

FP-UNDP-240715-5684

ANNEX VI ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA)

Social and Environmental Screening

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document. Please refer to the [Social and Environmental Screening Procedure](#) and [Toolkit](#) for guidance on how to answer the 6 questions.

Project Information

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1. Project Title	De-risking and Scaling-up Investment in Energy Efficient Building Retrofits
2. Project Number	5684
3. Location (Global/Region/Country)	Armenia

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?
<i>Briefly describe in the space below how the Project mainstreams the human-rights based approach</i>
<p>Consultations have been undertaken during project identification to determine the stakeholders and their roles during project implementation. These consultations will continue throughout the project cycle. Stakeholders include the Government, the private sector, international organisations and multilateral development bodies, and other organisations such as the Builders' Union of Armenia and the Architects' Union of Armenia.</p> <p>These stakeholders have been and will continue to be consulted with regard to various components of the project, such as establishment of building sector MRV, developing policies for EE retrofits, updating and strengthening of energy performance standards and enforcement, identifying and developing a set of affordable EE retrofit opportunities, creating awareness and building capacity of commercial banks to perform due diligence and financial assessment of EE retrofit projects, and selection criteria for EE retrofit financing. A mechanism to deal with grievances and other potential conflict issues will be set up consistent with the Social and Environmental Standards of UNDP (2015) and the Interim Environmental and Social Safeguards of the GCF (Annex III, GCF/B.07/11).</p>
<i>Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment</i>
<p>The project will involve gender mainstreaming opportunities in the establishment of MRV, where users will be trained on data collection and analysis, and the use of Energy Management Information Systems (EMIS); training and awareness-raising for commercial banks on performing due diligence of EE retrofit opportunities;</p>

development of a national credit information system, and development of energy performance standards and a mechanism for continuous update and systematic enforcement. The project will involve an in-country gender expert in developing gender-disaggregated data and indicators to ensure equitable gender representation.

Briefly describe in the space below how the Project mainstreams environmental sustainability

Mainstreaming environmental sustainability in the project involves the following: (i) establishment of a measurement, reporting and verification system to be used in conjunction with an Energy Management Information System to promote energy efficiency investment in the building sector; (ii) development of policies on energy efficient building retrofits, updating and strengthening the energy performance standards of new and retrofitted buildings, and enforcement; (iii) building capacity of energy service companies (ESCOs) and building owners in identifying and developing affordable energy efficient retrofit investments, and creating awareness and training domestic commercial banks on due diligence of EE retrofit opportunities; and (iv) creating financial incentives to building owners and ESCOs to promote EE building retrofits. The overall outcome of these interventions will be a reduction in energy consumption with associated direct reductions in GHG emissions of 1.1 tCO₂ over a 20-year lifetime of the retrofitted buildings.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? ¹	QUESTION 3: What is the level of significance of the potential social and environmental risks? ²			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact and Probability (1-5)</i>	<i>Significance (Low, Moderate, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</i>
Risk 1: The project may discriminate against women in relation to access to opportunities and benefits	I = 3 P = 1	Low	Armenian society is still strongly influenced by traditional gender roles and norms that designate women responsible for maintaining the home and childcare. Studies on usage of time reveal that women spend five times more time on housework or other	<ul style="list-style-type: none"> The project will analyse any gender-based differences in access to financing and capacity building, and will involve an in-country gender expert in developing gender-disaggregated data and indicators to ensure an equitable gender representation in the selection process for financing, focus group discussions and training. Capacity building opportunities incorporated in the project that will ensure female participation include: establishment of building MRV where users will be

¹ Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects

² Note: Respond to Questions 4 and 5 below before proceeding to Question 6

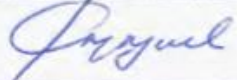


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			unpaid work than men. Women are not regarded as decision-makers in the public sphere, and such traditional views lead women to accept discrimination as a “normal” part of life (Gender Assessment, USAID Armenia, August 2010).	trained on data collection and analysis, and the use of EMIS; training and awareness-raising for commercial banks on performing due diligence of EE retrofit opportunities; development of a national credit information system, development of energy performance standards and a mechanism for continuous update and systematic enforcement.
Risk 2: Retrofit works and failure of structural elements from building retrofits may pose safety risks to communities	I = 3 P = 1	Low	Workers may not have the right experience and training on proper dismantling of building parts during retrofit.	<ul style="list-style-type: none"> • Only legally registered contractor(s) will be allowed to do EE building retrofits. Proof of experience and track record will be required from the contractor(s) prior to award of the retrofit work. • Contractor(s) will be required to conduct orientation and training for workers on EE building retrofits, particularly multi-family apartment buildings and public buildings.
Risk 3: Duty-bearers do not have the capacity to meet their obligations, such as in collecting baseline data for the EMIS and in managing EE building retrofit financing projects	I = 3 P = 1	Low	Lack of institutional and technical capability to address issues relating to energy efficient building retrofits, identifying and setting priorities for retrofits, managing projects on energy efficient building retrofits, maintaining energy databases, and enforcement of energy standards.	<ul style="list-style-type: none"> • Component 1 will include capacity building on establishing MRV, data collection and analysis, and procurement/installation of EMIS. • Component 2 will support broader legislative reforms to develop building codes, energy auditing, energy certification and labelling for existing buildings, multi-owner building management, payment enforcement, and the framework for energy efficiency retrofits.
Risk 4: Potential for excluding affected stakeholders from participation	I = 2 P = 1	Low	Inadequate and/or lack of consultation may exclude stakeholders such as	Consultations have been undertaken during project identification to determine the project stakeholders and their roles during project implementation. These

