### BASIC INFORMATION

**A. Basic Project Data**

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Belarus</td>
<td>P164260</td>
<td>Utility Efficiency and Quality Improvement Project</td>
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<thead>
<tr>
<th>Region</th>
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<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<tr>
<td>EUROPE AND CENTRAL ASIA</td>
<td>28-Feb-2019</td>
<td>13-Jun-2019</td>
<td>Water</td>
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<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Republic of Belarus</td>
<td>Ministry of Housing and Utilities</td>
</tr>
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**Proposed Development Objective(s)**

The Project Development Objective (PDO) is to improve the quality and efficiency of water and wastewater services, and support the introduction of regional solid waste management.

**Components**

- Component 1. Improving water and wastewater services at utility/service provider level
- Component 2. Strengthening utility performance
- Component 3. Enhancing the solid waste management process in the country
- Component 4. Project Management

### PROJECT FINANCING DATA (US$, Millions)

**SUMMARY**

<table>
<thead>
<tr>
<th>Total Project Cost</th>
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<tr>
<td>Total Financing</td>
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</tr>
<tr>
<td>of which IBRD/IDA</td>
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**DETAILS**

**World Bank Group Financing**

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<tr>
<th>International Bank for Reconstruction and Development (IBRD)</th>
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B. Introduction and Context

Country Context

1. **The Republic of Belarus is a landlocked country situated in north-eastern Europe.** It is bordered by Latvia and Lithuania to the north-west, Poland to the west, Ukraine to the south, and Russia to the east, and covers an area of about 207,595 sq km2 (80,153 square miles). Belarus has a total population of about 9,491,823 people, about 21 percent of whom live in rural areas, and about 54 percent of whom are female.

2. **Since the collapse of the Soviet Union, Belarus has pursued a transition path characterized by the gradual opening of the economy to private sector development and limited reform of the governance system of state-owned enterprises (SOEs).** Until 2008, Belarus performed extremely well in terms of per capita gross domestic product (GDP) growth, human development, and poverty reduction, but at the expense of increased external debt and dependence upon primary commodity prices. From 1996 to 2000, real GDP growth averaged roughly 6.3 percent per year, and in 2001–2008, it accelerated further to 8.3 percent per year—more rapidly than the 5.7 percent average for both the Europe and Central Asia region, and the 7.1 percent average for the Commonwealth of Independent States. Economic growth was accompanied by a remarkable decline in the number of households below the national poverty line and an increase in the incomes of households at the bottom 40 percent. From 2003 to 2014, Belarus posted the largest reduction in poverty rates in the Europe and Central Asia region. Measured at the internationally comparable purchasing power parity (PPP) of US$5 per day threshold, the poverty headcount in Belarus fell from 32 percent in 2003 to less than 1 percent in 2014, compared to the Europe and Central Asia average which fell from 38 percent in 2003 to 13 percent in 2013. Inequality declined along with poverty and is low by regional standards.

3. **The financial crisis of 2008 and the gradual revision of the terms fixing the price of oil imports from the Russian Federation ushered the end of Belarus’s growth boom.** In 2009, the economy expanded by only 0.2 percent, and while demand-management measures led to a short-term growth rebound in 2010–2011, the economy never resumed the vigorous expansion path of the previous decade. From 2009–2014, annual growth averaged 3 percent, and in 2015–2016, the economy entered a recession (in 2015 and 2016, real GDP decreased by 3.8 percent and 2.6 percent respectively). The downturn put real income growth on hold, rendering households more vulnerable. In 2015, the poverty headcount (at PPP US$10 per day) increased by 2 percentage points at the national level and even more in rural areas, where the poverty headcount increased by 4.4 percentage points in just one year.

Sectoral and Institutional Context
Water Supply and Sanitation (WSS)

4. **The available water resources in Belarus are sufficient to meet both current and future demands.** Surface water resources are mainly represented by river runoff, which in average years constitutes 57.9 km$^3$. Rivers of the Black Sea basin comprise about 55 percent of annual flow, and rivers of the Baltic Sea basin 45 percent. A big part of the river water flow (34 km$^3$ or 59 percent) is formed within the country. Groundwater resources are abundant, and the yearly volume of fresh water abstraction represents less than 3 percent of the total volume of fresh water generated. Water utilities are the main users of water resources—31 percent of the water is used for agriculture, 20 percent for industries, and the remaining 49 percent for residential consumption.

5. **Excessive iron content is the main drinking water quality issue in urban areas, while insufficient wastewater treatment leads to surface water quality problems in some places.** A large majority (about 84 percent) of the country’s water supply needs are met by groundwater supplies, with the notable exception of the capital city, Minsk, where surface water is used for the production of potable water. The iron content is the main water supply concern; about 20 percent of citizens are currently supplied with water whose iron content exceeds national standards (0.3 mg/l). Excessive iron in potable water can lead to a number of health and aesthetic issues, including bad taste and increased risk of iron overload which can lead to hemochromatosis a condition that can affect the liver and other organs, staining of materials such as clothes, and clogging of pipes due to iron compound residues. Iron residues can also be secondary contaminants because they can harbor harmful bacteria. Bacteriological tests reportedly fail to comply with national standards in 1–3 percent of cases, which could be further improved. The main potable water quality standards are largely aligned with the World Health Organization recommendations and with European Union (EU) standards. Surface water and groundwater in Belarus suffer from inadequate wastewater treatments, and this problem is particularly visible downstream from large regional and industrial centers. The main share of sewage waters is generated in the housing and communal services sector (around 75 percent of the aggregated volume of sewage water with the content of pollutants), but industrial polluters also contribute considerably to water pollution. Surface water quality is extensively monitored and reported using the Water Pollution Index (multiparameter composite indicator), and a report suggests that the majority of surface water is classified as moderately polluted. The quality and quantity of wastewater effluents discharged into the surface waters of the main river basins differs significantly. Due to population and industrial density, water bodies in the Dnepr River basin are exposed to the most significant anthropogenic impact, while rivers in the basins of Neman, Zapadnaya Dvina, and Zapadnyi Bug receive a much smaller pollution load. For treated wastewater effluent quality standards, the maximum concentration requirements are comparable to those of the EU (outside of environmentally sensitive areas) and are dependent on the water quality status of receiving waters.

