



Armenia: ENA Investment Program Phase 2

Project Name	ENA Investment Program Phase 2		
Project Number	50146-003		
Borrower/Company	Electric Networks of Armenia CJSC		
Country	Armenia		
Location	Nation-wide		
Approval Number	7687/4091		
Type of ADB Assistance / Amount	4091	Ordinary capital resources	USD 20.00 million Committed
	8402	Leading Asia's Private Infrastructure Fund (LEAP)	USD 15.00 million Committed
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Partnerships Private sector development		
Sector / Subsector	Energy - Electricity transmission and distribution		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Pocheim, Wolfgang		
Project Sponsor(s)	Liormand Holdings Limited Tashir Capital JSC		
Description	Electric Networks of Armenia (ENA) is undertaking a second phase of the 2016-2027 investment program. Under the second phase, the project will cover 2021-2022 investment needs and is aimed at (i) substation modernization and reinforcement; (ii) network expansion and improvement; (iii) automatic metering systems installation; and (iv) other investments.		
Objectives and Scope	The project contributes to the government's goals in the energy sector which focuses on improvements in energy efficiency and reliability by reconstruction and modernization of existing power substations, power lines and other network equipment.		
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			C
Indigenous Peoples			C
Summary of Environmental and Social Aspects			
Environmental Aspects	The potential environmental impacts of the Phase 2 investment plan are generally site-specific and mostly associated with small-scale rehabilitation and upgrading works in the provinces of Armenia. Anticipated key impacts include occupational and community health and safety, hazardous wastes management, oil leakages from storage tanks and transformers. ENA developed an International Organization for Standardization certified Environmental Management System which includes a wide range of environmental, health and safety subplans and procedures, identified as requirements of the Phase 1 corrective actions, and collectively represents ENA's ESMS that aligns with ADB Safeguards Policy Statement, 2009 (SPS) requirements. The corporate audit confirms that the ESMS is still relevant, but requires the follow key action to comply with SPS: (i) assignment of one board member to provide oversight on the E&S risk management and ensure additional capacity trainings are provided within the relevant teams and (ii) improvement of the ESMS implementation and completion of pending environmental and social commitments from Phase 1 loan. ENA commits to the fulfillment of the Environmental and social action plan within agreed timelines.		
Involuntary Resettlement	Similar to the Phase 1 loan, no involuntary resettlement (IR) impact is expected for Phase 2 as project activities will be carried out within the existing footprints or located on government lands, after obtaining necessary clearances and permits. ENA's existing Involuntary Resettlement Management Procedure will be enhanced to ensure compliance with ADB requirements in addressing potential IR impacts.		
Indigenous Peoples	The project is not expected to impact on any distinct and vulnerable group of indigenous people as defined under ADB's Safeguard Policy Statement.		
Stakeholder Communication, Participation, and Consultation	ENA's stakeholder engagement plan was updated for the Phase 2 loan. This defines the methods, procedures, policies, and activities that will be implemented by ENA to inform stakeholders about the nature and potential impacts of the subproject activities. ENA is also developing a community awareness campaign to increase knowledge on the safety hazards from electric facilities and electric works.		
Timetable for assistance design, processing and implementation			
Concept Clearance	30 Mar 2021		
Due Diligence			
Credit Committee Meeting	06 Jul 2021 to 06 Jul 2021		

Approval

29 Jul 2021

Last PDS Update

13 Aug 2021

Project Page

<https://www.adb.org/projects/50146-003/main>

Request for Information

<http://www.adb.org/forms/request-information-form?subject=50146-003>

Date Generated

03 November 2021

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