



Luxembourg, 16/10/2024

Environmental and Social Data Sheet

Overview

Project Name:	<i>GUYANA WATER</i>
Project Number:	<i>2023-0222</i>
Country:	<i>Guyana</i>
Project Description:	<i>Allocation of a water project in Guyana under CDB Climate Action Framework Loan II. The project will finance the improvement of the water supply services in five communities of Guyana</i>
EIA required:	No
Project included in Carbon Footprint Exercise ¹ :	No
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

The Promoter of the project is Guyana Water Incorporated, a public limited company created under the 2002 Water and Sewerage Act of Guyana. Guyana Water Incorporated is the main drinking water supplier of the country.

The project has two main goals: (i) to increase the availability and accessibility ("water security") to treated water for the population within 5 communities (*Walton Hall to Charity, Wakeman, Leguan Island, Bush Lot and Tain to N50 Village*), through new and upgraded water supply infrastructure and (ii) to improve the water quality by reducing contaminants such as iron. The project aims at complying with World Health Organization's (WHO) water quality standards in the water supply systems. The project also complies with the studies carried out in relation to the Guyana's Coastal Aquifer Management System (Groundwater Management 2020 – 2030; Coastal Aquifers Guyana (GWI 2020))

The project entails the construction of new wells, five new water treatment plants, new transmission lines, service connections and metering systems in the regions.

The project is aligned with the Integrated Water Supply and Sanitation sector policy, prepared by the Government of Guyana and Guyana Water Incorporated.

The Caribbean Development Bank (CDB) will be the financial intermediary of this project.

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



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Environmental Assessment

The Competent Authority is the Environmental Protection Agency Guyana (EPA Guyana). Guyana's legal framework governing the protection of environment includes the "Environmental Protection Act", "Environmental Impact Assessment (EIA) Regulations (2000)" and the "Environmental Protection Regulations (2000)".

The Promoter has experience in similar water supply operations (e.g. financed by the EU Delegation in Guyana, Japan International Cooperation Agency (JICA) and Interamerican Development Bank (IDB)), and therefore he has acquired good knowledge already at applying international environmental and social standards. The Promoter, following the guidance of CDB and supported by consultants experts on this field, has prepared a study to assess the impact on the environment and on the population. The project has been screened out by the Competent Authority (EPA Guyana), through a decision published on 19.07.2023 communicating that no Environmental and Social Impact Assessment (ESIA) report is required. If the project were to be located inside the EU, the project would fall under Annex II of the Directive 2011/92/EC (EIA Directive) as amended by the Directive 2014/52/EC. Considering the criteria of Annex III of the EIA Directive, the project would not require a full EIA report.

Appropriate Assessment

None of the components is located within environmentally sensitive areas, designated areas or within any of the National Protected Areas.

Environmental impacts

Due to the nature of the works to be implemented it is anticipated that the negative environmental impacts will be only associated with the period of construction and will be mainly localised, temporary and reversible (e.g. minor disturbance due to pipe replacement techniques). These temporary negative effects are assessed as not having any measurable and residual environmental effects and they will be mitigated with appropriate measures included in the Environmental and Social Management and Monitoring Plans to be prepared by the Promoter.

The investments under the project are expected in general to have positive long-term effects for the environment as they ensure a more efficient and sustainable use of groundwater resources.

Climate Mitigation and Adaptation

The project is expected to positively contribute towards climate change mitigation and adaptation. Mitigation will be achieved by a number of network performance improvement measures, such as the reduction of water losses. This will contribute towards the overall reduction of energy consumption thus resulting in a reduction of Greenhouse Gas emissions. The construction of the new wells and water supply systems will increase the water security of the area. This will allow Guyana to better adapt to the identified climate change risk of increased drought frequency.

The project has been assessed for Paris Alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap.

EIB Paris Alignment for Counterparties (PATH) Framework

The Promoter is in scope and screened out of the PATH framework, because it is not considered high emitting nor high vulnerability.



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Social Assessment, where applicable

The environmental and social studies prepared by the Promoter who was supported by external consultants, determined that the increase in the availability and accessibility to safe water will reduce or eliminate several of the challenges that residential and commercial users currently experience, including the need to purchase drinking water (bottled or tankers). Moreover, the project will increase the employment opportunities during construction and operation of the new systems.

Notwithstanding the benefits, the environmental and social studies identified possible temporary economic displacement of a small number of vendors in Wakeman, Bush lot and Tain. The civil works for the construction of the Water Treatment Plant in Bath Settlement will also trigger the physical displacement of up to 9 households informally settled. The land belongs to the Promoter. A Resettlement Action Plan including a Livelihood Restoration Plan will be prepared by the Promoter to guide all project-related resettlement activities. The Resettlement Action Plan will be subject to CDB's approval. The implementation of the Resettlement Action Plan will be closely monitored and audited by an independent consultant.

The Promoter, assisted by a consultant, will prepare a Health and Safety Management Plan specific for the project to be followed by the contractors.

Public Consultation and Stakeholder Engagement

The Promoter has facilitated public access to environmental information and guaranteed public consultation during the screen out decision process by publishing the decision in the dedicated website and local press. The Promoter will prepare a Stakeholder Engagement Plan and a Grievance Redress Mechanism.

Conclusions and Recommendations

By extending and improving the performance of the water supply systems in 5 communities in Guyana, the project is expected to generate a positive impact on the environment and will contribute to the improvement of the living conditions of the inhabitants.

All components financed by the project will be subject to the Promoter complying with the following requirements:

Undertakings

- The Promoter will prepare a Resettlement Action Plan including a Livelihood Restoration Plan that will receive CDB's approval before starting the works in the relevant components. In addition, an independent audit will verify the satisfactory implementation of the Resettlement Action Plan, including payment of compensations. The report from this independent audit will be received by the Bank, maximum 15 months after signature of the allocation letter.
- The Promoter will prepare, before starting the works, a Stakeholder Engagement Plan and a Grievance Redress Mechanism that will receive CDB's approval.
- The Promoter will strictly follow and will include in all the construction contracts the mitigation measures required in the Environmental and Social Management and Monitoring Plans.
- The Promoter shall record and maintain updated the relevant environmental and social documents (Screening out decision, Resettlement Action Plan, Stakeholder Engagement Plan, Grievance Redress Mechanism) to be provided to the Bank upon request through CDB. In case the EIB requires such documentation, the promoter shall provide all documents requested promptly.



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- The Promoter will be required not to allocate Bank funds to project components that require a full ESIA study until the ESIA study and/or the necessary nature assessment have been finalized and approved by the relevant competent authority. Once any ESIA study is available, the Promoter will provide the Bank with an electronic copy, for publication on the EIB website.

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