6. **The Government’s policy orientation in the water and wastewater sector is precisely well defined, sector responsibilities are clearly assigned, and the main functions (policy formulation, regulation, service provision) are unbundled, a key condition for good sector governance.** The sector’s policy is oriented toward (a) full coverage of services, including in rural areas; (b) continuous provision of safe potable water; (c) affordable services for all segments of the population; (d) improvement of systems’ operational efficiency (with reduction of water losses and increased energy efficiency); and (e) environmental protection.

7. **The water supply and sanitation (WSS) sector is governed by the 1998 Water Code, which is the key legislative document defining the main components of the sector’s institutional and regulatory framework.** The Central Government develops sector policy and strategy and controls their implementation. At the national level, the Ministry of Housing and Utilities (MHU) is the sector line ministry which coordinates management of the sector with other national authorities, implements the state water policy, monitors and supervises water provider operations, and compiles sectoral data. Regional administrations at the oblast level are closely involved in sector coordination and financing, while local
authorities and their service providers are responsible for water service provision. At the district and city levels, local councils of deputies and executive committees are ultimately responsible for water and wastewater services. These services are provided in major towns by utilities specialized in the provision of water and wastewater services, while elsewhere multiutilities provide services across several sectors, including solid waste management (SWM). In 2016, there were 26 specialized WSS utilities (vodokanals) providing WSS services to customers, and 113 multiservice utilities providing a range of communal services, including WSS. The Ministry of Antimonopoly Regulation and Trade is responsible for establishing the WSS tariff methodology, monitoring its implementation, and endorsing WSS utilities’ tariff requests before they are approved at the oblast level by the respective executive committees.

8. **Belarus is currently developing its new Water Strategy, which will run to 2030.** It is expected that the main goal of the new strategy will be to achieve long-term water security by delivering on long-term targets in the field of protection and use of water resources, such as the provision of universal access to clean and affordable potable water, access to adequate sanitation services for households, improving the quality of natural waters, halving the share of untreated effluents and increasing the reuse of water, and improving water-use efficiency in all sectors of the economy.

9. **Current residential tariff levels guarantee access to services at an affordable cost despite recent increases, but they still do not cover long-term operating costs.** Belarus water service tariff structure is fairly unique, with affordability in mind, but with the recent trend of tariff increases toward cost recovery. The residential tariff is made of two blocks: the first block is subsidized (below unit cost) national tariff for a maximum daily consumption of 140 L per person, while the second block is tariff for consumption exceeding this amount (above unit cost). Even though WSS tariffs could legally be set at the regional (oblast) level, in practice, there is a national first block tariff, as well as a cap on its increase (total utility costs cannot increase more than US$5 per year per household). In June 2012 (the most recent data available), an average monthly household consumption of 3.5 m³ would lead to a water and wastewater bill of BYR 5,100, which represents less than 1.2 percent of the monthly disposable resources for more than 99.8 percent of the population.¹

**Sector Service Performance**

**Water Supply and Sanitation (WSS)**

10. **Water and wastewater infrastructure exists but it is aging and requires urgent modernization.** Although significant national investment programs throughout the last decade have enabled Belarus to considerably improve the quality of water and wastewater services, major challenges remain, and substantial additional investments are required to close coverage gaps in rural areas, expand wastewater treatment capacity, address remaining water supply quality issues, and improve the performance of water utilities and service providers. The level of access to water supply and wastewater services is high by regional standards and has shown steady improvement in the last period. Due to large investments since 2006, access is high—water supply (centralized piped) coverage is above 86 percent and sewerage coverage is 74 percent. However, while in urban areas 95 percent to 100 percent of the population is served by centralized water systems, in rural areas, 20 percent of the population lacks access to centralized water systems.

11. **Improving the quality of drinking water is a Government priority.** The Clean Water Program (aiming to provide 100 percent of the population with adequate quality drinking water by 2025) set clear nationwide baselines and targets for indicators, such as coverage of services and the quality of potable water. The Clean Water Program included the installation of about 50 new iron removal plants. The program also stressed the need for introducing advanced

technologies, improving utility management and structure, and reducing costs through energy-saving technologies, optimization of processes, and so on.

12. **Due to obsolete equipment and technologies, wastewater collection and treatment often fails to meet acceptable service quality standards.** Most municipal wastewater treatment plants (WWTPs) were built in the 1970s and 1980s and were, therefore, not designed to remove nutrients like nitrogen and phosphorus. Furthermore, the lack of proper maintenance and technological upgrades have degraded a significant portion of existing wastewater facilities, rendering them effectively nonoperational.

