



REPUBLIC OF ARMENIA

Local Economy and Infrastructure Development Project

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

November, 2015

List of Acronyms

ASIF	Armenia Social Investment Fund
ATDF	Armenia Territorial Development Fund
DFA	Development Foundation of Armenia
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
ESR	Environmental and Social Review
ESMP	Environmental and Social Management Plan
ESMF	Environmental and Social Management Framework
GoA	Government of Armenia
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
LEID	Local Economy and Infrastructure Development
MoC	Ministry of Culture
MoE	Ministry of Economy
MoNP	Ministry of Nature Protection
MoTA&ES	Ministry of Territorial Administration and Emergency Situations
OM	Operational Manual
PPI	Public Private Infrastructure
RoA	Republic of Armenia
RPF	Resettlement Policy Framework
RAP	Resettlement Action Plan
SMEs	Small and Medium Enterprises

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1. INTRODUCTION

Local Economy and Infrastructure Development (LEID) Project is the fifth World Bank-financed operation being implemented by Armenia Territorial Development Fund (former Armenia Social Investment Fund). It consists of three components and is to be implemented over five years. The Project activities are expected to benefit the residents, tourists and enterprises in five regions of Armenia (Ararat, Kotayk, Lori, Syunik and Vayots Dzor). Residents, tourists and enterprises are expected to receive improved access to, and quality of, public infrastructure; increased volume of private sector investment in the region; and increased small and micro enterprises in renovated cultural heritage sites and cities. The Government will benefit from increased overall tourism spending and satisfaction, job creation, improved institutional capacity of selected agencies, and improved capacity to operate and maintain assets.

Armenia Territorial Development Fund (ATDF) is carrying out a Strategic Environmental, Social and Cultural Heritage Assessment (SECHSA) of the Regional Development Strategies that the Government of Armenia applies to the five regions selected for LEID Project support, as well as of the South Corridor Tourism Development Strategy worked out during the Project preparation. SECHSA, to be finalized by the time of the Project commencement, will assess strengths and weaknesses of these documents and will place LEID Project in the context of the existing strategies pointing out how the Project investments can amplify their expected positive impacts and help mitigate the risks. LEID Project's high level Steering Committee and inter-sectoral technical Working Group, to be established to the Government of Armenia, will base their decisions on the important aspects of the Project implementation, including those on the support of private sector within the target regions, based on the SECHSA recommendations.

This Environmental and Social Management Framework (ESMF) is designed for use by the staff of ATDF for the purposes of implementing LEID Project as well as by local communities and Development Foundation of Armenia (DFA), engineers, environmental consultants, and other stakeholders. Specifically, the Guidelines are intended to ensure that environmental and social concerns are duly taken into account in the process of sub-projects' design, selection, approval, and implementation in accordance with the environmental and social legislation in Armenia and the World Bank's safeguard policies.

ESMF lays out procedures and implementation arrangements for ensuring good environmental and social performance of LEID Project. It describes existing environmental and social regulations and standards of the Republic of Armenia (RoA) relevant to the Project and makes reference to institutions at the local and national levels responsible for issuing permits, licenses, and enforcing compliance with environmental standards.

ESMF also provides detailed guidelines for the LEID Project staff and the Project proponents on environmental and social screening, appraisal, risk mitigation and monitoring to be applied to the micro-projects.

ESMF lays out the requirements for environmental and social assessment at various stages of sub-project. Sample environmental and social screening checklists, outlines for preparation of site-specific safeguard documents, and field monitoring form are attached.

2. PROJECT DESCRIPTION

The Project Development Objective is to improve infrastructure services and institutional capacity for increased tourism contribution to local economy in selected regions of Armenia. The Project comprises three components.

Component 1: Urban Regeneration and Tourism Circuit Development (US\$48 million)

Heritage Hub Regeneration

This sub-component includes restoration of public infrastructure, building facades, public spaces, museums, roads and water. Based on product development and marketing potential, infrastructure needs, and Marz employment needs, the destination hubs with the greatest potential to be catalysts for tourism development along the Corridor are: Areni, Goris, and Meghri.

Tourism Circuits Development

This sub-component will finance implementation of an integrated approach to cultural heritage site upgrading and improved management in the most attractive cultural heritage sites located along the main tourism circuit/route in Southern and Northern Corridors. These activities include: a) site management plans, b) construction of tourism facilities at each attraction, such as information centres, cafés, rest areas, public toilets, parking, c) preservation of cultural heritage monuments, museums, etc., and improving the Southern Corridor access roads. Based on the ESW, the following spokes were selected for enhancement of tourism circuit: Garni (temple and gorge), Geghard Monastery, Khor Virap Monastery, Areni cave, Mozrov cave, Yeghegis, Shaki waterfall, Zorats Qarer, and Khndzoresk. Two World Heritage Sites in the Northern Corridor, Haghat and Sanahin, will also be restored and developed.

Public-Private Infrastructure (PPI)

This sub-component will finance selected public sector investments in municipal or regional infrastructure which will benefit the selected community as a whole and will lead to increased medium-size private sector investments along the corridors. Recommendations from SECHSA will be used to assess whether the suggested investments fit into the regional development strategies of the RoA and the South Corridor Tourism Destination Strategy developed during LEID Project preparation. To encourage private sector investments in the region, PPI mechanism is to support a selected number of private sector entities which show interest in and capacity to invest in the tourism sector or in agro-processing, but seek complementary public infrastructure necessary to make their investments viable (e.g., public facilities within vicinity of the investments, road/sidewalk, water/sanitation, communications, etc.). They would be subject to screening by a selection committee and there will be appropriate conditions tied to that. Selection of private sector investments will be a transparent and competitive processes. Businesses that have a potential to increase touristic attractiveness of the areas they are located in, to improve livelihoods of local communities, and are environment-friendly will be chosen to participate in the PPI scheme. The support offered will include

streamlined business start-up procedures and provisions of the public infrastructure mentioned above.

Component 2: Institutional Development (US\$7 million)

Capacity Building: Enhancing the institutional capacity and performance of the DFA and other tourism and cultural heritage entities (local and regional) to carry out the following activities: destination management and promotion, marketing and promotion; workforce development with specific gender focus; construction supervision and sustainable site management of cultural heritage; and performance monitoring and evaluation activities with specific gender disaggregation.

Business Advisory Services for Small and Medium Enterprises' (SMEs) Development: Private investors, particularly those investing in small and medium enterprises, shall be incentivized through the provision of various incentive schemes such as public infrastructure and streamlined business start-up procedures. This component can help encourage local communities to start up, or expand, small and medium enterprises. This component will provide business advisory services for SME development – for example, to guesthouses, restaurants, handicraft workshops, organic food and beverage firms; so that SMEs can access micro-credit financing resources available at the Ministry of Economy (MoE).

Component 3: Contingent Emergency Response (US\$ 0)

This component is designed as a precautionary measure that would allow to quickly channel the loan financing for emergency recovery efforts following an adverse natural or man-made disaster and declaration of the state of emergency by the Government of Armenia (GoA). Using this built-in Contingent Emergency Response (CER) mechanism, GoA will be able to request the World Bank to reallocate loan proceeds to this component towards an emergency response for the urban infrastructure in the five target regions within the Borrower's territory. The new disbursement category will have a zero dollar allocation, with 100 percent IBRD financing. If the CER were to be triggered, and the World Bank is satisfied with the evidence that the withdrawal conditions, as defined in the Loan Agreement, are met, the Borrower will request the reallocation of proceeds to the CER component and can start disbursing.

3. ENVIRONMENTAL AND SOCIAL LEGISLATION

3.1 Environmental Legislation:

Since independence, the RoA has adopted a number of laws regulating environmental protection. Article 10 of the Constitution of the RoA guarantees the protection of the environment by the State, as well as the rational use and renewal of natural resources. The legal framework -- which reflects, *inter alia*, the deliberations of the World Summit in Rio on Environment and Development -- consists of the Law on Environment Impact Assessment and Expertise and a number of other laws which are listed below.

- RoA Land Code (2001)

The Land Code defines the main directives for management use of the state lands, included those allocated for various purposes, such as agriculture, urban construction, industry and mining, energy production, transmission and communication lines, transport and other purposes. The Code defines the lands under the specially protected areas as well as other reserved lands. It also establishes the measures aimed to the lands protection, as well as the rights of state bodies, local authorities and citizens towards the land.

Any type of temporary or permanent land take that may be required for the Project implementation will be carried out in agreement with the Land Code and the World Bank's safeguard policies.

