

Environmental and Social Data Sheet

Overview

Project Name:	WATER SECTOR COMMUNAL INFRASTRUCTURE
Project Number:	20120322
Country:	Armenia
Project Description:	Rehabilitation and construction of water / sanitation infrastructure in secondary cities and small communities in Armenia. The programme shall cover all parts of Armenia, except for Yerevan city. It shall contribute towards completing investments under the KfW led "Communal Infrastructure Programme II" comprising water supply infrastructure and the construction of at least one waste water treatment plant. The project has been developed within the framework of the Mutual Reliance initiative.
EIA required:	Some of the schemes may require a full EIA
Project included in Carbon Footprint Exercise ¹ :	no

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The investment programme includes the replacement, upgrading, instalment and construction of water and wastewater related infrastructure such as water treatment facilities, pumps, water mains, distribution pipes, fittings, water chambers, meters, sewerage collectors, a wastewater treatment plant, reservoirs and maintenance and operating equipment.

The project will achieve increased efficient energy use, as well as leakage reduction, water demand reduction resulting from the installation of meters, and improved health through better drinking water quality at tap. Furthermore the wastewater treatment plant will ensure that no more wastewater is being discharged from the Armavir/Metsamor/Norapat agglomeration into "Drain C-1" which is used in summer for irrigation in the Araks Valley. This also has beneficial effects on the Araks River along the borders of Armenia, Turkey, Iran and Azerbaijan. The project will have positive long term environmental and social impacts, with negative ones mainly limited to the construction phase (dust, noise, traffic).

Some of the sites proposed by AWSC are located in areas of existing or future mining activities (Sevan: Gold; Centre: Lydian International, South: Molybdenum) which may impact the water resources in terms of quantity and quality. An undertaking has been included that the government is to ensure that drinking water supply will not be affected. Nonetheless careful monitoring of developments shall be required.

Full environmental impact assessments (EA) will be carried out where required, in accordance with the Armenian legislation and consistent with the principles, and standards of the EU EIA Directive 2011/92/EU. In addition, whilst the water companies already have environmental, health and safety management systems in place with procedures and defined staff responsibilities to manage the risks, these will be reviewed and further reinforced as appropriate, through an ESMP (Environment and Social Management Plan), particularly for Armavir where the new wastewater treatment plant will be built. With these requirements included as project conditions, and associated reporting obligations during implementation, the project is acceptable for Bank financing.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Environmental and Social Assessment

Environmental and Social Assessment

There are two main laws administered by the Ministry of Nature Protection of the Republic of Armenia: Law on the Principles of Environmental Protection (1991) and Law on Environmental Impact Assessment (EIA) (1995). Additional legislation also exists, such as legislation on protected areas, on flora and fauna, however at present these laws are not fully aligned with EU environmental legislation.

The project, which will be implemented in the secondary towns and villages across the country served by Shirak Water and Sewerage CJSC, Lori Water and Sewerage CJSC and Nor Akunq CJSC and the Armenia Water and Sewerage Company (AWSC) consists to a large extent of upgrading/replacement of old infrastructure. This means that the works take place at existing “sites” and will therefore have limited impact during construction such as dust, noise, traffic. These impacts can be partially mitigated with appropriate action. For extensions, and other new works, the requirements for an EA and need to be more carefully considered. A full Environmental and Social Assessment will be required for the Armavir/Metsamor/Norapat wastewater treatment plant.

It should be noted that existing negative environmental effects due to the discharge of untreated waste water will persist in other agglomerations and provinces, since in the third phase funds are insufficient to cover the investment costs of all necessary wastewater treatment plants.

Relevant project undertakings are as follows:

1. An Environmental and Social Management Plan (ESMP), to the satisfaction of the Bank shall be prepared prior to the start of works. The operating companies shall have to ensure works are implemented with due consideration of the requirements therein.
2. AWSC shall not commit any EIB funds to schemes that require an ESIA or biodiversity assessment according to national law prior to having received consent from the competent authority, and the Non-Technical Summaries of theESIAs having been made available to the public in general and the Bank in specific.
3. The Government of Armenia, assures that in granting new licenses to heavy industries such as mining, it shall take into consideration all costs and measures necessary for the protection of affected water resources that are used for drinking water supply;

Assessment of potential biodiversity impact

Potential impact of new construction projects on biodiversity is systematically considered during initial environmental examination and environmental and social impact assessments carried out for the investment projects. Temporary negative impact can take place during construction of new facilities. However, most of the construction activities assume the works within landscapes already disturbed by earlier activities (e.g. along existing roads). Positive impact on the biodiversity is expected upon completion of the wastewater treatment plant.

Adaptation to climate change

The German Climate Service Center's Climate Fact Sheet for Armenia indicates climate risks such as reduced precipitation, longer heat waves and a small increase in the intensity of heavy rains. Measures for adaptation to climate change should be included into the design, the ESIA (if required) and the ESMP for the project components in order to address the risks posed for water availability by extreme climate phenomena (e.g. droughts and severe frost). Reduction of leakage contributes significantly to increasing the resilience to the effects of climate change.

Public Consultation and Stakeholder Engagement, where required

Public information and consultation activities are carried out by the Utilities for their investment projects and there is already a mechanism in place for stakeholder engagement. These procedures will be further reinforced through the ESMP (Environment and Social Management Plan). The Project's environmental and social performance will be monitored through monitoring progress reports and monitoring visits, when and if necessary.

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