13. **In many cities, low operational efficiency coupled with below cost-recovery user charges strains public utility and communal budgets, forcing local authorities to postpone important infrastructure rehabilitation and expansion investments.** Local-level efforts to push for operational efficiencies and proper planning are limited due to the lack of financial incentives in the sector and strong dependence on the Central Government. The result of the application of a national first block household WSS tariff, which does not cover the cost of services, leads to significant cross-subsidization between customer categories and cross-subsidization representing a vulnerability for the entire sector since less than 2 percent of customers account for 77 percent of revenues. The difference between the revenues generated by household tariffs and local utility costs associated with WSS services provision is generally covered either by cross-subsidies or transfers from the local and central governments. The cross-subsidization between customer categories is extremely high by international standards—a clear source of financial vulnerability for the sector. At the country level, nonresidential tariffs are on average eight times the residential tariffs.²

**Solid Waste Management (SWM)**

14. **Belarus generates 3,656,000 tons of municipal solid waste per year at an average of 1.05 kg per capita per day, compared to an average of 1.18 kg per capita per day for the broader region of Europe and Central Asia.** It is estimated that about 42 percent of mixed waste is organic and 16 percent is dry recyclables, for the country. In urban areas, organic waste makes up 38-46 percent of the mixed waste, while dry recyclables comprise 20 percent. All municipal solid waste is collected and managed in some form.

15. **Municipal solid waste collection in Belarus is available for the entire urban and rural population although the quality of disposal services available varies.** Approximately 80 percent of total collected waste is disposed of in more than 156 primary landfill sites at both the rayon and city levels. In general, these landfills utilize a bottom liner and leachate collection with recirculation rather than treatment. At larger landfills, a gas collection system is used. In addition, there are approximately 1,700 mini-landfills used by rural communities that are not maintained with a bottom liner. These small disposal sites do not have environmental protection controls in place and are inefficient to operate because such a large number exist. They are difficult to control or upgrade and are an environmental liability. This is a large reason why a regional approach to SWM has been decided.

16. **Waste collection and disposal services are mainly provided by public enterprises, although a few private operators have been active in the past few years for collection of household waste in partnership with public enterprises.** State-owned organizations are responsible for integrated waste collection, transport, landfill operations, and any sorting/separation activities. These organizations are organized under the municipal department of public utilities, which also coordinates local public services like heat supply, water supply, electricity supply, maintenance of infrastructure, and so on. Approximately, 90 percent of these services are provided by municipally owned organizations,

while in Minsk, they are provided by a joint venture between the municipality and a (foreign) private company. Private sector participation is limited to a specific portion of services like collection and transport services for legal entities and condominiums. There are no waste pickers at the disposal sites. The total share of the private sector in municipal SWM is estimated at 13 percent measured in terms of quantities collected and moved.

17. The SWM system is centrally controlled, including the setting of minimum and maximum fees to cover operational expenditures. The fees are low relative to the region and estimated to be at maximum 0.18 percent of the average household income. There is some subsidization of the waste management sector by the district and city budgets although operating costs are largely covered by the fee. Investments in the system are however hampered by low fees and are subsidized by general revenues. Information on waste quantities, which is the basis for all sector planning, should be taken with some caution as reporting is measured in cubic meters based on estimates of collected volumes, and then converted into tons using a waste density norm. More generally, the waste reporting system is fragmented and divided across several organizations. Public awareness about the generators of waste is low; few substantial awareness programs are carried out due to the lack of budget support, apparently as it is not considered to be of high priority by the Government.

18. Belarus' legislation on waste management is gradually being harmonized with international law and practices, particularly those of the EU. The recently adopted 2017-2035 National Strategy on Municipal Solid Waste and Recyclables Management, promotes several important principles, including the respective (a) waste hierarchy, (b) polluter pays, (c) sustainable waste management, (d) best available and most cost-effective technologies, and (e) openness and transparency principles. The strategy includes five main actions to be implemented before 2030, among others, (a) improvement of existing infrastructure, including introduction of regional landfills (RLFs) and supporting infrastructure; (b) introduction of a deposit system for plastic, glass bottles, and cans; (c) production of refuse derived fuel (RDF); (d) introduction of biological treatment (composting) in addition to mechanical treatment; and (e) construction of an incinerator in Minsk with a capacity of 500,000 tons per year. Total investment needs are estimated at €1.2 billion. To fund these improvements, an environmental charge on landfilled waste and a near doubling of the current tariff after 2021 are being considered. The proposed project will support the Government’s efforts toward regionalization of the solid waste disposal service in Belarus.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)
The Project Development Objective (PDO) is to improve the quality and efficiency of water and wastewater services and support the introduction of regional solid waste management.

Key Results

The Project’s achievement of the PDO will be measured via the following core indicators:

- People provided with enhanced water supply services\(^3\) as a result of the Project (out of which female); and
- People provided with the required level of wastewater treatment\(^4\) (as per national standards for BOD) as a result of the Project (out of which female); and

\(^3\) People provided with enhanced water supply services are defined as people provided with drinking water of satisfactory quality (as per national standards) as a result of the project.

\(^4\) People provided with the required level of wastewater treatment (as per national standards for BOD), where required level of wastewater
• People provided with environmentally-sound solid waste disposal services as a result of the project (out of which female).

D. Project Description

The project will have four components that are summarized below.

