

Luxembourg, 31 January 2019

Public

Environmental and Social Data Sheet

Overview

Project Name:	WATER AND SANITATION RS II
Project Number:	2018-0281
Country:	Bosnia and Herzegovina, Republika Srpska
Project Description:	Programme of construction and rehabilitation of water supply and sanitation infrastructure in Republika Srpska.
EIA required:	yes
This is a multi-scheme loan operation. Some schemes may require an EIA.	
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The Promoter of this loan is the PMU designated under the Ministry of Finance of Republika Srpska. The project schemes (sub-projects) concern construction and rehabilitation of existing infrastructure across the country. The schemes to be financed under this loan will be designed to improve water supply and sanitation service in the participating municipalities and 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 EU legislation and in accordance with the EIB's social and environmental standards.

The key national legislation of relevance includes: Law on water and Law on changes and amendments to the Law on water (Official Gazette 550/06, 992/09, 1121/12, 774/17), Law on environmental protection and amendment (Official Gazette 771/12, 779/15). The key EU legislation of relevance includes: Drinking Water Directive (98/83/EC), Urban Waste Water Treatment Directive (91/271/EEC), Water Framework Directive (2000/60/EC), as well as Directive 2014/52/EU amending the EIA Directive 2011/92/EU, SEA Directive 2001/42/EC, Habitats Directive 92/43/EEC and Birds Directive 2009/147/EC..

Project schemes will fall either under Annex II (i.e. subject to screening by the Competent Authority) or outside the scope of the Directive 2014/52/EU amending the EIA Directive 2011/92/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 a full 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. Each sub-project will be included in the footprint exercise if emissions are above the thresholds. The project contribution against climate change, if relevant, will be quantified at

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 20,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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the allocation stage for each scheme. The schemes including wastewater treatment components are expected to result in a reduction in related GHG emissions.

The schemes are expected to have minor environmental impacts during construction and no negative residual impacts in the operational phase. Most schemes will be located in a consolidated urban environment, on the existing main routes of water mains and sewers and in the premises of existing facilities or their vicinity. 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) 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.

The Promoter has experience in management of environmental and social plans and is familiar with the application of other international financing institutions' standards, based on the experience during implementation of their existing operations. However, technical assistance will be made available to support the Promoter in the preparation and implementation of the schemes. The technical assistance will also support the Promoter in setting up an environmental and social monitoring and reporting system.

Social Assessment

Based on the information provided to the Bank, the schemes are not expected to trigger large permanent physical or economic displacement or any large land acquisition, the works will be kept as much as possible to the existing rights of way (for buried assets) and the existing facilities (for plants, reservoirs, etc.) which reduces potential negative social impacts to a minimum.

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

Compliance with EIB's social standards, such as those on occupational and public health, safety and security, labour standards, involuntary resettlement and stakeholder engagement will be further checked during appraisal of individual schemes, before allocating funds to schemes and during the implementation of the project. The technical assistance will support the Promoter in screening the schemes against EIB social standards.

Public Consultation and Stakeholder Engagement

The Promoter will have to ensure compliance with national and European environmental and nature regulations and facilitate the access by the public to environmentally relevant information in accordance with the Bank's Transparency Policy.

Other Environmental and Social Aspects

Possible disruption of services, noise and temporary occupation of public or private space, traffic disruptions, and safety hazards will require strict management in the planning permission to minimize the negative disturbances, inconveniences and impacts common for this type of project.

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Conclusions and Recommendations

The investments will improve access to drinking water and sanitation. The schemes will have a positive socio-economic impact in the participating municipalities, and will improve the quality of life for the citizens as well as protection of the environment, notably surface and ground waters. Environmental and social aspects will be properly checked at scheme allocation stage. The Bank will require the Promoter to follow the EIB environmental and social (E&S) standards.

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. Non-Technical Summary and EIAs shall be sent to the Bank for publication on the website.
- The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the ESIA, screening decisions, the Non-Technical Summaries of the ESIA, and Nature/Biodiversity Assessments, Environmental, Social Management Plans, Resettlement Action Plans and Stakeholder Engagement Plans) 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, and shall follow the EIB environmental and social (E&S) standards.
- 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.

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

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