- RoA Water Code (2002)

The main purpose of the Water Code is to provide the legal basis for the protection of the country's water resources, the satisfaction of water needs of citizens and economic sectors through effective management of water resources, and safeguarding the protection of water resources for future generations. The Water Code addresses the following key issues: responsibilities of state/local authorities and public, development of the National Water Policy (2005) and National Water Program (2006), water cadastre and monitoring system, public access to the relevant information, water use and water system use permitting systems, trans-boundary water resources use, water quality standards, hydraulic structures operation safety issues, protection of water resources and state supervision.

Possible investments of the Project into rehabilitation of water supply and waste water collection schemes will be designed and implemented in harmony with the Water Code. The Code will also be respected while planning and undertaking any other activity which may have implications for water quantity and quality in the country.

- RoA Mining Code (2011)

The code defines principles and rules of mining in the RoA, the relations related to the preservation and use of deposits, conditions and requirements of efficient use, complex use and preservation of deposits, security of mining and protecting the environment from its negative impacts, as well as protection of rights of the state, citizens and users of

deposits. According to the Code, natural deposits areas under the exclusive ownership of the State. They may be given out for use for a certain period of time, and cannot be privatized. The law also determines conditions, requirements and peculiarities of the natural resources and deposits. It also establishes payment principles, compensation, monitoring, and limitation for mining activities. The Mining Code obligates developer to produce and an environmental management plan, have it agreed with the Government's authorized body, and follow it throughout activity. Environmental obligations of developer include management of pollution, site reclamation, and conduct/financing of remedial actions in case of accidents. The scope and timeframe of applying environmental management and site reclamation measures are established for each mining agreement individually and are specified in such agreement.

Mining Code shall be respected by works contractors who operate their own quarries as well as by material suppliers to works contractors if the latter choose to purchase inputs in the market.

- RoA Law on Environmental Impact Assessment (1992, revised in 2014)

The revised law on Environmental Impact Assessment and Expertise was adopted in July 2014. The Law provides legal basis undertaking State environmental expertise of planned activities and concepts, and presents standard steps of the environmental impact assessment (EIA) process. The Law establishes general legal, economic, and organizational principles for conducting mandatory EIA of various types of projects and concepts of sectoral development.

According to this law, activities are classified into 3 categories: A, B, and C.

The categories are defined on the basis of the volume of the activity, characteristics and the level of impact on environment. A category activities are large-scale and have a significant impact on the environment, such as: mining, chemical industries, hazardous waste transportation, landfilling, metals', construction materials' and other products' high-output plants, thermal energy generation at a large scale, etc. B category includes practically the same types of activities, but on a smaller scale / productivity. C category includes the types of activities that have a certain insignificant impact on the environment but do not require assessment of this impact.

LEID Project financed activities will undergo environmental and social screening and classification according to the World Bank safeguard policy. At the same time, design documents will be submitted for classification to the Ministry of Nature Protection. According to both types of classification, no A category sub-projects will be eligible for the support from LEID Project. If the Ministry classifies an activity into category B, then the State will subject the design to EIA and will consider issuing expert conclusion clearing construction works. Activities subject to this procedure shall not be commenced without having obtained positive expert conclusion from the GoA. In addition, B category activities will require due environmental diligence as defined in the World Bank safeguard policies and the present ESMF.

- RoA Law on Flora (1999)

The law defines RoA State policy in the field of conservation, protection, use and regeneration of flora. The law defines objectives of conducting the State inventory and the State monitoring of flora, requirements and approaches to the compilation of the Red Book on flora, conditions for the use of flora, basis of termination of the right to use, provisions for flora conservation, and economic instruments for sustainable use and monitoring of floral resources.

This law will be complied with if the Project invests in physical activities in or around natural habitats of plant species or otherwise affects protected flora.

- **RoA Law on the Protection and Use of Fixed Cultural and Historic Monuments and Historic Environment (1998)**

This Law provides the legal and policy basis for the protection and use of cultural and historic monuments in the RoA and regulates the relations between protection and use. It describes procedures applicable in case the discovery of a new monument, defines rules of the State registration of monuments, the assessment of protection zones around them, and the creation of historic-cultural reserves. The Law requires the approval by the authorized body (Department of Historic and Cultural Monuments Preservation) before land can be allocated for construction, agricultural and other types of activities in areas containing monuments.

All Project-supported activities pertaining physical cultural resources of the RoA will be undertaken in full compliance with this Law.

- **RoA Law on Fauna (2000)**

The law defines RoA State policy in the field of conservation, use and regeneration of fauna. The law defines the objectives of survey of the fauna, State monitoring, State inventory, principles of compiling the Red Book of fauna, conditions for the use of animal species, basis of termination of the right to use, provisions for animal conservation, and economic instruments for sustainable use and monitoring of fauna resources.

This law will be complied with if the Project invests in physical activities in or around natural habitats of animal species or otherwise affects protected fauna.

- **RoA Law on Wastes (2004)**

The law regulates legal and economic basis for the waste collection, transportation, reduction of volumes, and prevention of negative impacts on human health and environment. The Law defines the main principles of the State policy pertaining standardization, inventory, and maintenance of databases. It also regulates processing of waste, State monitoring, as well as the monetary compensation for the damages caused to the human health and environment by the legal entities and individuals. Legislation requires reducing volumes of waste generation to the possible extent and its re-use/recycling. This is especially important in regard to hazardous waste, because the country lacks facilities for the final disposal of such wastes. In case hazardous waste may not be deactivated or recycled in-country, it is being placed in safe storage until the time

either national infrastructure of hazardous waste disposal is developed, or arrangements are made to export hazardous waste.

This law will be respected while planning and undertaking construction waste disposal and disposal of excess material during Project-financed physical works.

- **RoA Law on Specially Protected Natural Areas (2006)**

This Law defines legal basis and relations of State policy for development, restoration, maintenance, reproduction and use of natural complex and separate objects, as well as ecosystems of specially protected natural areas of the Republic. According to the law, specially protected natural areas are divided into four categories, National Parks, State Reserves, Natural museums and the forth category is divided into three separate types: areas of international, republican and local importance.

This law will be used to determine the type of protected areas which the Project may deal with under specific individual investments, and to clarify that activities suggested for the Project support do not violate the established regime of protected areas management.

3.2 Social Legislation

- **RoA Law on Equal Rights and Equal Opportunities for Men and Women (2013)**

On May 20, 2013 the Parliament of Armenia adopted the Law on Gender Equality, with 108 votes for and one against. This law regulates gender equality in all spheres of public life and protects women and men from gender discrimination. However in the end summer 2013, campaigns broke up against the use of the word “gender” in the law, the rationale being alleged association with paedophilia and bestiality that this word carries in the national perception. Groups of activists also claimed that using the word “gender” as a base for the law would mean giving “unwarranted benefits to sexual minorities.” As a reaction to the public opinion, the Government introduced amendments to the law that eliminate the term “gender equality” and use the term “equal rights to men and women” instead.

Armenia is a party to the UN Convention on the Elimination of all Discrimination against Women (CEDAW) and pursues a policy of non-discrimination against women.

Provision of the Law on Equal Rights and Equal Opportunities for Men and Women will be respected in all aspects of the Project implementation to ensure meaningful participation in and full benefit from the project activities of all stakeholders, indiscriminative of gender.

- Legal framework for land acquisition and resettlement mainly consists of the following legal acts:
 - i. Constitution of the Republic of Armenia (adopted in 1995, amended in 2005),
 - ii. Civil Code of the Republic of Armenia (adopted in 1998, entered into force in 1999),
 - iii. Law on Alienation of Property for the Needs of Society and State (2006),

- iv. Land Code of the Republic of Armenia (2001),
- v. Law on Real Estate Valuation Activity (2005),
- vi. Code of Civil Procedure (1998),
- vii. Code of Administrative Procedure (2007)

3.3. Gaps between Armenian legislation and the World Bank Requirements

The previous law on Environmental Impact Assessment was written in mid-90-ies of the past century and was intended to meet the requirements of the transition period. The revised Law passed in 2014 is closer to the international common practice, as it requires environmental and social risk analysis, establishes a more optimal system of disclosure and consultation, covers not only investment activities but sectoral and regional development programs as well, deals with trans-boundary impact assessment, etc. At the same time, rules of classification of activities into environmental categories differ to some extent from the principles set forth in the World Bank's OP/BP 4.01 Environmental Assessment. Most importantly, the national environmental legislation uses the term EIA differently from the international common use: EIA is the process of reviewing project design and supporting documentation by the State, not a study to be undertaken by the project proponent. The Law does not require development of an EIA report by the project proponent.

