

Environmental and Social Data Sheet

Overview

Project Name:	NORTH MOLDOVA WATER
Project Number:	2013-0469
Country:	REPUBLIC OF MOLDOVA
Project Description:	Rehabilitation of the water supply systems in the Northern Region of Moldova
EIA required:	No
Project included in Carbon Footprint Exercise ¹ :	no

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

The project will generally benefit public health, by providing better drinking water to the population and by improving the efficiency of the treatment and distribution facilities. The main objective of the project is the compliance with the water quality and service standards as set by the EU directives and partially transposed into national law.

An Environmental and Social Analysis in line with the Environmental and Social Policy of EBRD² (lead financier for this operation) has been prepared for the project under the feasibility study funded by EBRD. According to this study, the project has no impact on a nature conservation area and an EIA will not be required.

The project is therefore acceptable for Bank financing.

The acceptance by the Bank of the Environmental and Social Action Plan shall be included in the Finance contract as condition precedent for the first disbursement.

The acceptance by the Bank of the Stakeholder Engagement Plan shall be included in the Finance contract as an undertaking.

Environmental and Social Assessment

Environmental Assessment

General

According to the Law on Ecological Expertise and Environmental Impact Assessment in Moldova, an EIA is mandatory for projects or project components that meet the following criteria:

- Water intakes for industry, urban and rural settlements with a capacity over 1,000m³/day for groundwater; and over 10,000m³/day for surface water;
- Wastewater treatment plants for industrial and/or domestic wastewater with a capacity of 10,000m³ per day and more.
- Any type of construction activity in riverbeds, in river-protected river lines and water reservoirs.

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.

² European Bank for Reconstruction and Development

The Ministry of Environment can require applying the procedure for EIA for other projects not listed if it considers that negative impacts to the environment are expected. If the planned activity is subject to an EIA, the developer should perform and finance the relevant EIA studies. The developer shall submit the EIA documentation to the State Ecological Expertise together with a so called EIA statement. The statement comprises the recommendations of the EIA documentation to the ministries, department, local authorities and results of public discussions. The EIA statement is submitted to the appropriate ministries and state agencies as well as to the local public administration. Within 5 days after the receipt of the EIA statement, the local administration should announce its availability in mass media, and conduct public discussion. Legislation related to environment is given hereafter:

- Water Code No. 1532-XII of 22.06.1993. This law will be replaced by Law N° 303 of 13.12.2013, published in the Official Gazette N° 60-65 on 14.03.2014 and will come into force on 14.09.2014. This law has been drawn up to harmonise Moldovan water policy with EU Water Framework Directive 2000/60CE,
- Law on Ecological Expertise and Environment Assessment No. 851-XIII of 29.05.1996, (law relevant for EIA)
- Law on Public Communal Services No. 1402-XV of 24.10.2002,
- Law on Drinking Water No. 272-XIV of 10.02.1999,
- Law on state surveillance of public health (2009)
- Law on Environment Protection No. 1515-XII of 16.06.1993,
- Law on Protection Zones, Belts of River & Water Basins No. 440-XIII of 27.04.1995,
- Instruction on the Procedure of Organization and Performance of the State Ecological Expertise (2002)
- Regulations on conditions for urban waste water discharge into natural receiving bodies (2007)

Project

An Environmental and Social Analysis in line with the Environmental and Social Policy of EBRD³ (lead financier for this operation) has been prepared for the project under the feasibility study funded by EBRD.

The project mainly consists of rehabilitation works of the existing water treatment plant, reservoirs, pumping stations and water mains (including the buried aqueduct from Soroca to Balti). New works exclusively concern two small reservoirs (each 250m³) and local water mains.

As a consequence, it is not expected that any EIA will be required for this operation. There may be some negative impacts during the construction phase, but most of these will remain temporary (air pollution, odour, noise vibrations, disruption of road traffic, public transportation and access to premises), and with careful management will be reduced or resolved. No environmentally sensitive areas are concerned by the project. Furthermore, most of the components within the project will be built at or next to existing servitudes and structures. Finally, except for the water treatment plant and the aqueduct, the components are generally of very limited size.

During the operation phase the following positive environmental impacts can be expected:

- Reduction of physical losses of the water mains system (less abstraction of river water for the same volume of supplied water);
- Energy savings through more efficient pumps and through reduced volumes thanks to leakage reduction;
- Reduced noise levels due to refurbished pumping stations;
- Improved Visual impact of refurbished facilities.

³ European Bank for Reconstruction and Development

The following negative environmental impacts during the operation phase can be expected:

- Noise emissions from facilities and plant,
- Visual impact of new reservoirs.

Compared to the current situation, all negative impacts arising from future operation are expected to be lower.

An Environmental and Social Action plan (ESAP) shall be prepared and its acceptance by the Bank shall be a condition for first disbursement.

Social Assessment

In the coming years the project will comprise several construction sites in a predominantly rural area in Northern Moldova. During the construction phase, it will therefore create job opportunities.

During the operation phase the following positive social impacts are mentioned:

- Improved security and quality of water supply to 230,000 inhabitants of which 40,000 do not currently benefit piped water supply,
- Increased public health,
- Improved occupational health and safety (OHS) for the employees thanks to the creation of a Regional Operating Company (ROC) with proper procedures according to best international practice as preparation for the envisaged delegation of operation and maintenance to a reputable international operator under a Private Sector Participation scheme.

The main negative social impact during the operation phase will be the increase of water tariffs. However, for most among the municipalities they are currently among the lowest in Moldova and even after the scheduled increase will remain within the usual affordability limits for the poorest households, as shown in the affordability and willingness-to-pay surveys conducted under the feasibility study.

An Environmental and Social Action Plan (ESAP) shall be drafted. Its acceptance by the Bank shall be a condition for the first disbursement.

Public Consultation and Stakeholder Engagement

Public participation and consultation is foreseen in the relevant EIA legislation (see above). *In case an EIA would be required this would be conducted in line with the legislation.*

A stakeholder engagement plan has not been drafted. Its implementation will be included as an undertaking in the finance contract.

Other Environmental and Social Aspects

N.A.

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