19. **Component 1: Improving Water and Wastewater Services at Utility / Service Provider Level (US$72 million).** Component 1 aims to improve the operational performance of WSS service providers and enhance the quality of water and wastewater service provision to the people of Belarus through packages of support tailored to the needs of utilities. The component is designed as a comprehensive range of technical assistance (TA), capacity building, and investment support and aims to lift service providers with varying levels of performance to higher levels of performance and increase their eligibility for further support, leading to gradual and continuous improvements.

20. **Component 2: Strengthening utility performance (US$2 million).** Component 2 will finance Government activities that support performance improvement implementation and monitoring through the development of long-term strategic sector planning, including improving and/or developing national-level policies that build on the Clean Water Programs and the implementation of the Water Strategy 2030. Additional activities in Component 2 include (a) development of utility-level information collection and analysis, including developing and/or updating of an information platform (benchmarking); (b) strengthening the national water utility sector regulatory framework; (c) developing guidelines and standards for performance criteria for service providers; (d) strengthening the customer orientation of water utilities and citizen engagement (for example, through supplementing the benchmarking with participatory monitoring elements such as scorecards) and public dissemination of information; and (e) developing capacity-building and knowledge-sharing activities based on existing best practices. The development of a utility-level information platform aims to link with the CPF’s cross-cutting theme of greater public access and use of data as is described in more detail in this section. Component 2 includes a set of enabling activities linked to the performance ladder of Component 1.

21. **Component 3: Enhancing the solid waste management process in the country (US$25 million).** Component 3 will pilot a regional approach to SWM and TA to further develop the sector more broadly. One site and waste shed have been identified and the remaining sites will be determined during project implementation. This component includes the following:
   (a) (i) Construction of the Polotsk/Novopolotsk Regional Landfill (P/NP RLF), including through the carrying out of civil works for associated infrastructure such as transfer stations and provision of equipment for waste collection, transportation, and handling; (ii) carrying out of the closure and remediation of the existing Polotsk landfill; (iii) development of detailed designs for activities under (i) and (ii) mentioned earlier; and (iv) carrying out of associated construction management and investment monitoring.
   (b) (i) Carrying out of preparatory investment studies, such as site selection studies, feasibility and detailed design studies, Environmental and Social Impact Assessments (ESIAs), and Resettlement Action Plans (RAPs); and (ii) construction of RLFs (other than under (a)(i) mentioned earlier), comprising through the carrying out of civil works for associated infrastructure such as transfer stations, material recovery facilities, dumpsite closures, and provision of equipment for waste collection, transportation, and handling, and carrying out of associated construction management and investment monitoring.

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Treatment covers access to new sewerage connections connected to improved wastewater treatment, or existing connections made to improved wastewater treatment plant.
(c) Carrying out of sector development studies related to improving the efficiency of the sector such as improvements to the reduction and recovery of waste, financing studies, and public communications campaigns to raise environmental awareness.

22. **Component 4: Project management (US$1 million).** This component will finance travel, training, audits, and general consulting services support to the Project Coordinating Team (PCT). More specifically, this component will finance TA to support the PCT to (a) execute project screening and prioritization, (b) conduct monitoring and evaluation (M&E) activities, (c) implement environmental and social safeguards, (d) train PCT staff, and (e) conduct annual audits for the project and providers.

**E. Implementation**

**Institutional and Implementation Arrangements**

23. The project will be implemented through the PCT that is implementing the ongoing Water Supply and Sanitation Project AF (P146493, 2014–2019) and has successfully implemented two now-closed projects—the Water Supply and Sanitation Project (P101190, 2009–2016) and the Integrated Solid Waste Management Project (P114515, 2010–2017). Implementation arrangements essentially remain unchanged from the ongoing WSS project. The MHU is responsible for the overall project coordination and monitoring of implementation progress. The PCT, set up within the SOE ‘Belcomtehinvest’ has overall responsibility for disbursement, financial and procurement management, and coordination and is subordinate to the MHU. The PCT will be responsible for daily project implementation and monitoring and adherence to World Bank requirements. The PCT has experienced and trained technical and fiduciary staff. For Component 2, the MHU will lead on national-level activities while procurement and FM will be done by the PCT.

**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The list of water supply be financed will be identified during project implementation, based on the Government’s priorities and utilities' readiness for implementation. This list could also evolve during project implementation as the performance of other utilities improve. At this stage of project design the investments' locations are known only for the first year of project implementation, but the projects’ design is not finished. Similarly, while several locations for the new RLFs have been considered, only one have been selected, - Novoplatsk regional landfill. The site is located 5 km to the South of Novopolatsk city in Vitebsk oblast. The construction of the landfill started in 2009, but later terminated due to lack of funding. Some excavations and and civil engineering works were done, and since the time of works termination the site and unfinished structures are guarded. Total area allocated for the landfill is 8.2 hectares, design capacity 993200 m3, operating life of 15 years for cells 1 and 2 and another 16 years cells 3 and 4, so 31 years in total. Original design of 2009 envisaged a two-stage approach to construction and operation of landfill. Landfill would serve cities Polatsk and Novopolatsk and several nearby rayons. These rayons, as well as the type of service (direct or transfer stations) shall be determined on later stages. The site is located on the afforested area of the Chemical plant sanitary zone. No any important natural habitats or protected areas have been identified in the vicinity of the site. Furthermore, no human settlements are nearby the proposed landfill, - the closest village is located at the distance of 2-3 km. The proposed sanitary landfill and the old non-sanitary landfill are located in an area with an annual rainfall of approximately 550 to 700mm with
steady snow cover of about 25 to 35cm from January to March. Ambient air quality seems to have been impacted by the old landfill and nearby industrial facilities. However, concentrations of several pollutants measured in ambient air around the proposed landfill site did not show any exceedances compared to applicable local standards. The proposed landfill area is generally situated on a mild sloped sandy soil in the hilly ridges over subsurface clayey layers. Western Dvina river, located approximately 7 to 8km north of the proposed site, is amongst the major rivers in Belarus. There are two lakes within the floodplain of Western Dvina in a distance of about 4 to 5km.