LEID Project shall comply with both – the Law on Environmental Impact Assessment and Expertize and OP/BP 4.01. If an activity is subject to the State ecological expertize, then this procedure must be followed and activities shall commence upon issuance of the positive conclusion of the expert review. Regardless the above, activities classified as environmental category B according to OP/BP 4.01, will require environmental and social study of the design commensurate of the level of associated risks to be defined through the screening process. Public consultation process will imply disclosure and discussion of not only a project design and its supporting documentation as required by the national legislation, but also publishing and consulting on the draft Environmental and Social Impact Assessment (ESIA) report, Environmental and Social Review (ESR), and Environmental and Social Management Plan (ESMP) whichever applicable to a specific investment. Furthermore, although not required by national rules and regulations, ESMPs will be included into tender packages and attached to contracts for the provision of civil works, so that they are legally binding and mandatory for adherence by works providers.

The national legislation carries clear provisions for the conservation of species and ecosystems within the boundaries of protected areas, however legal protection of natural ecosystems outside formally designated protected areas is much weaker. However OP/BP 4.04 Natural Habitats, triggered by LEID Project, will be applied not only to sub-projects implying works in the proximity of protected areas, but also to the investments that may affect any natural habitats – whether they are inside or outside the boundaries of designated protected areas.

In difference from the national legislation, the World Bank's OP/BP 4.12 Involuntary Resettlement requires due compensation to informal users of land and other property, so that no one gets worse off as a result of the World Bank financed operations. In addition, the Bank policy implies restoration of livelihood of the project-affected people, which goes beyond one-shot payment of monetary compensation.

The World Bank policy requirements pertaining the establishment and operation of an effective, multi-tier mechanism of receiving and entertaining public complaints and appeals – Grievance Redress Mechanism - will be adhered throughout the Project implementation, as it is more comprehensive and rigorous as compared to the one offered by the national legislation.

4. WORLD BANK SAFEGUARD POLICIES TRIGGERED BY LEID PROJECT

The LEID Project carries investment components in support to infrastructure development and therefore triggers **OP/BP 4.01 *Environmental Assessment***. None of the Project-supported activities are expected to have significant, long term, or irreversible impacts on the natural environment, therefore the Project is classified as environmental Category B. No Category A activities will be eligible for funding from the Project proceeds. Because not all individual investments are identified upfront and designs of civil works are not available at the Project preparation stage, site-specific safeguards documents could have not been produced by the time of Project launch either. However the nature of expected civil works, their scope and a generic set of environmental and social risks associated with physical activities to be financed by the Project are clear and the risk mitigation mechanism is also worked out. The present ESMF carried detailed instruction for screening all sub-project ideas for their environmental and social implications, classifying into environmental categories and assessing their risks, recommending and guiding preparation of sub-project-specific Environmental and Social Impact Assessment (ESIA) reports, Environmental and Social Reviews (ESRs) and/or Environmental and Social Management Plans (ESMPs), depending on the risk assessment of sub-projects, preparing environmental and social monitoring plans, and undertaking field monitoring of various types of works.

OP/BP 4.04 *Natural Habitats* is triggered to ensure that any interventions into the natural habitats and the areas in their immediate vicinity are fully harmonized and supportive of the habitat conservation goals. Site-specific ESIA reports, ESRs and/or ESMPs to be developed for individual sub-projects related to natural habitats will explain how the above principle should be integrated into the design and implementation arrangements of each sub-project.

The Project aims at attracting increased flow of tourists to the natural and cultural heritage sites selected for Project interventions. This would imply improvement of access to these sites and development of tourist infrastructure around them. Implementation of civil works in and around the historical monuments and other elements of the cultural heritage carries a risk of affecting their aesthetic value, accidental damage, or gradual deterioration. Over the time, increased inflow of visitors due to better accessibility and services may lead to exceeding of the carrying capacity of some heritage sites and lead to deterioration of visitor experience. Direct risks from physical works will be assessed based on the preliminary designs, and long term risks of the operation phase, including induced risks, will be identified based on the findings and recommendations of SECHSA. The mitigation measures will be laid out in sub-project specific ESRs and ESMPs. **OP/BP 4.11 *Physical Cultural Resources*** is triggered to ensure that no element of cultural heritage is affected negatively neither during construction nor operation of the infrastructure provided under the project. Site-specific ESRs and/or ESMPs will cover the aspect of cultural heritage preservation and carry relevant mitigation measures, as well as arrangements for monitoring their implementation.

While the specific sites and nature of civil works under the Project are not yet known, land use and permanent or temporary land acquisition is expected. Therefore **OP/BP 4.12 Involuntary Resettlement** is triggered and a Resettlement Policy Framework (RPF) was prepared. The primary objective of the WB OP 4.12 is to explore all alternatives to avoid, or at least minimize, involuntary resettlement. Where resettlement is unavoidable, the living standards of displaced persons should be restored or improved relative to those conditions that prevailed prior to the Project. The policy applies to the taking of land or other assets that may result in the loss of shelter, the loss of all or part of productive assets, or access to them, loss of income sources or other means of livelihood. This policy also applies to other activities resulting in involuntary resettlement that in the judgment of the Bank, are (a) directly and significantly related to the Bank-assisted project, (b) necessary to achieve its objectives as set forth in the project documents; and (c) carried out, or planned to be carried out, contemporaneously with the project. The RPF provides detailed guidance and criteria for mitigating projects impacts from resettlement, land acquisition, and/or disruptions to assets and livelihoods. It also provides guidelines for development and monitoring of investment-specific Resettlement Action Plans (RAPs), where applicable. RAPs should be prepared and implemented prior to commencement of works at a site where resettlement or land acquisition was required. The RPF, as well as the present ESMF, are annexed to the Operational Manual of LEID Project.

Activities that may be suggested for the LEID Project intervention include upgrading or extending water supply, waste water collection and irrigation schemes. Because a great part of the Project implementation area is located in the watershed of river Araks which, according to the definition provided in **OP/BP 7.50 Projects on International Waterways**, is an international waterway, this safeguard policy is triggered. However it is agreed that LEID Project will not finance any new construction under water-related sub-projects but rather perform rehabilitation works aimed at cutting water loss due to water leakages and overflows. Therefore, the World Bank's Regional Vice President has been requested to grant an exemption for the LEID Project from the requirement of communication with the riparian countries. Requirements of OP/BP 7.50 Projects on International Waterways will be satisfied by excluding new construction on irrigation, water supply and waste water collection sub-projects as well as filtering out any other interventions which may lead to increased water abstraction or discharge, or deterioration of the quality of discharged water.

5. INSTITUTIONAL FRAMEWORK

5.1 Armenian Territorial Development Fund

The ATDF acts as the LEID Project Implementing Entity while the Ministry of Economy (MoE) and the DFA are responsible for overall coordination and policy support of the Project. The ATDF will be supported by an informal inter-agency Working Group and a high level Project Steering Committee.

ATDF, in the capacity of the **Project Implementing Entity**, is responsible for the fiduciary function of the Project. This includes procurement and financial management (FM). The FM function includes financial planning and budgeting, accounting, financial reporting, arrangement of external auditing, management of funds' flow, and internal controls. ATDF's mandate includes application of the World Bank safeguard policies triggered by LEID Project to all its activities throughout the Project implementation.

The **Working Group** will be composed by the technical representatives from the concerned agencies (MoE, Ministry of Territorial Administration and Emergency Situations, Ministry of Culture, Ministry of Nature Protection, ATDF, Development Foundation Armenia, the Apostolic Church of Armenia, and United Nations Educational, Scientific and Cultural Organization) to guarantee strong inter agency communication, and coordinate strategic decision making under all components of the Project. The Working Group will review and select sub-projects and PPI proposals, monitor implementation, and address complex issues and concerns on time. The Working Group will issue technical recommendations to the Project Steering Committee for high level decision-making.

The **Project Steering Committee** will be chaired by the Deputy Prime Minister and include all key stakeholders of the Project for ultimate decision-making. It will: (a) provide overall supervision of Project implementation; (b) ensure high level inter-agency coordination as needed; and (c) approve annual work programs, budgets and reports.

5.2 Development Foundation of Armenia

The Development Foundation of Armenia (DFA) was established in 2014 as a single organization to take over overall management, monitoring and evaluation of all programs in the tourism sector. The DFA's mandate includes, among other things, tourism policy development, tourism promotion, destination management, and monitoring tourism spending and receipts. The Project will provide technical assistance and global knowledge to the DFA to help it assume its mandate successfully. DFA will contribute to the Project implementation by policy advice and will ensure that the Project activities fit into the overall country context of tourism sector development.

5.3 Ministry of Territorial Administration and Emergency Situations

The main mandate of the Ministry of Territorial Administration and Emergency Situations (MoTA&ES) is the development and implementation of territorial policy of

the RoA; elaboration of the State policy for community service provision; ensuring parity in territorial development; oversight on the implementation of social-economic development programs performed by the governors; and quality assurance of the performance of territorial bodies (Governors) of the government. MoTA&ES also; monitors community budget performance; handles complaints by the citizens regarding the activities of territorial and local self-government bodies; liaises with mass media within the frames of the Public Information Policy of the Ministry; and works out State policy for maintaining the National Archive.

