European Investment Bank

Luxembourg, 26/06/2025

Environmental and Social Data Sheet

Overview

Project Name:	Chisinau District Heating Project
Project Number:	2024-0698
Country:	Moldova
Project Description:	The Project intends to address legacy infrastructure issues of the Chisinau district heating network. The rehabilitation works will improve efficiency and energy performance, will allow the reinstatement of domestic hot water supply in apartments and therefore, will contribute to decarbonization.
EIA required:	no
Project included in Carbon Footprint Exercise[1]:	yes

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

Environmental and Social Assessment

Environmental Assessment

The overall objective of the project is to rehabilitate the district heating (DH) network in Chisinau. The project will improve the quality of the DH service and the efficiency of the system mainly by installation of individual heat substations and replacement of obsolete vertical piping in the buildings with horizontal systems, as well as some reconstruction works on the primary network. This will facilitate the introduction of consumption-based billing at the apartment level, reinstatement of the domestic heat water (DHW) supply, reduction in heat and water losses and therefore decrease of energy consumption in the pump houses leading to energy savings and reduction of emissions.

Some components of such a district heating project in the EU would have fallen under Annex II of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU, requiring the competent authorities to determine whether an Environmental Impact Assessment (EIA) is required. The Project will go through the national environmental impact assessment process and local approvals to obtain the necessary construction and environmental permits prior to the start of the construction works. An environmental and social evaluation of the project has been carried out as part of the Feasibility Study in the framework of technical assistance provided to the Promoter by independent consultants. This evaluation concluded that environmental and social risks associated with the project are not significant. Therefore, the promoter does not expect any of the project components to require an EIA.

[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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The potential environmental impacts identified by the feasibility study relate to resource efficiency, pollution prevention (air emissions, waste and hazardous substances and materials management), biodiversity conservation and cultural heritage. The execution of construction works during the project will pose certain minor risks and may result in potential negative impacts on community health and safety related to noise, vibration, dust and traffic disruption, which are expected to be successfully mitigated by common industrial practices. These typically include appropriate site organisation and construction management to minimize damages and disturbance, soil and flora restoration, traffic management measures and appropriate waste collection procedures. The works will be carried out in urban areas with no significant impacts expected on natural environment and biodiversity. The promoter will be requested to ensure that environmental requirements are incorporated in tender documents of suppliers, and contractors will be required to develop and implement proper procedures.

The overall effect of all the project will be a reduction in air pollution emissions. The emission reductions will occur in urban environment. This has an overall positive effect on pollution affecting people.

The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals set out in the Climate Bank Roadmap and Energy Lending Policy (development of energy efficient district heating and cooling networks). The vast majority of the heat for the DH network is generated in a co-generation mode and the efficiency gains and reduction of losses resulting from the project will lead to emission savings. The feasibility study assessed the physical climate risk and vulnerability context of the project, outlined recommendations for resilience measures (where required) and evaluated the broader climate resilience context. The risk assessment concluded that climate change is not anticipated to pose significant risk to any of the asset types of the project.

EIB Carbon Footprint Exercise

No absolute emissions can be associated to the project scope (rehabilitation). However, due to energy efficiency gains because of reduced losses the estimated emissions savings in a standard year of operation are 40 000 tonnes of CO_2 equivalent per year. The CO_2 savings are attributed to energy savings related to significant reduction of heat and water losses in the district heating network and replacement of individual hot water supply using electricity and individual gas boilers by centralized supply of domestic hot water by the district heating system. 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, where applicable

The project is not expected to result in resettlement, physical or economical displacement, or significant access restriction.

The Promoter activities are aligned with national laws of labour and occupational health and safety (OHS) and include internal policies, procedures, and a collective agreement. Staff members receive environment health and safety training, and the Company has a dedicated OHS department that conducts inspections, coordinates training sessions, oversees medical checks, investigates incidents/accidents, and develops and implements safety procures. The Company also has an Emergency Preparedness and Response procedure in place.

The contractors will be required to develop an Occupational and Community Health and Safety plans before starting construction works on site, and these documents should be approved by the Promoter.

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Public Consultation and Stakeholder Engagement

The promoter engages stakeholders by contacting representatives of housing councils or residential managers, who then organize meetings with tenants to discuss projects. Stakeholder engagement is also carried out through city authorities, public consultations, and mass media. Grievances can be filed through various channels, are categorized based on priority and do have legally required response time.

Other Environmental and Social Aspects

The project Promoter has an integrated Environmental & Social Management System ("ESMS") in place that is certified to ISO 14001 for Environmental Management and ISO 45001 for Health and Safety Management. While the organizational structure for ESMS is in place, the experience to implement projects in line with IFI standards is limited. The project implementation unit will have dedicated resources to manage environmental and social matters related to the project.

Conclusions and Recommendations

Based on the information available at this stage, the Project is expected to have minor negative residual impacts and is considered acceptable for Bank financing from an environmental and social perspective, subject to conditions to be included in the Finance Contract.

The Promoter will establish and maintain a Project Implementation Unit, consisting of professional and experienced staff (including environmental and social specialist) to manage the Project preparation and implementation.

The Promoter provides evidence that the Environmental and Social Documents are in place and have been properly implemented in accordance with the timetables and to the Bank's satisfaction

Tthe grievance mechanism is in place and its contact details are published on the Promoter's website, as well as on the billboards at the construction sites.

The Promoter is requested to implement and operate the Project in compliance with the Environmental and Social Standards.

The Promoter will be requested to obtain and maintain requisite Environmental or Social Approvals for the Project and comply with any such Environmental or Social Approvals.

The Promoter will be requested to maintain the Environmental and Social Documents as well as the grievance mechanism that is acceptable to the Bank throughout the duration of the Project and regularly report on their implementation to the Bank.

The Promoter will be requested to execute and operate the Project in accordance with the relevant laws of the Republic of Moldova and the relevant standards of EU law, save for any general derogation made by the European Union.

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The Promoter should not allocate the Bank's funds to programme components that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised, satisfactorily to the Bank, and approved by the competent authority. When the EIA is made available to the public, an electronic copy of the full EIA study shall be sent to the Bank. The Promoter undertakes to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.

The Promoter has to ensure the implementation of the mitigation measures defined in the ESAP prepared to address the specified potential adverse environmental and social impacts and risks.

The Bank must be immediately informed should any materially adverse event occur during implementation or operation, which would prevent the Project to perform as planned, in particular with regards to environmental and social matters.