

## Environmental and Social Data Sheet

### Overview

Project Name:	BELARUS UTILITY SERVICES MODERNIZATION
Project Number:	2018-0014
Country:	BELARUS
Project Description:	The project would support the critical needs of the water supply and sanitation sectors in Belarus.
EIA required:	This is a multi-scheme Framework Loan operation. Some of the schemes may require an EIA
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

##### Compliance with applicable Environmental Legislation

The Promoter of this Framework Loan is the Ministry of Housing and Utilities (MHU). The Environmental Protection Authority at National level is the State Environmental Review. The project shall be financed in parallel with the World Bank. The schemes can be located in all regions of the country, except for the capital city Minsk.

The project schemes (sub-projects) to be financed under this Framework Loan will be designed to reduce the negative environmental impacts of discharging untreated wastewater in line with the applicable legislation. The schemes will also be implemented in line with relevant legislation and also in accordance with EIB's social and environmental standards<sup>2</sup>.

The key national legislation of relevance includes:

- Law No. 339-3 from 18.07.2016 "On State Ecological Expertise, Strategic Environmental Assessment and Environmental Impact Assessment" and
- Regulations of the Cabinet of Ministers No.47 from 19.01.2017. "On EIA Procedure, EIA report and required qualification of experts carrying out an EIA"

The Promoter, with support from the EIB and the World Bank TA, will prepare an Environmental and Social Management Framework (ESMF), including a scheme for stakeholder engagement and grievance mechanism. This ESMF shall be used for screening of sub-projects against EIB's environmental and social Standards.

<sup>1</sup> 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 20,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

<sup>2</sup>EIB Statement of Environmental and Social Principles and Standards and EIB environmental and social handbook.

Luxembourg, 14 March 2019

The schemes concern refurbishment and upgrade of water and wastewater infrastructure in secondary cities of Belarus. If the schemes were located inside EU, it is expected that, depending on the scope, they would fall either under Annex II (i.e. be subject to screening by the Competent Authority) or outside the scope of the Directive 2011/92/EU as amended by 2014/52/EU. Ex-ante approval of the allocation of schemes will be required to ensure compliance with the Bank's environmental and social standards including those on the protection of sites of nature conservation, where applicable. This will be assessed at allocation stage for each individual scheme.

For the schemes requiring an EIA, relevant information and compliance with the applicable legislation and EU EIA directive will be checked before approving finance allocation. In particular, screening decisions from local Competent Authorities will be made available to the Bank. The Bank will also require the Promoter to provide the Non-Technical Summary (NTS) of the EIAs and the EIAs.

Framework loans as a whole are not covered by the EIB Carbon Footprint Exercise. Each sub-project will be included in the carbon footprint exercise if emissions are above the thresholds. The schemes including wastewater treatment components are expected to result in a positive reduction in related GHG emissions. Therefore, this Framework Loan will have a significant contribution to climate change mitigation.

#### Environmental Impacts

The schemes are expected to have minor environmental impacts during construction and no negative residual impact in the operational phase.

Most schemes will be located in a consolidated urban environment and on the existing main routes of water mains and sewers and in the premises of existing facilities. Therefore, the schemes are not likely to have negative impacts on nature conservation areas. Nevertheless, compliance with the Biodiversity and Habitats National Legislation and its alignment with the Habitats and Birds EU Directives (92/43/EEC, 2009/147/EC), international conventions to which Belarus is party and EIB E&S Standards will be further checked during appraisal of individual schemes, before allocating finance to schemes and during the implementation of the project.

#### Promoter's E&S capacity:

The promoter has experience in management of environmental and social plans and is familiar with the application of World Bank standards, based on the experience during implementation of their existing operations. However, Technical assistance will be made available to support the Promoter in the implementation of the schemes according to EIB Environmental and Social Standards. The Technical assistance will also support the promoter in setting up an environmental and social monitoring and reporting system, as part of the ESMF.