If Component 3 of the LEID Project comes to action in case of emergency, all decisions on the identification, preparation and implementation of sub-projects under this Component will be carried out in full coordination with the MoRA&ES.

5.3 Ministry of Culture

The Ministry of Culture (MoC) maintains cultural heritage and promotes and develops contemporary arts. MoC develops legislation, targeted programs, strategies, concepts, and short-term development programs within the scope of its mandate; cooperates with foreign governmental and international organizations as well as the territorial administration and local governments, creative unions, and NGOs related to culture and art. There are two standalone agencies operating under the MoC: the Agency for Protection of Cultural Heritage, and Historical and Cultural Heritage Protection Agency. The Agency for Protection of Cultural Heritage protects property rights over the physical cultural resources by preventing illegal export and import and illegal transfer of ownership, and leads international cultural cooperation and exchange. Historical and Cultural Heritage Protection Agency is responsible for the conservation and sustainable use of the historic and cultural heritage. Development of new tourist products, introduction of means for diversifying visitor experience and investments aimed at increased visitation to heritage sites pose additional challenges to the MoC and its subordinate agencies. Respective needs of institutional capacity building are acknowledged. LEID Project will help to build MoC's cooperation the Smithsonian Foundation and UNESCO. The latter will deliver training to MoC under Component 2 of the Project.

MoC and its subordinated agencies will participate in the preparation of sub-projects which may have direct or indirect impact on the physical cultural resources to maximize benefits from the Project investments and to ensure that neither tangible nor intangible heritage of the RoA suffers from undesired negative impacts of the Project-financed works. MoC will exercise this function through acting upon its formal mandate as well as through participation in the inter-sectoral Working Group set up for the purposes of LEID Project implementation.

5.4 Ministry of Nature Protection

At the national level, the Ministry of Nature Protection (MoNP) has the mandate for environmental protection, the sustainable use and regeneration of natural resources and the improvement of the environment. These functions are performed by the core body of the Ministry as well as subordinated agencies including:

- (i) State Environmental Inspectorate and its 11 Regional Environmental Inspectorates which perform the enforcement of laws and regulations pertaining to air and water pollution, land use, biodiversity conservation and forest protection;
- (ii) State Environmental Expertise responsible for the EIA and environmental permitting;
- (iii) Environmental Monitoring Center responsible for air and surface water quality monitoring; and
- (iv) Hydromet, responsible for monitoring water flow, water balance and water level fluctuations, research of environmental pollution and weather forecasting.

Designs of all civil works to be financed by LEID Project will be subject to EIA and environmental classification by the MoNP. Sub-projects classified into environmental categories requiring environmental permitting by the national legislation will undergo expert review by the State Environmental Expertize and may be implemented upon issuance of the positive conclusion of the expert review.

5.6 Apostolic Church of Armenia

RA is a secular State and the Church is not part of the national governance system. However the Church owns/has user rights to some physical historic and cultural heritage assets currently used for service and worshipping. Therefore, concepts and designs sub-projects including activities on or around the physical assets within the discretion of the Church will be shared, discussed and agreed with the Church. Furthermore, representative of the Apostolic Church of Armenia will participate in the Work Group set up to work out inter-sectoral agreements and provide joint recommendations to the ATDF on the implementation of complex subprojects falling within the scope of interests of several stakeholders.

6. ENVIRONMENTAL AND SOCIAL WORK AT VARIOUS STAGES OF SUB-PROJECT CYCLE

Environmental and social aspects of sub-projects must be taken into consideration at all stages of sub-project cycle, starting from the initial consideration of a sub-project idea, all way to completion of physical works under a sub-project, and beyond – during operation phase of infrastructure into rehabilitation/upgrading of which the Project had invested.

6.1 Sub-project Screening and Scoping

Design Consultant, Environmental Specialist, and Social Specialist of ATDF jointly perform environmental and social screening of sub-project proposals (Annex 1 and 2). Screening reports provide information on the main risks and types of mitigation measures to be applied. Environmental screening report concludes by confirmation or denial of sub-project eligibility from environmental standpoint and assigning of an environmental category to a sub-project. It also defines tools of environmental review and environmental management planning required for a sub-project. Social screening report defines whether a sub-project implies any form of involuntary resettlement, identifies a need for developing RAPs, points out main social benefits and losses of sub-project and identifies measures for social mitigation.

Screening of sub-projects suggested for financing under the PPI subcomponent includes review of the investment initiatives from the private sector for which provision of public infrastructure is required under LEID Project. Investment initiatives are screened by several criteria on the pass-or-fail basis (*Annex 3*). The following type of investments are prohibited: investments in the designated protected areas; protection zones in general or individual protection zones of cultural heritage monuments; activities impacting fragile ecosystems, important habitats, and green-fields of outstanding aesthetic value; activities requiring conversion of forests, wetlands, and alpine/sub-alpine meadows; and heavily polluting industries. Also, sub-projects under PPI subcomponent are not eligible for the support from LEID Project if the private investment requires use of land which is being owned or used formally or informally by anybody other than the investor. Eligible private investment proposals will be prioritized based on their expected economic prospects, positive social externalities, and environment-friendliness. Once an investment proposal is selected for the provision of support in the form of financing matching public infrastructural elements from LEID Project proceeds, environmental and social assessment and management planning for the required public works follows general rules as outlined below.

6.2 Environmental and Social inputs to Sub-project Appraisal Reports and Sub-project Summary Reports

ATDF develops a Sub-project Appraisal Report (SAR) or a Sub-project Summary Report (SSR) depending on its scope and estimated cost and submits it to the World Bank for the final decision on financing. World Bank's approval of SAR/SSR also triggers commencement of the procurement process for the implementation of a sub-project. Environmental and Social specialists of ATDF participate in the development of SAR/SSR by providing summary of environmental, social, and cultural heritage

screening and classification of a sub-project, brief description of potential safeguard issues, and measures worked out for their mitigation. SAR/SSR provides listing of all World Bank safeguard policies applicable to a given sub-project and gives a summary of how each of these policies are respected at the design/implementation/operation phases. SARs/SSRs for all sub-projects must carry completed environmental and social screening reports, and SARs/SSRs for Category B sub-projects shall carry environmental and social safeguard documents attached: ESIA report, ESR, or a standalone ESMP – whichever applicable, and RAP if applicable.

Sub-projects that may have significant, complex, long-term and/or irreversible environmental and social impacts, as well as impacts that are likely to spread well beyond a sub-project site, will be categorized as environmental Category A and be rejected.

Sub-projects that are likely to have impacts of small to medium magnitude mitigation of which is possible and feasible within the sub-project scope, will be classified as environmental Category B. However such sub-projects may vary in terms of the associated risks and hence require different effort for verifying available information and planning mitigation measures. Conclusions the screening procedure will include a decision on what type of safeguard documents must be prepared for a sub-project.

In rare cases, a Category B sub-project may carry environmental and social risks which are not entirely known upfront and require additional in-depth research for their full identification. Carrying out ESIA will be needed to obtain the missing data and/or verify/update existing information, to examine environmental and social aspects of the proposed works, and to analyze design alternatives. Safeguard work undertaken for the preparation of such sub-projects will result in the production of an ESIA report which includes an ESMP.

Category B sub-projects with multiple expected impacts for which OP/BP 4.04 Natural Habitats, OP/BP 4.11 Physical Cultural Resources, and/or OP/BP 4.12 Involuntary Resettlements are applicable in addition to OP/BP 4.01 Environmental Assessment, will be subject to ESR. This document will include a narrative part with the background information, overview of expected impacts and a set of justified mitigation measures as well as an ESMP prepared in a table format (ESR outline provided in *Annex 4*).

For Category B sub-projects with small scale impacts which are conventional and well known upfront, filling out of a simplified checklist ESMP will suffice (template provided in *Annex 5*). This will be a stand-alone ESMP with basic sub-project specific data, readily available conventional mitigation measures, and a monitoring plan to be filled out – all in a table format.

6.3 Environmental and Social Assessment and Management Planning

Based on the outcomes of environmental and social screening of sub-projects, ATDF will undertake ESIA, or ESR for Category B+ sub-projects with the purpose of identifying all technical details associated with general types of risks identified at the screening stage, adjusting generic set of mitigation measures suggested at the screening stage to the

specific needs of a sub-project implementation and producing environmental and social monitoring plans. Environmental and social management matrix, comprised of mitigation and monitoring tables, should identify estimated costs of key types of mitigation measures, parties responsible for application mitigation measures and for undertaking monitoring of ESMP's implementation. It is essential that the table of mitigation measures names specific types of activities requiring mitigation, prescribes specific measures for mitigating risks associated with individual types of activities, provides concrete measurable indicators against which the success of mitigation will be measured, and designates roles and responsibilities for monitoring and implementing mitigation measures. ESMPs must cover both – construction and operation phases of a subproject (*Annex 3*).