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			women's committees, citizens' organisations and female-headed households (women head almost one-third of Armenian households – Gender Assessment USAID Armenia, August 2010) in providing inputs on issues such as the establishment of energy performance standards for retrofitted buildings, policy dialogues on illegal buildings, retrofit financing, and enforcement of standards.	consultations will continue throughout the project cycle. Consultations on various components of the project will be designed to be gender-sensitive, inclusive and responsive to the needs of the stakeholders identified. A mechanism to deal with potential conflict issues during implementation has been incorporated in the project design.
Risk 5: Vulnerability to climate change	I = 2 P = 1	Low	An increase in temperature will reduce demand for heating but increase demand for cooling. Since cooling usually electrical and electricity is more costly than natural gas, this may increase demand for retrofits.	<ul style="list-style-type: none"> • While average winter temperatures are projected to increase, since the 1961-1990 average winter temperature was -5.3°C, even with a significant increase in temperature there will still be a large need for heating. • Data from the MRV component will provide insight into the impacts of warmer weather. This will be valuable for future activities but overall impacts on borrowing are beyond the scope of this project.
Risk 4: Generation of waste from building retrofits	I = 3 P = 1	Low	Tearing down insulation and replacing pipes, doors and windows as part of retrofit works will generate waste.	Recipients of financing for EE building retrofits will be required to dispose of the waste generated from civil works following the applicable regulations. Management of waste/construction debris will be part of the conditions in granting the funds and for awarding the civil works to the contractor. According to the Laws of the Republic of Armenia on Waste Disposal and Sanitary Purification, on

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				Local Self-Government, Self-Government in Yerevan City and Law on Waste, arrangement of waste disposal is the part of the community's mandatory responsibilities.

QUESTION 4: What is the overall Project risk categorization?			
Select one (see SESP for guidance)		Comments	
<i>Low Risk</i>	<input checked="" type="checkbox"/>	Eliminating policy, financial, market and technical barriers, and creating an enabling environment for investments in energy efficiency building retrofits, include activities that have no risks of adverse social or environmental impacts. However, actual building retrofits may cause impacts such as the generation of waste, potential discrimination of women to access financing, etc. that are limited in scale and temporary.	
<i>Moderate Risk</i>	<input type="checkbox"/>		
<i>High Risk</i>	<input type="checkbox"/>		
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?			
Check all that apply			Comments
<i>Principle 1: Human Rights</i>	<input checked="" type="checkbox"/>	Executing Agency may not have the capacity to meet human rights obligations to the project	
<i>Principle 2: Gender Equality and Women's Empowerment</i>	<input checked="" type="checkbox"/>	Potential to discriminate women in consultations and in access to project benefits and opportunities	
<i>1. Biodiversity Conservation and Natural Resource Management</i>	<input type="checkbox"/>		
<i>2. Climate Change Mitigation and Adaptation</i>	<input type="checkbox"/>		
<i>3. Community Health, Safety and Working Conditions</i>	<input checked="" type="checkbox"/>	Structural failure posing safety risks due to lack of workers' training on EE building retrofits	
<i>4. Cultural Heritage</i>	<input type="checkbox"/>		
<i>5. Displacement and Resettlement</i>	<input type="checkbox"/>		
<i>6. Indigenous Peoples</i>	<input type="checkbox"/>		
<i>7. Pollution Prevention and Resource Efficiency</i>	<input checked="" type="checkbox"/>	Generation of waste from building retrofit works	

Final Sign Off

<i>Signature</i>	<i>Date</i>	<i>Description</i>
	24.07.2015	QA Assessor Armen Martirosyan, Environmental Governance portfolio analyst, UNDP Armenia CO
	24.07.2015	QA Approver Claire Medina, UNDP Deputy Resident Representative, UNDP Armenia CO
	24.07.2015	PAC Chair Claire Medina, UNDP Deputy Resident Representative, UNDP Armenia CO