

# INTEGRATED SAFEGUARDS DATA SHEET

## CONCEPT STAGE

**Report No.:** ISDSC8609

**Date ISDS Prepared/Updated:** 29-May-2014

**Date ISDS Approved/Disclosed:** 22-Jul-2014

### I. BASIC INFORMATION

#### A. Basic Project Data

<b>Country:</b>	Armenia	<b>Project ID:</b>	P148836
<b>Project Name:</b>	Armenia Social Investment and Local Development Project (P148836)		
<b>Task Team Leader:</b>	Ivan Drabek		
<b>Estimated Appraisal Date:</b>	08-Dec-2014	<b>Estimated Board Date:</b>	09-Feb-2015
<b>Managing Unit:</b>	GSPDR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Public administration- Other social services (13%), Other social services (87%)		
<b>Theme(s):</b>	Municipal governance and institution building (20%), Rural services and infrastructure (30%), Decentralization (10%), Other human development (30%), Participation and civic engagement (10%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	55.00	<b>Total Bank Financing:</b>	30.00
<b>Financing Gap:</b>	25.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
International Bank for Reconstruction and Development			30.00
Total			30.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

#### B. Project Objectives

The project development objective (PDO) is to: (i) enhance the accessibility and quality of local social infrastructure and comprehensive public services in vulnerable areas; (ii) contribute to the growth of living standards in the communities/territories through local social infrastructure projects and employment generation; and (iii) strengthen ASIF's capacity in order to transition it to a fully functioning and sustainable territorial development fund.

## C. Project Description

The proposed Social Investment and Local Development (SILD) project will build on current high capacity of Armenian Social Investment Fund (ASIF) in implementing social infrastructure projects, while working to evolve their delivery model to meet the current needs and strategies of Armenia. It involves four components:

### Component 1: Support to Vulnerable Communities (US\$16.0 million)

Since its creation, ASIF has been implementing small-sized, one-time investment projects in the most vulnerable communities to satisfy their urgent basic needs.

This component will fund approximately 120 micro-projects and continue the main original work of ASIF towards: a) rehabilitation and development of community infrastructures and services (public, social, economic, environmental), (b) building institutional and financial capacity at the community level to develop and implement these projects and services, and (c) providing consultancy and technical assistance to the local partners. The first years of this project will focus primarily on the continuing delivery of these core services of ASIF while gradually increasing the proportion of new types of activities under the Component 2.

### Component 2: ASIF's Institutional Strengthening and Transition to a Territorial Development Fund (US\$1.0 million)

ASIF will transform into a sustainable territorial development fund with the objective of reducing territorial disparities and supporting national plans to enlarge communities and improve their cooperation. Its delivery model and funding model will both evolve, moving in the beginning towards a greater diversity of funding sources and gradually working towards financial sustainability towards the end of the project life. The project will support ASIF's institutional strengthening through: (a) development of new tools and approaches, including methodologies for appraisal, promotion and selection of sub-projects (some of which will be carried out through Swiss Development Cooperation funding during project preparation), (b) procedural improvements of monitoring and evaluation, and financial systems, (c) staff capacity building, and (d) organizational/structural changes.

### Component 3: Support to Growth Centers and Community Groups/Areas (US\$10.0 million)

This component will fund the design, selection and implementation of approximately 30 of these new types of projects. These projects will be based on long-term, sustainable, socioeconomic development, involve multiple communities or groups and cover wider geographic areas. They will be selected based on: (i) the community/area potential for growing and positively influencing the nearby socio-economic development situation, (ii) the level of local co-financing, including co-financing of communities, population and private business, (iii) expected medium-term social and economic impacts of the project implementation, (iv) the level of coordination with other actors' projects in the area, (v) their links to the mid-term development program of the region, and (vi) the potential for sustainability. The specific selection criteria will be developed under Component 3.