Environmental Management Checklist for Small Construction and Rehabilitation Activities (*Annex 4*) is a tool for environmental management planning for Category B-sub-projects. It will also be used if sub-projects have to be prepared urgently as part of LEID Project Category 3. The checklist is a template to be filled in with short information about the location of a sub-project site, physical and natural environment around it, land ownership, legislation pertaining sub-project implementation, and the specific types of activities required for a sub-project implementation. The Checklist provides readily available generic set of mitigation measures applicable to various types of activities. Environmental monitoring plan has to be developed by ATDF according to the above instructions.

7. SENSITIVE RECEPTORS AND POTENTIAL IMPACTS

7.1 Environmental Impacts

- Small to medium construction and rehabilitation works will carry a set of common risks typical for such activities: generating dust, vibration and noise; polluting soil and groundwater with oil and lubricant leakages; polluting soil and water bodies with construction waste; triggering or amplifying soil erosion by improperly performed earth works and/or borrowing; deteriorating landscape and its aesthetic value by failing to reinstate and harmonize construction site with upon completion of works. Waste management is a generic issue due to under-developed regulatory framework and infrastructure. Also, construction companies generally lack corporate culture of applying work-site safety rules.
- As a result of vegetation clearing, construction of access roads, construction sites, on-site storage of construction materials and waste, parking of vehicles and machinery, damages to the vegetation cover and wildlife habitats may occur. Borrowing material from mines and river beds as well as final disposal of access material and waste also carry these types of risks.
- Operation of provided/rehabilitated public buildings and infrastructure may suffer from poorly organized collection and disposal of household waste; improper maintenance of land plot area around buildings; lack or malfunctioning of storm water drainage systems; leaking roofs and water pipes due to no checks and timely repair; and irregular cleaning of snow from access roads and roofs of the buildings.
- Some of the existing buildings suggested for rehabilitation may be located on the plots with high level of ground water, or be prone to geologic activity. The same is true for the plots allocated for new construction. This may cause additional challenges for the design and may increase costs of construction.
- Some of the buildings suggested for rehabilitation may carry significant structural damage and/or be seismically not stable.
- Some of the buildings suggested for rehabilitation may lack or have inadequate connections to utility services, such as power, gas, water, sewage, and garbage collection.
- Most of the old buildings in Armenia are covered with asbestos containing roofing materials. Replacement of such roofs will case health hazards to workers and in case of improper disposal may generate public health risks for a wider set of population. Old buildings may also have asbestos-containing pipes and lead containing paints. Handling such types of hazardous waste would be a challenge, especially because of minimal public awareness of the health hazards associated with the exposure to asbestos.

7.2 Impacts on Cultural Heritage

- Works at or around cultural heritage sites will carry a risk of loss of the authenticity of historic buildings, impacting their structural integrity, and damaging their aesthetic value.
- During earth works in such locations predominantly, as well as elsewhere in the country may chance finds may be encountered.
- Disagreement may occur between ATDF's in-house and commissioned engineers, MoC, and the Church on certain aspects of the design of sub-projects to be implemented on or in the immediate vicinity of the cultural/historic heritage sites property/user rights to which are owned by the Church and which currently represent places for service / worshipping.
- Increased visitation to historic/cultural monuments as a result of improved infrastructure and increased attraction for tourists may cause exceeding of the carrying capacity of these sites resulting in decreased satisfaction of visitation experience.

7.3. Social Impacts

- Nuisance to communities residing in the immediate proximity to works sites, that may include noise beyond working hours, restricted access to roads and private property, health damage to pedestrians and cars from poorly managed work site, and disruption of local traffic.
- Temporary or permanent disruption to small businesses or other livelihood activities due to construction or rehabilitation works under the project;
- Limited participation of women and youth in training and other components of technical assistance due to lack of information and insufficient capacity.
- An overall social risk from the Project relates to potential unequal distribution of Project benefits with regards to access to employment opportunities. In Armenia, female participation (55%) in the labour force is lower than men's (75%) and their unemployment rate is higher (Male: 21.9%, Female: 35%), particularly among youth (Male: 37.4%, Female: 54.7%). While community infrastructure supported by past projects were often in sectors like education and health where women were well-represented in the workforce (e.g. teachers, nurses etc.), the majority of jobs created by the Project were related to construction where women make up less than 5% of the labour force in Armenia. However local development investments supported by the Project are expected to diversify job opportunities in higher-skilled service sectors related to culture, tourism and hospitality.

8. IMPACT MITIGATION

8.1. Environmental impact mitigation

- Prior to commencement of works and at the early stage of construction, ATDF will ensure that all required licenses and permits are in place, including those to be obtained by the project implementing entity and by the construction contractor.
- Work sites will be properly demarcated and fenced; warning signs installed; and safe pedestrian and traffic movement allowed around work sites. No dumping of waste or storage of construction materials will be allowed outside the demarcated areas.
- Working hours will be observed; machinery will be kept in good working condition and idling of engines should be prohibited to reduce noise. Watering of construction sites in dry weather and during operations that generate excessive dust will be required. Construction machinery and equipment will be serviced and fuelled outside construction sites and no hazardous waste from machinery, such as used tires, oils and filters should be scattered on site.
- Transportation of construction vehicles and machinery will be allowed only along the existing roads or temporary roads arranged for the construction purposes. Trucks loaded with loose construction materials (such as gravel, sand, soil, etc.) will be covered to minimize dust emissions during transportation. Air pollution with dust and emissions will be minimized by watering of access roads and construction sites as appropriate. Construction vehicles and machinery will be kept in good operation condition in order to prevent excessive emissions. Idling of engines will be disallowed.
- Construction workers and personnel will have access to safe drinking water and toilets. First aid medical kits should be available on site, as well as fire extinguishing kits. Workers and personnel will be supplied with uniforms and relevant personal safety gear. Use of safety equipment will be enforced.
- Locations for temporary on-site storage of waste and materials will be designated. ATDF will ensure that works contractors have formal agreement with local authorities for the final disposal of all types of waste. Environmental and Social Specialists of ATDF will review the obtained agreements and confirm their environmental soundness. In case a location recommend for waste disposal carries sensitive environmental receptors or disposing waste in that site is likely to cause nuisance to local communities, then ATDF will request local authorities to identify alternative location better suited for waste disposal.
- Sub-projects implying new construction will be carefully screened for a potential need for private land take, temporary or permanent restriction of land/property use, and for the existence of any informal land use in the State-owned plots allocated for construction. Depending on the outcome of screening, Resettlement Action Plans will

be developed if required, disclosed, discussed with sub-project-affected people and implemented prior to commencement of works.

- Upon completion of physical activity on the Project's investment site, area will be cleared from any remaining materials and waste, and harmonized with the surroundings.

8.2. Cultural heritage impact mitigation

- Designs of works in and around cultural heritage sites will be submitted for review and consent to the MoC to ensure that Project interventions do not affect adversely structural integrity of historic buildings, do not compromise their heritage value, or negatively revise their aesthetic appearance.
- Designs of works in and around religious buildings, property and/or user rights to which are held by the Apostolic Church of Armenia, will be submitted for review and consent to the Church. Also, the Church will be represented in a Working Group set up for the purposes of LEID Project implementation and will participate in the discussions and consensus-building on the Project-related issues falling under the interests of the Church.
- If works in or around a cultural heritage site poses a risk of physical damage to a heritage building or its individual elements, an adequate protective cover will be provided. Also, if works on a buildings with historically/culturally valuable exhibits or other items placed in its interior pose a risk to safety and/or security of such items, a plan for their removal from the site and temporary safe-storage will be developed upfront (to be included as part of safeguards documentation into SAR/SSR) and implemented prior to mobilization of works contractor to the site.
- If a chance find is encountered during earth works, contractor will be obligated to take all activities on hold and immediately inform ATDF. ATDF will promptly communicate information to the MoC and seek formal guidance on the course of further action from the Ministry. Works will resume upon written notice from the MoC certifying that all required urgent action required for excavation and removal of artifacts and/or their on-site conservation are completed.
- LEID Project will provide TA for capacity building of DFA and other national entities involved in tourism and hospitality services. Assessing carrying capacity of cultural heritage sites, as well as proper planning and managing of visitation will be part of this TA.