G. Environmental and Social Safeguards Specialists on the Team

Arcadii Capcelea, Environmental Specialist
Aimonchok Tashieva, Social Specialist

<table>
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<th>SAFEGUARD POLICIES THAT MIGHT APPLY</th>
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<td><strong>Safeguard Policies</strong></td>
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<td>------------------------</td>
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<tr>
<td>Environmental Assessment OP/BP 4.01</td>
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</table>
specific location), worker safety (e.g. welding operations) etc. In the case of solid waste management subprojects, additionally to environmental impacts specified above for WSS ones, these impacts and risks might also include leachate resulting in potential pollution of surface and ground water, methane emissions, etc., as well as social risks and labor influx. Most of these impacts and risks can be addressed with good engineering and construction practices as well as by preparing and implementing adequate mitigation measures.

At this stage of the project development the investments and their location for water supply and sanitation sector are known only for the first year of project implementation (although the projects' design are not yet finished), while others will be selected during the project implementation. Similarly, several locations for solid waste management projects have been considered, but the only one has been approved, - the RLF in Novopolotsk. Considering this, for addressing potential adverse impacts, the client prepared an ESMF which will specify the rules and procedures for the selected investments' Environmental and Social Impact Assessment (ESIA) and preparing site specific Environmental and Social Management Plan (ESMP). The screening criteria in the ESMF clearly specifies and exclude subprojects that are high risk or Category A-type: for WSS subprojects those which might be related to a large volume of effluent discharge (more than 50 th cubic meters), while for SW subprojects – in the case of greenfield RLFs proposed to be located within and with impacts on sensitive habitats or areas of high biodiversity values.

As the client have already selected one location for a landfill near Novopolotsk, in addition to the ESMF it was conducted a full ESIA and prepared a site specific ESMP, which was consulted with the potentially affected people and interested parties (at the stage of the TORs and at the stage of the full draft EA documents).

<p>| Performance Standards for Private Sector Activities OP/BP 4.03 | No | N/A |</p>
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<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
<td>This OP is not triggered, - all subprojects which might have impacts on NHs will be excluded from the project financing during the subprojects initial environmental screening.</td>
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<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>There will be no sub-projects that would have impacts on native forests and critical habitats, - such subprojects will be excluded from the project financing during initial environmental screening.</td>
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<tr>
<td>Pest Management OP 4.09</td>
<td>Yes</td>
<td>Triggered as pesticides will be used for pest control during operations. A template of pest management plan and an operational one have been included in the ESMF and in the ESIA documents.</td>
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<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>No</td>
<td>The project will not finance any subprojects that might have impacts on such resources, - such subprojects will be excluded from the project financing during initial environmental screening.</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>No</td>
<td>This OP is not applicable in Belarus.</td>
</tr>
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<td>Involuntary Resettlement OP/BP 4.12</td>
<td>Yes</td>
<td>OP 4.12 is triggered because most of the sub-project sites will be known during implementation. The Resettlement Policy Framework (RPF) was thus prepared to manage any potential land acquisition and resettlement impacts that may arise due to implementation of sub-projects. There is no land acquisition, and no economic or physical displacement is expected in the area where Novopolotsk sub-project.</td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>No</td>
<td>The project will not support any activities which rely or may have impacts on dams.</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>Yes</td>
<td>OP/BP 7.50 on International Waterways is triggered because some of the water supply and wastewater subprojects are likely to have impact on international waterways. Most project-financed investments are expected to involve the rehabilitation of existing WSS systems within the original boundaries and design parameters of the schemes, but some treatment-level upgrades and capacity expansions are also expected. As a result, regardless that the project is not expected to adversely change the quality or quantity of water flows to other riparians, the World Bank has notified the borrower that a riparian notification process should be initiated with all neighboring countries, according to OP/BP 7.50 requirements. Following the Government request, the World Bank has agreed to perform the riparian countries notification.</td>
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process for the project on behalf of the client and on January 22, 2019 sent official letters in this regard to the Governments of Latvia, Lithuania, Poland, Russian Federation, and Ukraine, asking to provide any comments related to the project by end of February 28, 2019. As of February 28, 2019, responses has been received from Latvia, Lithuania, and Poland, all of which expressed support for the Project and its objectives. The World Bank received an additional response from Ukraine after the established deadline inviting the World Bank to inform the Belarusian side about the need to provide materials on environmental impact in line with the existing bilateral or international agreements on protection of transboundary waters that affects Belarus and Ukraine, namely Convention on the Protection and Use of Transboundary Movements and International Lakes and Convention on Environmental Impact Assessment in a Transboundary Context. They are additionally stating that as per those conventions, Belarus itself, as the Party of origin, and not the World Bank, should ensure that an assessment of the impact of the planned activity on the environment is carried out prior to its implementation and that Belarus should inform Ukraine of this as an interested Party. The World Bank will respond to Government of Ukraine providing the Project’s Environmental and Social Management Framework and pertinent subproject ESIA/ESMPs and explaining that the notification issued by the World Bank on behalf and at the request of the Republic of Belarus is meant to ensure compliance with the requirements set forth OP/BP 7.50 and does not prejudice the separate and distinct notification obligations that the Member Country may have under international treaties; and the clarifying that the Bank expects the Republic of Belarus to fulfil its own notification obligations under the Convention on the Protection and Use of Transboundary Movements and International Lakes and Convention on Environmental Impact Assessment in a Transboundary Context, which are solely the responsibility of pertinent governmental authorities.
As Belarus has ratified the UNECE Espoo Convention and, as such, this is a legally binding treaty for the country, it must ensure compliance of the Convention’s requirements, applicable to the Project. Although, at this stage of the project design it is clear that the transboundary consultation requirement set out in the Convention is not applicable, since the project is not listed in its Annex I and/or is not “likely to cause significant adverse transboundary impact” (Articles 2 and 3), all subprojects to be selected and financed, will be subject to an initial screening and, if they may generate such impacts, being included in Annex I, then the Convention rules and procedures in terms of consultations with potentially affected countries will be followed.

