

Environmental and Social Data Sheet

Overview

Project Name:	Armenia Water Sector Project
Project Number:	2009 0676
Country:	Armenia
Project Description:	Rehabilitation of water supply, water treatment plants and sewerage collectors in small towns in the Republic of Armenia.
EIA required:	TBC (multiple projects under design – NTS of EIA's where required will be submitted to the Bank prior to allocation of funds)
Project included in Carbon Footprint Exercise ¹ :	NO

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

The project is expected to have predominantly positive long term environmental and social effects, resulting from more efficient energy use, less water demand (through reduced leakage and water demand management following the installation of meters), improved health through better quality drinking water at tap and lastly, from the treatment of wastewater currently released into the environment untreated.

Most works, which consist of upgrading/replacement of old infrastructure will take place on existing "sites" and have limited impact other than during construction (dust, noise, traffic).

AWSC has an Environmental, Health and Safety management system with a well structured set of procedures and defined staff responsibilities to manage many risks associated with environment, and health and safety. These procedures will be further reinforced through an ESAP (Environment and Social Action Plan), to be included in EBRD's contractual package as lead financier of this project. This is acceptable for EIB.

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, for example on protected areas, on flora and fauna, however there is not (yet) full alignment with EU environmental legislation. EBRD is preparing an ESAP to address the main shortcomings with best international practice on environmental and social matters identified during their due diligence.

The project consists of the rehabilitation and upgrading of the water supply, sewerage and wastewater treatment facilities in 17 small towns operated by the Armenia Water and Sewerage Company (AWSC). The projects are aimed at raising substantially the continuity of the drinking water supply, the quality of water supplied and first stage wastewater treatment in two of the 17 towns. Design will be carried with the assistance of consultants.

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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.

leakage and water demand management following the installation of meters), improved health through better quality drinking water at tap and the treatment of wastewater currently released untreated into the environment.

Most works, which consist of upgrading/replacement of old infrastructure will take place on existing "sites" and have limited impact other than during construction (dust, noise, traffic). For extensions, and other new works, the impacts need to be considered. Whilst in the EU the requirement for an EIA for small treatment plants as in the cases of Dilijan and Jermuk would not be an automatic EU requirement, the requirement in Armenia still needs to be assessed depending on the degree of simple refurbishment versus new-build. An undertaking has been included that in case required, the NTS shall be provided to the Bank prior to allocation of EIB funds to such component.

Assessment of potential biodiversity impact

Potential impact of new construction projects on biodiversity is systematically considered by AWSC during initial environmental examination and environmental 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 construction of wastewater treatment plants.

Adaptation to climate change

Measures for adaptation to climate change should be included into the design, the EIA (if required) and the ESAP for the project components in order to address the risks posed for water availability by extreme climate phenomena (e.g. droughts, severe frost).

EIB Carbon Footprint Exercise

Project is not included - the EIB draft Carbon Footprint Methodologies only include emissions from Investment Loans, and large allocations under Framework Loans, above the methodology thresholds. This project will be below the thresholds.

Public Consultation and Stakeholder Engagement, and Other Environmental and Social Aspects

According to COWI consultants that carried out an Environmental and Social Due Diligence in May 2011 (commissioned by EBRD), AWSC has an Environmental, Health and Safety management system with a well structured set of procedures and defined staff responsibilities to manage many risks associated with environment, and health and safety of workers and communities during the Company's day-to-day operations and during implementation of investment projects. The principal shortcoming was considered exactly one of the issues that this project will address, namely the fact that none of the towns have wastewater plants in operation, resulting in raw sewerage entering rivers which eventually flow into neighbouring countries.

AWSC have a number of IFI funded projects ongoing, including one with the EBRD. Public information and consultation activities are being carried out by the Company for these ongoing investment projects and there is already a mechanism in place for stakeholder engagement. These procedures will be further reinforced through an ESAP (Environment and Social Action Plan), to be included in EBRD's contractual package as lead financier of this project.

The Company will provide the financiers with Annual Environmental and Social Reports and notify on any material accidents or incidents. The Bank will evaluate the Project's environmental and social performance through monitoring reports and monitoring visits, when and if necessary.