8.3. Social impact mitigation

- Provide regular information on the project and opportunities to participate (announcement in local newspaper, TV, public places) to all interested parties (veterinarians, food business operators) including women and youth.
- Inform affected communities of project grievance redress mechanisms and modalities; ensure grievance submission procedures are accessible (including to the poor and those in remote communities) and provide all beneficiaries and beneficiary communities with the required contact details for the ATDF and other contact persons support grievance redress. Beneficiary feedback and grievance redress mechanisms for LEID Project will include a local contact point in each community, a telephone feedback line, and a grievance and redress committee in ATDF to review grievances that could not be resolved locally.
- Public consultations, described in Chapter 10 below, will be conducted to ensure that citizens in project communities can voice their feedback and opinions regarding social risks and mitigation measures under the Project, as well as share ideas to expand Project benefits to the broader community.

9. MONITORING AND REPORTING

LEID Project implementation arrangements include those for monitoring compliance with the present ESMF and site-specific safeguards documents prepared for all individual sub-projects, recording information obtained through safeguards monitoring, and mechanisms for reporting on the outcomes of safeguards oversight.

While overall responsibility for safeguards compliance under the Project rests with ASDF, services of an external technical supervisor of works will be used for daily field work. Based on the legislation of the RoA, the supervisor shall be licensed for undertaking this function. In-house staff of ATDF will provide quality assurance of the supervisor's work by reviewing and commenting on supervisor's monthly reports, and undertaking field visits for checking adequacy of information provided by the supervisor. ATDF staff will join supervision consultant in field trips to identified problem sites in order to jointly work out remedial action plans. ATDF's environmental and social specialists will be responsible for informing ATDF's management on any significant issues identified through field environmental and social monitoring of works and for suggesting remedial actions.

Supervision consultant will have permanent field presence at all active works sites and will generate monthly field environmental and social monitoring reports by filling out the monitoring forms (Annex 4). These reports will be supplemented with photo material. Special attention will be given to recommendations issued to works provider on remediating any damage made or otherwise restoring compliance with ESMPs if infringement is recorded. Next month's monitoring report from the same site will carry brief information on if and how the prescribed remedial action was followed. In case of non-compliance with ESMP, ATDF sets a deadline for undertaking corrective action and supervision consultant tracks its implementation. In case of persisting incompliance, ATDF management will apply penalty measures within the frames of the contract.

ATDF's environmental and social specialists will be responsible for filing and storing all field environmental monitoring reports obtained from technical supervision and entering formatted data in the MIS operated for the LEID Project. All monitoring information shall be available for the RoA government officials and the World Bank upon demand.

ATDF's regular progress reporting on the implementation of LEID Project will include information on safeguards compliance. Special chapter dedicated to environmental and social performance will be part of each progress report submitted to the World Bank. It will be produced by environmental and social specialists of ATDF and will contain analytical write-up on the overall status of ESMP's implementation, issues identified, and remedial action taken. ATDF's assessment of the quality of supervision consultant's outputs will be also included.

10. PUBLIC ENGAGEMENT AND CONSULTATION

The Armenian laws regulating public consultation and coordination, as well as information availability to the public are listed below:

- Fundamentals of the RA legislation on Nature Protection ensure citizen's right to request complete information concerning the environmental situation and obtain it on time.
- The Law on Environmental Impact Assessment and Expertize calls for mandatory disclosure of information on planned projects/programs, include information on their environmental implications, and requires solicitation of public feedback on the disclosed documentation.
- The Law on freedom of information ensures accessibility and transparency of information, as well as defines procedures for requesting and issuing of information by various types of legal bodies.

Participatory approach to framing environmental and social governance under LEID Project as well as for planning of environmental and social impact mitigation is essential for ensuring quality and realism of safeguard documents. Present draft ESMF will be disclosed through ATDF's web page and made available in print version at the regional administrations in Armenian and English languages. Consultation on it will be undertaken with relevant government and non-government institutions, as well as with the professionals representing academia. Site-specific ESIA reports, ESRs, and stand-alone ESMPs will also be disclosed in two languages on the ATDF's web page, and hard copies in Armenian will be delivered to the administrative centers closest to the sub-project sites. Local communities will be notified on the availability of these hard copies as well as on the means of communicating their feedback on the documents under consideration. Public consultation meetings with sub-project-affected people will be held in the vicinity of sub-project sites selected to guarantee easy access of stakeholders.

Detailed record of public consultation process will be kept. Minutes of all meetings held will be produced to include the following information:

- What announcement was made on the meeting, through what media, and on what date
- What was the time and venue of a meeting held
- How many attendees were in the meeting
- What was agenda of the meeting
- Who were key speakers and what aspects did they cover
- What were the main types of questions asked by local residents and how these questions were entertained

Minutes should be supported with photo material taken during consultation and lists of attendees with their contact information and original signatures.

Present ESMF as well as site-specific ESMPs will be finalized with incorporation of adequate feedback and re-disclosed along with the minutes of consultation meetings attached.

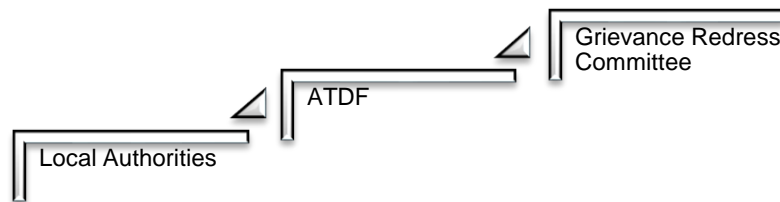
Beneficiary consultations will continue during the construction phase led by ATDF staff and construction supervision contractors, and records of environmental and social issues raised and complaints received during consultations, field visits, informal discussions, formal letters, etc., will be followed up. The records will be kept in the ATDF's office and be available for the World Bank upon request.

A grievance redress mechanism (GRM) will be maintained throughout the course of the Project. The GRM mechanism will ensure that citizens can submit inquiries and grievances, and have their grievances redressed in a timely and effective manner without directly addressing the court.

In the course of the construction process, people affected by the each project may feel treated unjustly. This might happen for various reasons: the contractor does not adhere to sound construction principles, the damages to crops are not paid for, people have been forgotten during land survey or simply misunderstandings have arisen and so forth. This may also be disagreement with procedures of consultation, notification or valuation. When this happens people are encouraged to lodge their complaints. The GRM is subject to the discussion and agreement with the representatives of local communities in the course of each sub-project preparation.

The GRM will address proactively and promptly concerns and complaints of project affected persons or community members. This mechanism will not impede access to the Country's judicial or administrative remedies. The grievance redress mechanism will be established at both local and national level, as described below.

Grievance Redress Mechanism



- *Local Authorities*

ATDF will establish a first step of grievance redress mechanism at the local level in cooperation with local authorities, in order to provide a direct channel to the affected persons and community members for voicing any grievances with the Project. A local Grievance Redress Committee (GRC) may consist of local government, and civil society

representatives. The contact information and mechanism to submit verbal or written grievances will be publicized extensively among the local community (for example, through visible boards, complaints boxes, information boards in public offices, during project consultations, etc.) In doing this, contact information such as name, telephone, email of local focal point for grievances will be clearly stated. ATDF is responsible to verify that local grievance redress mechanisms are present and properly advertised. It is also ATDF's responsibility to monitor that grievances are properly recorded at the local level.

Grievances will be resolved at the local level, where possible. Where this is not possible they will be forwarded to the GRC established at the Project level. Grievances and their resolution will be recorded and redressed in an appropriate time frame of no more than 2 weeks.

- *Grievance Redress Committee*

The GRC at Project level will be established to address complaints and grievances pertaining to resettlement and to pre-empt all disagreements being referred to the court. GRC will include ATDF, Ministry of Territorial Administration (MTA) staff, and representatives of the relevant state authorities and/or Marzpetaran in the Project area, and/or representatives of local NGOs and communities affected by the particular component of the LEID Project. The composition of the GRC will be shared with the WB team prior to commencement of RAP preparation and of any construction work under the Project. The GRC will be convened by ATDF on a case by case basis, to address complaints and grievances pertaining to resettlement.

Within one week after establishment, the GRC will submit to ATDF the procedure and mechanisms of work. The procedure will explicitly define mechanisms and rules of sending complaints and addressing them, including grievance reporting mechanisms, as well as addresses and names of responsible officials at central and local levels, conditions and mechanisms for referring grievances from local level to Project-level GRC. This procedure must ensure maximum access, transparency, disclosure and participation and will be aimed at maximum protection of interests of affected population. In order to achieve these goals, the Committee must use mass media facilities, websites, hot-lines and IT systems of the ATDF, MoTAES, municipalities and local governments, and other stakeholders in active cooperation with NGOs. After approval of the procedure, it must be published in mass media outlets and be available on the ATDF website throughout the effective period of the Project.