Projects in Disputed Areas OP/BP 7.60 | No | The project will not involve any disputed areas.

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

   Overall the project is focused on rehabilitation works and would support water supply, sanitation, and solid waste management investments, which outside several positive social and environmental impacts (improving social conditions for the population and contributing to improving local population livelihoods; improving water quality; preventing environmental pollution; etc.), might also generate a series of adverse impacts associated with their implementation, such as: dust, noise, water pollution, disposal of waste material and/or older equipment, degradation of vegetation, traffic disruption (depending upon specific location), worker safety (e.g. welding operations), labor influx, etc. In most cases these adverse impacts will be minor, short-lived, and primarily limited to the project sites (except for movement of equipment and materials to/from the construction/rehabilitation sites), but it is possible there might be also significant and would affect environment and health of population, especially in the case of construction of new waste water treatment plants and solid waste landfills on new locations. During the operational phase of landfills there might be generated also some adverse impacts related to Pest Management activities for controlling rodents.

   The only identified at this stage of project development investment, which is ready to be financed, the Novopolotsk SW landfill, will also generate a series of both positive as well as adverse impacts. Potential negative environmental impacts are related to solid waste management include contamination of soil, groundwater, surface water and air quality, labor safety, etc. These impacts would be associated with construction; collection, transfer and storage; operation of the landfill; leachate and gas emissions from landfills and transfer stations; and, decommissioning of the landfill. The current landfill has almost reached its full capacity. Based on a systematic approach, all the relevant positive and negative environmental and social impacts of the proposed landfill were identified and categorized in terms of magnitude and significance during construction and operational phases.
Majority of the impacts during construction phase were assessed as having minor to negligible adverse environmental and social impacts on the physical, biological and social environments. No significant adverse environmental impacts were identified during the operational phase mainly due to the fact that the investment entails all the necessary environmental control measures including but not limited to bottom liner, leachate and gas management and surface water drainage system.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
The long term impacts are positive and related to improving social conditions for the population and contributing to improving local population livelihoods; improving water quality; preventing environmental pollution. Furthermore, the existing capacity of the borrower to manage the closed waste dumps and the eventual closure of the regional landfill is adequate and will ensure prevention of further environmental pollution.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
A series of alternatives were analyzed only for the selected Novopolotsk SW landfill, including the "no project alternative" which was rejected due to potential further environmental contamination and associated risks for health of the local population. A “No Project Alternative” will result in continuation of the current environmentally burdensome practice of waste disposal which has resulted in a number of adverse environmental impacts on the surrounding natural and social environments. The existing waste disposal practice is being conducted in environmentally inadequate disposal sites in an unsustainable manner, continuation of which could result in irreversible environmental damages.
The proposed sanitary landfill is an environmentally sustainable alternative to the existing practice as it will be equipped with all necessary environmental control measures including but not limited to leachate and gas management, surface water drainage system, bottom liners to protect the underlying groundwater system and enclosure of a socially and environmentally sound day-to-day operation, taking into consideration the requirements set forth through the relevant operational policies of the World Bank as well as the local regulations and standards. The subproject location alternative analysis also show the current location is best suited for such project and was selected based on a series of criteria in 2009.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
At this stage of the project development the investments and their location for water supply and sanitation sector are known only for the first year of project implementation (although the projects' design are not yet finished), while others will be selected during the project implementation. Similarly, several locations for solid waste management projects have been considered, but the only one has been approved, - the RLF in Novopolotsk. Considering this, for addressing potential adverse impacts, the client prepared an ESMF which will specify the rules and procedures for the selected investments' Environmental and Social Impact Assessment (ESIA) and preparing site specific Environmental and Social Management Plan (ESMP). Overall the ESMF document covers the following: (a) rules and procedures for environmental and social screening; (b) guidance for conducting investments' ESIA and/or preparing ESMPs, as well as preparing of the ESMP Checklist; (c) possible mitigation measures for different types of investments, - in the case of landfill construction, for the operational phase the ESMF also specifies EHS requirements and includes an outline of the Pest Management Plan that provides the procedures for ensuring the safe handling, storage and use of pesticides which should be prepared for all new landfills; (d) roles and responsibilities in EA process and in supervision and reporting; and, (e) capacity building activities to ensure an efficient ESMF implementation.

