Territorial Development Fund.

Extensive technical assistance (TA) support will be provided to enhance the promoter's capacity for efficient operation monitoring and to facilitate coordination of implementation with local Syunik authorities.

Environmental Impact

Due to the relatively small to medium scale of individual schemes and their focus on reconstructing municipal infrastructure in urban and rural areas, significant negative environmental impacts are not expected. The focus on sustainable and resilient infrastructure development is embodied in a comprehensive regional strategy that includes upgrading existing facilities and constructing new infrastructure where necessary. The interventions are

¹ Only schemes 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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planned with an eye towards long-term sustainability, incorporating modern technologies and practices that ensure environmental protection and resource efficiency.

The operation's initiatives to provide safe drinking water are particularly critical given the challenges of water scarcity and contamination that are prevalent in rural areas. The proposed schemes include the construction of new water purification systems that utilize energy-efficient processes and materials, reducing the resource consumption of these essential services. Additionally, the rehabilitation of old and inefficient water systems will decrease water loss and contamination risks, significantly improving the quality and availability of water resources for local communities and thus generating positive effects on human health.

In the education sector, the operation emphasizes constructing and renovating TVET (Technical and Vocational Education and Training) colleges in Sisian and Kapan. These schemes prioritise energy efficiency measures with incorporating sustainable materials and possibility to integrate renewable energy solutions to power these facilities.

Healthcare facilities and ambulatories will be upgraded to include energy-efficient heating and cooling systems, improved waste management practices, and enhanced structural resilience to withstand natural disasters, a crucial feature in a region prone to seismic activity. These enhancements ensure that healthcare services remain operational and sustainable, even under challenging conditions, thereby safeguarding community health and well-being.

Social Impact

The operation is expected to generate significant positive social impacts, particularly in addressing the needs of refugees in Syunik province since recent Nagorno-Karabakh conflict. The operation aims to improve public social infrastructure and commits to providing equal access to affected populations based on non-discrimination and equality principles. The promoter and the local entities, supported by TA, will develop and implement social management and stakeholder engagement plans, ensuring citizens are consulted and have accessible information on scheme-supported structures and national legal provisions. This approach aligns with EIB and international standards, including the UN Guiding Principles on Internal Displacement. The infrastructure schemes funded under this operation are not expected to result in permanent involuntary displacement. If temporary economic or physical displacement does occur due to the operation and local livelihoods would be impacted as a result, the promoter will manage the process in accordance with EIB standards, including preparation of Livelihood Restoration Plan (LRP), stakeholder engagement and grievance mechanisms. The EIB will provide additional TA for identifying, managing, and monitoring social impacts and risks at the local level, including support from a social specialist.

Labour Standards and Occupational Health

In accordance with national law on labour standards and obligations deriving from International Labour Organisation (ILO) conventions ratified by Armenia, the works contracts will comply with ILO core labour standards. Contractors shall also ensure occupational and community health & safety as part of their works contracts. The promoter will be required to integrate labour and H&S management plans as part of the operation Environmental and Social Management System (ESMS).

Gender Equality

According to UN Women, the number of forcibly displaced people from Nagorno-Karabakh to Armenia reached 100,632, with 52% being women. The 2020 Nagorno-Karabakh conflict in Armenia caused a humanitarian crisis, displacing mainly women and children. With the closing or underfunded state of infrastructure such as healthcare facilities, insufficient TVET colleges for training new expertise, and inadequate water supply in the province, women's care burden is increasing.



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This operation has high potential to contribute to gender equality. The Framework Loan focuses on the provision of adequate social infrastructure and will benefit women by contributing to easing the care burden (through reconstruction/construction of safe drinking water assets), and being responsive to women's needs in using the infrastructure. It is envisaged that the operation will establish scheme selection and preparation procedures for sub-investments that consider inclusion and gender. Based on this, the operation will have a significant gender tag.

The Armenia Resilient Syunik Programme underscores a commitment to enhancing gender equality across water, health, and education sectors. This initiative, driven by the European Investment Bank's (EIB) deployment of Gender Equality and Social Inclusion (GESI) Technical Assistance (TA) funded by EPTATF, develops comprehensive gender-focused strategies to elevate women's roles in these key areas, supporting gender-inclusive recovery in Syunik province following the second Nagorno-Karabakh War.

These measures aim to significantly improve socio-economic conditions for women in Syunik by enhancing access to critical services, ensuring these services are responsive to their needs, fostering sustainable gender equality, and strengthening regional resilience. The EIB's emphasis on gender equality demonstrates its commitment to inclusive growth and equitable opportunities.

Public Consultation and Stakeholder Engagement

The promoter will be responsible for stakeholder engagement and grievance management and develop plans to continue systematic engagement with relevant stakeholders, including affected populations, local civil society organizations, and other entities operating in scheme locations. The promoter will ensure that public consultations will be undertaken for each scheme to be financed under this framework loan.

Conclusions and Recommendations

Overall, the schemes within this operation are expected to generate a wide range of benefits for local communities. Despite potential temporary negative impacts during the construction phase, these will be effectively mitigated and managed throughout this phase. Ex-ante approval of the allocations by the Bank will be required to ensure compliance with the Bank's environmental and social standards including those on Emission Performance Standards and those on the protection of sites of nature conservation, where applicable.

Conditions for Disbursement:

- The promoter shall prepare and maintain an Environmental and Social Management System (ESMS) in accordance with EIB standards, including the development of the set of management processes and procedures that allows the promoter to ensure compliance with the relevant environmental, climate and social legal framework, international best practices and the EIB requirements, where applicable, and
- The promoter shall establish, maintain, and strengthen, as necessary, the organisational structure that defines clear roles and responsibilities to implement and monitor the efficiency of the ESMS. The promoter shall ensure that adequate human and financial resources are provided on an ongoing basis to achieve effective and continuous improvement in performance of the ESMS.

Undertakings:

- The promoter shall implement and operate the operation in compliance with EIB Environmental and Social Standards and ensure that contracts signed with



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contractors contain provisions requiring compliance with ILO standards and occupational health and safety standards.

- The promoter shall actively monitor its construction sites to ensure contractor compliance with the aforementioned provisions.
- In line with EIB requirements, the promoter is required to assess the need for development of the ESIA during the subsequent preparation of schemes. For schemes that require an ESIA, the promoter will be required to provide the Bank with a copy of the Environmental and Social Impact Assessment Report (ESIA report).
- The promoter shall ensure no Bank's funding of a scheme affects a site of nature conservation importance protected under national legislation or international agreements until confirmed otherwise by the competent authority or an equivalent assessment satisfactory to the Bank.
- The promoter shall not commit EIB funds to schemes that require involuntary resettlement. Temporary displacement, if necessary, will follow the procedures developed under the operation social management plan including Livelihood Restoration Framework (LRF).
- The promoter shall ensure that the benefits of each scheme are equally available to people on the principles of non-discrimination, participation, and transparency.
- Affected people shall be provided with transparent and accessible information on the assistance available under the operation and under Armenian law.
- Notifying the Bank on any OHS accidents/incidents that may occur during scheme implementation.
- The promoter shall ensure on a best effort basis that a gender assessment and gender action plan for the operation is developed, and that the majority of schemes under the framework loan include relevant measures that strengthen the operation's contribution to gender equality.

The promoter's institutional capacity for managing environmental and social issues is deemed satisfactory. With the established safeguards, the proposed framework operation aligns with EIB E&S standards and is considered acceptable for EIB finance from social and environmental perspectives.