Environmental Screening and Classification of Sub-projects

IMPACT IDENTIFICATION

Is sub-project expected to have significant, complex, long-term and/or irreversible environmental impacts and/or impacts spreading beyond the sub-project site?	(yes/no; explain)
Is there a need for conducting field surveys, laboratory tests, or other in-depth research for obtaining additional information and/or verifying/updating existing information in order to clarify the nature and scope of expected risks?	(yes/no; specify)
Is sub-project site located in proximity to a designated natural protected area?	(yes/no; name)
Is sub-project likely to affect natural habitats, or ecosystems that are critical, fragile, or carry distinguished aesthetic/recreational value?	(yes/no; specify)
Have local communities been involved in formulation of sub-project concept? Did they bring up any environmental issues that may influence implementation of sub-project or result from its implementation?	(yes/no; describe)

CATEGORIZATION AND CONCLUSION

Conclusion of the environmental screening:

1. Sub-project is declined
2. Sub-project is accepted

Sub-project preparation requires:

1. Completion of the Environmental Management Checklist ESMP for Small Construction and Rehabilitation Activities
2. Conduct of Environmental and Social Review, including development of an Environmental and Social Management Plan
3. Conduct Environmental and Social Impact Assessment and preparation of an Environmental and Social Management Plan

Social and Cultural Resource Screening of Sub-projects

Social safeguards screening information		Yes	No
1	Is the information related to the affiliation, ownership and land use status of the sub-project site available and verifiable? (The screening cannot be completed until this is available)		
2	Will the sub-project reduce other people’s access to their economic resources, such as land, pasture, water, public services or other resources that they depend on?		
3	Will the sub-project result in resettlement of individuals or families or require the acquisition of land (public or private, temporarily or permanently) for its development?		
4	Will the sub-project result in the temporary or permanent loss of crops, fruit trees and household infra-structure (such as ancillary facilities, fence, canal, granaries, outside toilets and kitchens, etc.)?		
If answer to any above question (except question 1) is “Yes”, then OP/BP 4.12 Involuntary Resettlement is applicable and mitigation measures should follow this OP/BP 4.12 and the Resettlement Policy Framework			
Cultural resources safeguard screening information		Yes	No
5	Will the sub-project require works near or inside of any historical, archaeological or cultural heritage site?		
If answer to question 5 is “Yes”, then OP/BP 4.11 Physical Cultural Resources is applicable and possible chance finds must be handled in accordance with OP/BP and relevant procedures provided in the ESMF			

Eligibility Assessment of Public-Private Infrastructure Investments

Indicator	Significant potential impact	Low potential impact
Type of Private Business	Industrial facility, power generation, natural resource extraction	Small to medium scale hospitality and tourist service, agro-processing, arts and crafts
	Check one of the two boxes below	
Need for land take	Parties other than investor own and/or are formally or informally using land required for private investment	No party other than investor owns and/or uses formally or informally land required for private investment
	Check one of the two boxes below	
Location in or near:	Designated protected areas and wildlife corridors connecting them, forests, wetlands, animal nesting/breeding areas, rest areas for migratory birds, steep slopes, alpine and subalpine zone, green-fields	Urban or rural landscapes transformed from the past anthropogenic impact, industrial sites, brown-fields
	Check one of the two boxes below	
Use or potential pollution of:	Major rivers and river floodplains, trans-boundary water bodies and their tributaries, lakes, smaller water bodies which have high value for local communities or biodiversity	Small rivers and streams, artificial reservoirs and ponds insignificant for local communities and/or biodiversity
	Check one of the two boxes below	
Groundwater resources in the investment site:	Deposits of mineral and/or thermal water; high groundwater table	No known deposits of mineral and/or thermal water; regular groundwater table
	Check on of the two boxes below	
Location in:	Landscapes of outstanding aesthetic value, green-fields, recreational areas	Urban or rural landscapes transformed from past anthropogenic impact, industrial sites, brown-fields
	Check one of the two boxes below	
Risk of natural disasters and geohazards	Severe erosion, landslides, avalanches, floods known to repeatedly occur in/around the site	No natural disasters and geohazards recorded repeatedly in or around the site
	Check one of the two boxes below	
Investment site carrying:	Historic/cultural monuments, sites of communities' traditional use (religious, burial, ritual)	No cultural resources
	Check one of the two boxes below	

If any of the indicators is checks as “significant”, the private investment is not eligible for support with matching public infrastructure

Outline of Environmental and Social Review of Sub-project

- Sub-project description
- Description of biophysical and social environment in and around sub-project site
- Expected environmental and social impacts (at the construction and operation phases)
- Measures for mitigating negative environmental and social impacts (at the construction and operation phases)
- Legal and administrative set-up regulating sub-project approval and implementation

- Environmental and Social Impact Mitigation Plan

Activity	Expected impact	Mitigation measure	Cost of mitigation	Responsibility for mitigation	Responsibility for monitoring
CONSTRUCTION PHASE					
1.					
.....					
n.					
OPERATION PHASE					
1.					
....					
n.					

- Environmental and Social Monitoring Plan

Activity	What (Is the parameter to be monitored?)	Where (Is the parameter to be monitored?)	How (Is the parameter to be monitored?)	When (Define the frequency / or continuous?)	Why (Is the parameter to be monitored?)	Who (Is responsible for monitoring?)
CONSTRUCTION PHASE						
1.						
...						
n.						
OPERATION PHASE						
1.						
...						
n.						

Annex 5

Environmental and Social Management Plan Checklist for Small Construction and Rehabilitation Activities

General Guidelines for use of ESMP checklist:

For low-risk sub-projects, the present ESMP checklist is developed to provide an opportunity for a more streamlined approach to preparing. This is a user-friendly tool and allows to meet the requirements of the environmental safeguard policy.

The checklist has three sections:

Part 1 includes a descriptive part that characterizes a sub-project and specifies in terms the institutional and legislative aspects, the technical project content, the potential need for capacity building program and description of the public consultation process. This section could be up to two pages long. Attachments for additional information can be supplemented when needed.

Part 2 includes an environmental and social screening checklist, where activities and potential environmental issues can be checked in a simple Yes/No format. If any given activity/issue is triggered by checking “yes”, a reference is made to the appropriate section in the following table, which contains clearly formulated management and mitigation measures.

Part 3 represents the monitoring plan for activities during project construction and implementation. It retains the same format required for ESMPs proposed under normal Bank requirements for Category B projects. It is the intent of this checklist that Part 2 and Part 3 be included into the bidding documents for contractors, priced during the bidding process and diligent implementation supervised during works execution.

CONTENTS

- A) General Project and Site Information**
- B) Safeguards Information**
- C) Mitigation Measures**
- D) Monitoring Plan**

PART A: GENERAL PROJECT AND SITE INFORMATION

INSTITUTIONAL & ADMINISTRATIVE			
Sub-project number and title			
Municipality, community			
Scope of site-specific activity			
Institutional arrangements (WB)	Task Team Leader:	Safeguards Specialist:	
Implementation arrangements (RoA)	Implementing entity: ATDF	Works supervisor: (tbd)	Works contractor: (tbd)
SITE DESCRIPTION			
Name of institution whose premises are to be rehabilitated			
Address and site location of institution whose premises are to be rehabilitated			
Who owns the land? Who uses the land (formal/informal)?			
Description of physical and natural environment around the site			
Locations and distance for material sourcing, especially aggregates, water, stones?			
LEGISLATION			
National & local legislation & permits that apply to project activity			
PUBLIC CONSULTATION			
When / where the public consultation process will take /took place			
ATTACHMENTS			
Attachment 1: Site map/photo			
Attachment 2: Construction permit (as required)			
Attachment 3: Agreement for construction waste disposal			
Others – as required			

Information on works supervisor, works provider (contractor), and the attachments will be provided later, prior to mobilization of a selected works provider to a work site.

PART B: SAFEGUARDS INFORMATION

ENVIRONMENTAL /SOCIAL SCREENING			
	Activity/Issue	Status	Triggered Actions
Will the site activity include/involve any of the following?	A. Building rehabilitation	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section A below
	B. New construction	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section A below
	C. Individual wastewater treatment system	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section B below
	D. Historic building(s) and districts	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section C below
	E. Acquisition of land ¹	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section D below
	F. Hazardous or toxic materials ²	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section E below
	G. Impacts on forests and/or protected areas	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section F below
	H. Handling / management of medical waste	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section G below
	I. Traffic and Pedestrian Safety	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section H below

¹ Land acquisitions includes displacement of people, change of livelihood encroachment on private property this is to land that is purchased/transferred and affects people who are living and/or squatters and/or operate a business (kiosks) on land that is being acquired.

² Toxic / hazardous material includes but is not limited to asbestos, toxic paints, noxious solvents, removal of lead paint, etc.