Luxembourg, 14 March 2019

## Social Assessment

Based on the information provided to the Bank, the potential schemes are not likely to require any large land acquisition. They are not expected to trigger large permanent physical or economic displacement. In implementing water and sanitation infrastructure schemes aimed at improving efficiency, public health, and protection of the environment, the works will be kept as much as possible to the existing rights of way (for buried assets) and within the premises of the existing facilities (for plants, reservoirs, etc.) with the purpose of minimizing negative impacts.

All schemes are expected to have a positive impact on the living conditions of the inhabitants. In addition, the investment will provide job opportunities during the works phases.

The promoter will prepare a Resettlement policy framework inclusive of a grievance mechanism. The framework's implementation (including the ESMF) will be coordinated with the regional and/or local water utilities and competent authorities.

Compliance with EIB's social standards, related to occupational and public health, safety and security, labour, involuntary resettlement and stakeholder engagement will be confirmed during appraisal of individual schemes, before allocating finance to schemes and during the implementation of the project. The Technical assistance will support the promoter in screening the schemes against EIB social standards.

Belarus has ratified all eight ILO Fundamental Conventions (and three out of four Governance Conventions<sup>3</sup>). The promoter will verify the implementation of the requirements relative to the applicable national labour code, ILO standards and EIB social standards during the implementation of the financed schemes, as well as in tender documents and in the subsequent agreements with selected contractors.

## Conclusions and Recommendations

Given that detailed information on the schemes is not available at this stage, environmental and social aspects will be verified at scheme allocation stage. The Bank will require the Promoter to follow the EIB environmental and social (E&S) standards and before the first disbursement, an Environmental and Social Management Framework (ESMF), including a scheme for stakeholder engagement and grievance mechanism, and Resettlement Policy Framework (RPF) acceptable to EIB will have to be prepared and endorsed by the relevant authorities.

The Promoter shall not commit any EIB funds against schemes that require an EIA according to national law or the EIB E&S standards without receiving the consent from the competent authority.

The Promoter will be obliged to provide the Bank with documentation stating that there are no negative impacts on biodiversity or that the appropriate mitigation measures are being taken according to the applicable national law, and EIB E&S Standards.

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<sup>3</sup> Not ratified yet: Labour Inspection (Agriculture) Convention, 1969 (No. 129)

Luxembourg, 14 March 2019

Prior to allocating financing to a scheme entailing new construction the Promoter shall submit to the Bank (where required):

- (i) A copy of the ESIA report (environmental and social impact assessment), including a non-technical summary, satisfactory to the Bank;
- (ii) The State Environmental Review approval or the Environmental Permit issued by the relevant Authorities in Belarus, as well as relevant Ecological Permit or Habitats form;
- (iii) The Environmental and social Management Plans (ESMP);
- (iv) The Resettlement Action Plan (RAP);

For schemes related to upgrading infrastructure or facilities along the same alignment or on the same premises, the Promoter needs to submit the screening document which states whether a full EIA is required or not prior to disbursement against each such scheme. If screening results in the need for a full EIA then the conditions mentioned above for new construction will apply.

The overall anticipated environmental and social impacts of the operation are deemed positive. Minor negative (temporary) impacts during the construction will be compensated by considerable social, public health and environmental benefits.

The following undertakings shall be included in the finance contract:

- The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to national law without, prior to commitment, receiving the consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.
- The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the ESIA, the Non-Technical Summaries of the ESIA's, and Nature/Biodiversity Assessments, Environmental and Social Management Plan, Resettlement Action Plan and Stakeholder Engagement Plan) to be provided to the Bank upon request. In case the EIB requires such documentation, the promoter shall provide all documents requested promptly.
- The promoter shall verify the compliance of the schemes with the relevant and applicable rules of national legislation, in particular in the field of environment.
- The Promoter shall implement and operate the Project in compliance with EIB's Environmental and Social Standards, and ILO core labour standards, in particular with the inclusion of provision (for contractors) for the respect of: principles of equal treatment and non-discrimination in employment and at the workplace, and equal access for men and women to employment opportunities, workers code of conducts and access to a grievance mechanism.

Considering the above, the project is acceptable for EIB financing from an environmental and social point of view.