



## Armenia: Distribution Network Rehabilitation, Efficiency Improvement, and Augmentation

Project Name	Distribution Network Rehabilitation, Efficiency Improvement, and Augmentation	
Project Number	50146-001	
Borrower/Company	Electric Networks of Armenia CJSC	
Country	Armenia	
Location		
Approval Number		
Type or Modality of Assistance	Loan	USD 80.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Partnerships Private sector development	
Sector / Subsector	<b>Energy</b> - Electricity transmission and distribution	
Gender Equity and Mainstreaming	No gender elements	
Responsible ADB Department	Private Sector Operations Department	
Responsible ADB Division	Infrastructure Finance Division 1	
Responsible ADB Officer	ADB Disclosure	
Project Sponsor(s)	Liormand Holdings Limited Tashir Capital JSC	
Description	Electric Networks of Armenia (ENA) is undertaking a five-year investment program to rehabilitate and renovate network equipment, provide connections to new subscribers and introduce automated control and metering systems. This is aimed at quality improvement of the distribution services, reduction of electricity losses and operational expenses, improvement of technical maintenance and safety conditions, modernization of the metering system, rehabilitation, reinforcement and augmentation of the distribution network, connecting new costumers, the introduction of international standards of management and an automated control system.	
Objectives and Scope	The project contributes to government goals of supporting the development, adoption, and implementation of energy efficiency projects.	
Linkage to Country/Regional Strategy	The project is consistent with the Midterm Review on Strategy 2020, which includes a focus on private sector development and operations, and infrastructure development. ADB's support for the project is in line with its country partnership strategy for Armenia, 2014-2018 that supports energy security by diversifying energy sources and rehabilitating and upgrading electricity transmission and distribution networks.	

### Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

### Summary of Environmental and Social Aspects

Environmental Aspects	The potential environmental, health and safety risks and impacts of the investments are expected to be generally site-specific, reversible, and mostly associated with decommissioning, reconstruction, installation as well as operation and maintenance. These typically include issues on occupational and community health and safety, noise and vibration, soil erosion due to soil excavations, and management of hazardous and non-hazardous wastes. An Environmental and Social Management System (ESMS) will be developed to incorporate operational procedures and management measures to avoid, minimize, mitigate, and compensate for the adverse impacts of the investments.
Involuntary Resettlement	The rehabilitation, efficiency improvement and capacity expansion of the existing distribution network will be carried out within the premises of the existing of the facilities, without need for any additional land acquisition. ENA as part of its site selection process avoids land acquisition and locates its facilities on government lands. Involuntary resettlement impacts are therefore not triggered. The corporate and site audits of ENA's operations confirmed that ENA has not undertaken private land acquisition or involuntary resettlement for its facilities till date.
Indigenous Peoples	The improvements proposed under the investment program will be implemented within the footprints of existing facilities or on government lands, where there are no concentrations or clusters of indigenous peoples. Impacts on indigenous peoples are not expected.
Stakeholder Communication, Participation, and Consultation	ENA's environmental and social management system (ESMS) will include provisions and procedures for stakeholder engagement, community consultation and grievance resolution in its operations.

### Timetable for assistance design, processing and implementation

Concept Clearance	09 Nov 2016
Due Diligence	
Credit Committee Meeting	15 May 2017
Approval	27 Jun 2017
Last PDS Update	17 May 2017

Project Page	<a href="https://www.adb.org/projects/50146-001/main">https://www.adb.org/projects/50146-001/main</a>
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