PART C: MITIGATION MEASURES

ACTIVITY	PARAMETER	MITIGATION MEASURES (provide costs where applicable)
0. General Conditions	Notification and Worker Safety	<ul style="list-style-type: none"> (a) The local construction and environment inspectorates and communities have been notified of upcoming activities (b) The public has been notified of the works through appropriate notification in the media and/or at publicly accessible sites (including the site of the works) (c) All legally required permits have been acquired for construction and/or rehabilitation (d) The Contractor formally agrees that all work will be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment. (e) Workers' PPE will comply with international good practice (always hardhats, as needed masks and safety glasses, harnesses and safety boots) (f) Appropriate signposting of the sites will inform workers of key rules and regulations to follow.
A. General Rehabilitation and /or Construction Activities	Air Quality	<ul style="list-style-type: none"> (a) During interior demolition debris-chutes shall be used above the first floor (b) Demolition debris shall be kept in controlled area and sprayed with water mist to reduce debris dust (c) During pneumatic drilling/wall destruction dust shall be suppressed by ongoing water spraying and/or installing dust screen enclosures at site (d) The surrounding environment (sidewalks, roads) shall be kept free of debris to minimize dust (e) There will be no open burning of construction / waste material at the site (f) There will be no excessive idling of construction vehicles at sites
	Noise	<ul style="list-style-type: none"> (a) Construction noise will be limited to restricted times agreed to in the permit (b) During operations the engine covers of generators, air compressors and other powered mechanical equipment shall be closed, and equipment placed as far away from residential areas as possible
	Water Quality	<ul style="list-style-type: none"> (a) The site will establish appropriate erosion and sediment control measures such as e.g. hay bales and / or silt fences to prevent sediment from moving off site and causing excessive turbidity in nearby streams and rivers.
	Waste Management	<ul style="list-style-type: none"> (a) Waste collection and disposal pathways and sites will be identified for all major waste types expected from demolition and construction activities. (b) Mineral construction and demolition wastes will be separated from general refuse, organic, liquid and chemical wastes by on-site sorting and stored in appropriate containers. (c) Construction waste will be collected and disposed properly by licensed collectors (d) The records of waste disposal will be maintained as proof for proper management as designed. (e) Whenever feasible the contractor will reuse and recycle appropriate and viable materials (except asbestos)
B. Individual wastewater treatment system	Water Quality	<ul style="list-style-type: none"> (a) The approach to handling sanitary wastes and wastewater from building sites (installation or reconstruction) must be approved by the local authorities (b) Before being discharged into receiving waters, effluents from individual wastewater systems must be treated in order to meet the minimal quality criteria set out by national guidelines on effluent quality and wastewater treatment (c) Monitoring of new wastewater systems (before/after) will be carried out (d) Construction vehicles and machinery will be washed only in designated areas where runoff will not pollute natural surface water bodies.
C. Historic building(s)	Cultural Heritage	<ul style="list-style-type: none"> (a) If the building is a designated historic structure, very close to such a structure, or located in a designated historic district, notification shall be made and approvals/permits be obtained from local authorities and all construction activities planned and carried out in line with local and national legislation. (b) It shall be ensured that provisions are put in place so that artifacts or other possible "chance finds" encountered in excavation or construction are noted and registered, responsible officials contacted, and works activities delayed or modified to account for such finds.

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
D. Acquisition of land	Land Acquisition Plan/Framework	(a) If expropriation of land was not expected but is required, or if loss of access to income of legal or illegal users of land was not expected but may occur, that the Bank’s Task Team Leader shall be immediately consulted. (b) The approved Land Acquisition Plan/Framework (if required by the project) will be implemented
E. Toxic Materials	Asbestos management	(a) If asbestos is located on the project site, it shall be marked clearly as hazardous material (b) When possible the asbestos will be appropriately contained and sealed to minimize exposure (c) The asbestos prior to removal (if removal is necessary) will be treated with a wetting agent to minimize asbestos dust (d) Asbestos will be handled and disposed by skilled & experienced professionals (e) If asbestos material is to be stored temporarily, the wastes should be securely enclosed inside closed containments and marked appropriately. Security measures will be taken against unauthorized removal from the site. (f) The removed asbestos will not be reused
	Toxic / hazardous waste management	(a) Temporarily storage on site of all hazardous or toxic substances will be in safe containers labeled with details of composition, properties and handling information (b) The containers of hazardous substances shall be placed in an leak-proof container to prevent spillage and leaching (c) The wastes shall be transported by specially licensed carriers and disposed in a licensed facility. (d) Paints with toxic ingredients or solvents or lead-based paints will not be used
F. Affected forests, wetlands and/or protected areas	Protection	(a) All recognized natural habitats, wetlands and protected areas in the immediate vicinity of the activity will not be damaged or exploited, all staff will be strictly prohibited from hunting, foraging, logging or other damaging activities. (b) A survey and an inventory shall be made of large trees in the vicinity of the construction activity, large trees shall be marked and cordoned off with fencing, their root system protected, and any damage to the trees avoided (c) Adjacent wetlands and streams shall be protected from construction site run-off with appropriate erosion and sediment control feature to include by not limited to hay bales and silt fences (d) There will be no unlicensed borrow pits, quarries or waste dumps in adjacent areas, especially not in protected areas.
G. Disposal of medical waste	Infrastructure for medical waste management	(a) In compliance with national regulations the contractor will insure that newly constructed and/or rehabilitated health care facilities include sufficient infrastructure for medical waste handling and disposal; this includes and not limited to: <ul style="list-style-type: none"> ▪ Special facilities for segregated healthcare waste (including soiled instruments “sharps”, and human tissue or fluids) from other waste disposal; and ▪ Appropriate storage facilities for medical waste are in place; and ▪ If the activity includes facility-based treatment, appropriate disposal options are in place and operational
H Traffic and Pedestrian Safety	Direct or indirect hazards to public traffic and pedestrians by construction activities	(a) In compliance with national regulations the contractor will insure that the construction site is properly secured and construction related traffic regulated. This includes but is not limited to <ul style="list-style-type: none"> ▪ Signposting, warning signs, barriers and traffic diversions: site will be clearly visible and the public warned of all potential hazards ▪ Traffic management system and staff training, especially for site access and near-site heavy traffic. Provision of safe passages and crossings for pedestrians where construction traffic interferes. ▪ Adjustment of working hours to local traffic patterns, e.g. avoiding major transport activities during rush hours or times of livestock movement ▪ Active traffic management by trained and visible staff at the site, if required for safe and convenient passage for the public. ▪ Ensuring safe and continuous access to office facilities, shops and residences during renovation activities, if the buildings stay open for the public.

PART D: MONITORING PLAN

Activity	What (Is the parameter to be monitored?)	Where (Is the parameter to be monitored?)	How (Is the parameter to be monitored?)	When (Define the frequency / or continuous?)	Why (Is the parameter being monitored?)	Who (Is responsible for monitoring?)
CONSTRUCTION PHASE						
1.						
2.						
...						
n.						
OPERATION PHASE						
1.						
2.						
...						
n.						

Field Environmental and Social Monitoring Form

Sub-project number and title					
Municipality, community					
Name of supervisor					
Name of works contractor					
Date of site visit					
Status of civil works					
Documents and activities to be examined	Status				Comments
	Yes	Partially	No	N/A	
Contractor holds license for extraction of natural resources					
Contractor holds permit for operating concrete/asphalt plant					
Contractor holds agreement for final disposal of waste					
Contractor holds agreement with service provider for removal of household waste from site					
Work site is fenced and warning signs installed					
Works do not impede pedestrian access and motor traffic, or temporary alternative access is provided					
Working hours are observed					

Construction machinery and equipment is in standard technical condition (no excessive exhaust and noise, no leakage of fuels and lubricants)					
Construction materials and waste are transported under the covered hood					
Construction site is watered in case of excessively dusty works					
Contractor's camp or work base is fenced; sites for temporary storage of waste and for vehicle/equipment servicing are designated					
Contractor's camp is supplied with water and sanitation is provided					
Contractor's camp or work base is equipped with first medical aid and fire-fighting kits					
Workers wear uniforms and protective gear adequate for technological processes (gloves, helmets, respirators, eye-glasses, etc.)					
Servicing and fuelling of vehicles and machinery is undertaken on an impermeable surface in a confined space which can contain operational and emergency spills					
Vehicles and machinery are washed away from natural water bodies in the way preventing direct discharge of runoff into the water bodies					

Construction waste is being disposed exclusively in the designated locations					
Extraction of natural construction material takes place strictly under conditions specified in the license					
Excess material and topsoil generated from soil excavation are stored separately and used for backfilling / site reinstatement as required					
Works taken on hold if chance find encountered and communication made to the State agencies responsible for cultural heritage preservation					
Upon completion of physical activity on site, the site and contractor's camp/base cleared of any remaining left-over from works and harmonized with surrounding landscape					

Minutes of Public Consultation Meeting on Draft ESMF