For its construction of Novopolotsk RLF the client has conducted a full scale ESIA and prepared the site specific ESMP,
which identify and assess the potential environmental and social impacts and risks of the associated civil works, determines adequate mitigation and monitoring measures defines institutional responsibilities and implementation arrangements for the implementation of the ESMP. The measures planned as an integrated part of the proposed landfill project including leachate and gas management and landfill liners, placement of daily cover soil and appropriate closure of the landfill among others, result in minimal adverse environmental impacts.

In order to ensure environmentally sound construction and operation of the proposed landfill, the following mitigation measures, majority of which are considered integrated components of the proposed landfill are to be strictly implemented during construction and operational phases:

- **Construction Phase:**
  - Minimizing dust and noise emission through good construction management practice;
  - Minimizing ambient air emissions associated with the operation of onsite machinery and equipment using emission-controlled vehicles meeting the local emission standards;
  - Surface water drainage system implemented on the construction site to avoid excessive erosion and sedimentation;
  - Emergency spill kits to be made available onsite to cleanup oil and fuel (and other chemical) spills;

- **Operational Phase:**
  - Minimizing leachate migration into subsurface layers and groundwater through installation of a geosynthetic clay and geomembrane liners, over which the leachate drainage layer and collection pipes should be placed;
  - Minimizing fugitive methane emission directly into the atmosphere through installation of gas collection and flaring facility at the proposed landfill site;
  - Minimizing adverse impacts on surface water quality through construction and operation of a compliant leachate treatment plant at the proposed landfill site;
  - Minimizing malicious odors and attraction of rodents and disease vectors through good day to day operational practice including placement of daily soil cover and intermediate covers;
  - Environmentally compliant closure of the proposed landfill through placement of final cover and leachate and gas management plan.

The monitoring section of the ESMPs provides: (a) details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements; and, (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate mitigation measures, and (ii) furnish information on the progress and results of mitigation; and (c) institutional responsibilities.

The following is a list of key aspects of the project environmental monitoring plan to be implemented during construction and operation phases of the proposed landfill project:

- **Construction Phase:**
  - Monitoring ambient air emissions including particulate matter and fossil fuel combustion products;
  - Monitoring surface water quality exiting the site through the temporary surface water drainage system.

- **Operational Phase:**
  - Monitoring ambient air emissions including particulate matter and fossil fuel combustion products and methane;
  - Monitoring upstream (as a reference) and downstream groundwater quality through monthly measurement relevant contaminants including but not limited to chloride, total organic carbon, pH, chemical oxygen demand, biochemical oxygen demand, ammonia nitrogen etc.;
  - Annual monitoring of surface water quality for a similar list of parameters at the lakes and River Oshacha.

The main project implementing institutions are: (i) the Ministry of Housing and Utilities (MHU), and its Project Coordination Team (PCT) – Belcominvest, (ii) Oblast Administrations; (iii) participating rayons, local municipalities and their water utilities. The MHU reports to the Council of Ministers and is responsible for overseeing national investment plans in the communal services sector, including water, sanitation, and solid waste. Respectively, the MHU undertakes
this oversight responsibility through Oblast Executive Committees, which ensure that Republican programs are implemented at the local levels in oblasts. The day to day responsibilities for project implementation, including safeguards issues lie with the Project Coordination Team (PCT), Belcominvest, which was established in 2008 to coordinate daily project implementation and monitoring of the ongoing World Bank financed Water Supply and Sanitation Project and has already successfully completed implementation of the Integrated Solid Waste Management Project closed in 2017. The PCT will be responsible for coordinating the project amongst the MHU, Oblast and City Executive Committees, consultants, contractors and with the Bank. Its main responsibility will be to ensure that Bank fiduciary, social and environmental requirements are well known to participants and adhered to throughout the project. The PCT will be also responsible for collecting, consolidating and coordinating data on project monitoring and preparation of periodic reports on achievements and obstacles in project implementation. The PCT is led by a Project Director and has staff capacity in procurement, financial management, and technical sectors particularly for water supply and sanitation. The PCT has experienced and trained procurement, technical, financial management staff, as well as an Environmental Specialist (ES), which up to know have proved their knowledge and ability to comply with the national and WB rules and procedures with regard to various aspects of project implementation. The PCT ES will oversee overall coordination of ESMF and site specific ESMPs implementation, reporting to Ministry and to the WB regarding environmental safeguards issues, as well as of integrating safeguards requirements into bidding and contracting documents. She also will be responsible for interaction with the environmental authorities, ensuring an efficient implementation of safeguards documents and will undertake, randomly, field visits and environmental supervision and monitoring, assessing environmental compliance at worksites, advising contractors and supervising engineers on environmental and social safeguards issues. The PCT ES will be, also, responsible for identifying EA training needs for all parties involved in ESMF/ESMPs implementation.