### Component 4: Project Management (US\$3.0 million)

This component will provide institutional support to ASIF (and the future Territorial Development Fund) to effectively implement its program through co-financing its operating costs including salaries, utilities, office equipment, training, financial audits and MIS upgrade/maintenance for the duration of the project. ASIF will be in charge of technical aspects of the project and ensure overall monitoring and supervision of project activities. This component will also include fiduciary and safeguard compliance.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

Nationwide. SLID project will target vulnerable communities in all regions of Armenia.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

The project will be implemented by ASIF - an agency with strong administrative capacity and technical expertise with an operation history of 18 years. ASIF acted as an implementing entity for several projects supported by the World Bank, and has a solid track record. ASIF has a high capacity staff, sound financial management and procurement systems and reporting mechanisms that are currently used under the ASIF III Project. Environmental management had been a relative weakness of ASIF several years ago, however it improved considerably through the recruitment of an environmental specialist; integration of environmental screening and monitoring into the general procedures of projects' review, approval, and supervision; and quality enhancement of environmental record keeping. Overall, no cases of major environmental non-compliance have been identified during implementation of the ASIF III Project to date, though there were issues with the quality of documented reporting on the environmental screening and monitoring of operations. Hiring of an environmental specialist led to tangible improvements which include the use of environmental screening and field monitoring checklists, and photo documentation of the findings from site visits. Maintaining a staff unit of an environmental specialist in ASIF will be critically important for maintaining good environmental performance under SLID project. In terms of social safeguards, as previous ASIF projects excluded civil works requiring land acquisition or resettlement, ASIF does not have experience overseeing compliance with OP/BP 4.12 and is currently without a permanent social specialist within its staff. To ensure adequate supervision of social aspects of the project, including social safeguards compliance, it is expected that the Bank will request ASIF to retain and maintain a qualified social specialist for the duration of the project.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Darejan Kapanadze (GENDR)

Sarah G. Michael (GURDR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	Yes	Individual sub-projects to be financed under the SILD project will support rehabilitation or enhancement of small to medium size rural public infrastructure. This type of investment is unlikely to have significant negative environmental impacts. Vast majority of the potential sub-project proposals are likely to fall under environmental Category B or C. Category A sub-projects will be filtered out through environmental screening and will not be supported under the SILD project.  Because the sub-project proposals will arrive and be reviewed on the rolling basis, most of

		<p>them will not be known by the time of the project appraisal. Therefore, an Environmental and Social Management Framework (ESMF) will be developed to establish guiding principles of (i) environmental and social screening of sub-project proposals, (ii) identification of the expected impacts of sub-projects at their construction and operation phases, (iii) establishing measures for mitigating environmental and social risks, and (iv) monitoring of environmental performance under the supported sub-projects. Site-specific Environmental Management Plans (EMPs) will be developed, disclosed, and consulted with local communities prior to commencement of works at any individual sub-project site. Environmental due diligence will be built into the general procedures of sub-projects' selection, approval and monitoring and the SILD project's Operational Manual will provide step-by-step guidance on this. Adherence to these procedures and implementation of EMPs will be closely supervised by ASIF.</p>
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	TBD	<p>As the specific nature of the long-term socioeconomic development projects which will be supported under project Component 2 are not yet known, it is not yet known whether OP 4.12 will be triggered. If OP 4.12 is triggered, a Resettlement Policy Framework (RPF) will be prepared. In this case, the RPF will provide detailed guidance and criteria for the development of investment-specific Resettlement Action Plans (RAPs), which would be prepared and implemented prior to commencement of any sub-projects where resettlement or land acquisition was required. The RPF will be included as an annex to the project's Operations Manual.</p>

		<p>The question of excluding activities with potential resettlement impacts under this Component will be discussed with the client during preparation and a decision on triggering OP 4.12 is expected to be taken by QER stage.</p> <p>As was the case for the Armenia Social Investment Fund III project (and its three additional financing projects), sub-projects supported under SILD project Component 1 would exclude any activities which required resettlement, land acquisition or land restrictions.</p>
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 30-Sep-2014

**B. Time frame for launching and completing the safeguard-related studies that may be needed.**

**The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

The ESMF and RPF, if required, will be prepared before the project appraisal, shared with the Bank, disclosed, and consulted with relevant stakeholders. Site-specific EMPs, and RAPs (as needed), for individual sub-projects will be produced on the rolling basis, as the sub-projects are identified and designed. EMPs and RAPs will be drafted, shared with the Bank, disclosed, and discussed with the affected local communities prior to commencement of works.

### IV. APPROVALS

Task Team Leader:	Name: Ivan Drabek	
<b>Approved By:</b>		
Regional Safeguards Coordinator:	Name: Agnes I. Kiss (RSA)	Date: 23-Jun-2014
Sector Manager:	Name: Andrew D. Mason (SM)	Date: 22-Jul-2014

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.