The major responsibilities regarding ensuring proper subprojects implementation on the ground, including in terms of safeguards requirements, are assigned to the municipal water supply and sanitation facilities (vodocanals) and solid waste management companies, which are independent economic entities in charge of all operations, maintenance, implementation of investments, billing, collection, and customer services in their areas of service. They will share the responsibility for civil works contracts management with the PCT and will be responsible for supervising construction activities under the project and for reporting to the PMU any issue regarding the quality of the civil works and timely implementation of the contract, as well as for supervising the ESMPs implementation. For this purpose, these facilities will assign or hire an environmental safeguards responsible person, who’s main duties would be to ensure that the project activities are implemented in compliance with the WB safeguards Operational Policies and national EA rules and procedures. Among major responsibilities of these specialists will be the following: (a) ensuring that contractors complies with all ESMPs requirements; (b) coordinating of all environmental and social related issues at the city and district level; (c) conducting ESMP supervision and monitoring and assessing environmental and social impacts and efficiency of mitigation measures, as well as identifying non-compliance issues or adverse trends in results, and putting in place programs to correct any identified problems; (d) when needed, providing advises and consulting contractors in ESMP implementation; and, (e) reporting to the PMU with regard to ESMP implementation.

For the construction of the new SW landfill, the City of Novopolotsk will be the owner of the landfill, while in coordination with Vitebsk Oblast Executive Committee, Polotsk Rayon Executive Committee and the MHU, will have jointly the decision-making responsibilities regarding to the proposed investments under the project. The city and ministry officials will participate in the procurement process, approve terms of reference for consultants, participate in discussions with the consultants responsible for design and supervision of the investment, and participate in evaluations of proposals and bids. UE “Biomechplant of Municipal Secondary Material Resources” (Operator) will be responsible for the operation of the proposed facility and it is anticipated to also manage the transfer station, transport the waste to the regional landfill. The City, through the supervisory engineer, will review consultants’
reports, payments and invoices to ensure that the work is up to required standards. The City will also assign an environmental specialist with the following main responsibilities: ensuring that contractor complies with all ESMP requirements; (b) conducting ESMP supervision and monitoring and assessing environmental and social impacts and efficiency of mitigation measures, as well as identifying non-compliance issues or adverse trends in results, and putting in place programs to correct any identified problems; and, (e) reporting to the PMU with regard to ESMP implementation.

Based on conducted EA it was concluded that while overall the Borrower’s capacity to manage the project consistent with Bank E&S requirements is adequate, especially at the central level of PCT, at the lower level of participating municipalities their capacities needs further strengthening. In this regard the project will support EA institutional building activities which would include the WB and E&S requirements, case studies on preparing ESIAs for WSS and SW subprojects, as well as conducting E&S supervision and monitoring and reporting.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Both ESMF as well as ESIA&ESMP for Novopolotsk landfill have been largely disclosed and consulted with all interested parties and local population twice.

The Draft Detailed Terms of Reference for the ESMF was made public on April 23, 2018, and on May 8, 2018 the PCT organized a public briefing of the document with the participation of the MHCS and representatives from oblast administrations. The TORs have been accepted by all participants without any significant comments. Later, once the full draft of the ESMF document in Russian was ready, it was submitted to the MHCS and to the involved oblasts and also has been posted on October 5, 2018 on websites of MHCS (http://www.mjkx.gov.by/vtorichnye-mat-resursy/item/364-publichnoe-obszuhdenie-proektov-npa) for its access to wide public. On October 22, 2018, the PCT organized a public consultation on Draft document. At the public briefing the PCT Environmental Specialist presented the main findings of the ESMF with a focus on potential impacts, proposed mitigation and monitoring measures and implementing arrangements. One more important issue discussed at the meeting was the grievance mechanism in the case of environmental and social non-compliance. The document largely was accepted by the participants.

Similarly, the safeguards documents for Novopolotsk landfill have been discussed largely, being twice disclosed and presented to the broad public for their review and comments. At the initial stage of the EA process the draft TORs along with the very initial draft ESIA prepared per national legislation have been disclosed on the Novopolotsk city website on November 6, 2018 for comments and suggestions. Later, once the ESIA and ESMF have been prepared, reviewed and accepted by the WB team, these documents have been disclosed (on December 17, 2018, on Novopolotsk website: http://www.novopolotsk.gov.by/content/view/8134/183/; and on February 6).

OP 4.12 is triggered because most of the sub-project sites will be known during implementation. The Resettlement Policy Framework (RPF) was thus prepared to manage potential land acquisition and resettlement impacts that may arise from implementation of any of the sub-projects. In the area where Novopolotsk sub-project, there is no land acquisition, and no economic or physical displacement is expected.
### B. Disclosure Requirements

#### Environmental Assessment/Audit/Management Plan/Other

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<tr>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
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<tr>
<td>09-Oct-2018</td>
<td>06-Feb-2019</td>
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For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors

"In country" Disclosure  
Belarus  
17-Dec-2018

**Comments**

#### Resettlement Action Plan/Framework/Policy Process

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"In country" Disclosure

#### Pest Management Plan

<table>
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<tr>
<th>Was the document disclosed prior to appraisal?</th>
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<th>Date of submission for disclosure</th>
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"In country" Disclosure

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

N/A
C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?
Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?
Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?
Yes

**OP 4.09 - Pest Management**

Does the EA adequately address the pest management issues?
NA

Is a separate PMP required?
NA

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?
NA

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?
Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes

**OP 7.50 - Projects on International Waterways**

Have the other riparians been notified of the project?
Yes

If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?

Has the RVP approved such an exception?

**The World Bank Policy on Disclosure of Information**
Have relevant safeguard policies documents been sent to the World Bank for disclosure?  
Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?  
Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?  
Yes

Have costs related to safeguard policy measures been included in the project cost?  
Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?  
Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?  
Yes

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**Borrower/Client/Recipient**

Republic of Belarus

**Implementing Agencies**