



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 03/23/2021 | Report No: ESRSC01960



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Armenia	EUROPE AND CENTRAL ASIA	P176454	
Project Name	SPF: Armenia Support to Conflict Affected Families		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing		4/9/2021
Borrower(s)	Implementing Agency(ies)		
Republic of Armenia	Ministry of Labor and Social Affairs		

Proposed Development Objective

Financing (in USD Million)	Amount
Total Project Cost	3.72

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The Republic of Armenia is a landlocked mountainous country located in the South Caucasus and bordering Azerbaijan, Georgia, Iran, and Turkey. The majority of the country is at a high altitude (over 1,000m above sea-level). The Armenian climate is continental with hot summers and cold winters, and the country is regarded as being



especially sensitive to the effects of climate change. The topographic and climatic variations have resulted in highly diverse ecosystems. Armenia is a seismically active country. The country comprises of ten administrative regions, called marzes: Aragatsotn, Ararat, Armavir, Gegharkunik, Kotayk, Lori, Shirak, Syunik, Tavush, and Vayots Dzor. The municipality of the capital city of Yerevan is a self-standing administrative unit. The population of the country slightly exceeds 2.9 million, over 60% of which resides in urban settlements.

Project activities will be implemented nation-wide. Cash benefits may be accessed across the country via the territorial offices of social services and network of social workers. Employment subsidies can also be accessed nationwide via the offices of the State Employment Agency (SEA). A call for applications for the public works benefit has been issued nation-wide. Municipalities can submit proposals to SEA to participate in the public works program. Approved municipalities will enter into contracts with SEA, as well as issue individual contracts to target beneficiaries who wish to be employed in the subsidized public works.

The public works initiated by local municipalities include improvement of public roads, sidewalks, parks, playgrounds, bus stops, bridges, fire water supply, and outdoor lighting, improvement of areas adjacent to historical and cultural monuments and cemeteries, minor renovation of public buildings and surrounding areas, and small scale tree planting and care.

The target beneficiaries are Nagorno Karabakh (NK) displaced persons within the territory of Armenia, and in the case of one of the cash benefits, their host families. None of the activities under the grant will be implemented in conflict-affected or disputed territories.

D. 2. Borrower’s Institutional Capacity

The Project will be executed by the Ministry of Labor and Social Affairs (MLSA) through the Social Security Administration (SSA) and State Employment Agency (SEA). The MLSA will be the implementing ministry coordinating donors’ contributions from UN agencies and NGOs in order to ensure a coordinated approach in the implementation of the different temporary cash transfers for conflict-affected families.

The MLSA is responsible for the identification and outreach of potential beneficiaries. Applications to the proposed cash benefits are submitted through the online platform of the SSA, as well as with the support of Territorial Offices of Social Services (TOSS) and hotlines. Applications for unemployment and public work benefits are submitted online through the SEA platform. Eligibility verification is done by MLSA together with the Migration Service hosting the integrated database of displaced persons registered with hosting municipalities. The SSA hosts all the databases of the Nagorno Karabakh (NK) population, which are used to verify information in the application forms.

The MLSA is a World Bank partner, and has established a Project Coordinating Unit (PCU), which implements the ongoing Armenia Social Protection Administration II Project (P146318). As such, the MLSA is familiar with the Bank's environmental and social safeguard policies. The PCU retains an Environmental and a Social Specialist, who will also be responsible for the monitoring of activities in the proposed grant project. MLSA does not have direct experience with the ESF, therefore its staff would require additional training on the project requirements associated with ESF, specifically labor, health and safety, requirements related to sexual exploitation and abuse and sexual harassment (SEA/SH), and stakeholder engagement.

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II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate



The environmental risks and impacts of the project are associated with the public works initiated by the communities that involve improvement of public roads, sidewalks, parks, playgrounds, bus stops, bridges, fire water supply, and outdoor lighting, improvement of areas adjacent to historical and cultural monuments, minor renovation of public buildings and surrounding areas, and landscaping and greening. These minor works will be implemented in transformed urban and rural areas and carry a set of common risks and impacts typical for such activities: generating noise, dust, and construction waste and risk to the health and safety of workers. Given the engagement of unskilled workers and the low capacity of the municipalities to manage the risks in a manner consistent with the ESSs, the environmental risk is assessed as moderate.

Social Risk Rating

Moderate

The project's social impact is assessed as moderate. Social risks are associated with labor, health, and safety aspects of employment subsidies and public works, as well as potential shortcomings in the outreach, awareness raising and engagement of potential beneficiaries to ensure that all who are eligible have access to the project benefits. The risk of social tension or conflict is assessed as low, given the high level of solidarity with the situation of displaced persons post-conflict, and the fact that the project will also provide benefits to their host families. Social cohesion is integral part of the project development objective. Mitigation measures will be aimed at: ensuring equity and non-discrimination with regard to selection and recruitment and labor terms and conditions; ensuring a safe and inclusive environment for all eligible beneficiaries, regardless of gender and age; enabling project beneficiaries to engage in employment and public work benefits; and ensuring adequate outreach and information effort so that that all eligible beneficiaries have the opportunity to access project benefits. The project's physical footprint is not expected to cause any impact on private land, assets, or livelihoods. Public works will be limited to small-scale renovations, repair, and public space beautification and landscaping - activities that involve adverse impacts on private assets will be deemed ineligible.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The potential adverse environmental, health, and safety risks and impacts of the minor renovation of public buildings and improvement of public infrastructure and spaces in selected regions are low in magnitude, site-specific, predictable, and expected to be temporary. The project does not involve activities that have a high potential for harming people or the environment. The sites of these works are in transformed urban and rural areas. The proposed public works do not require a construction permit and will be executed by low-skilled labor and under community supervision (see monitoring, supervision, and reporting arrangements described below). These minor works will carry a set of common risks and impacts typical for such activities: generating noise, dust, and construction waste and risk to the health and safety of workers. The project will ensure the adequacy of labor and working conditions, in a way that is materially consistent with ESS2. The Project Operations Manual (POM) will include the procedure for MLSA PCU and SEA staff to undertake screening of proposed public works to exclude any work, which requires construction or other permits and any hazardous work activity and activity involving toxic materials. Precautionary measures will be applied to avoid nuisance to the public in case minor works are undertaken inside a building while everyday activities are ongoing in the rest of a building. The POM will include guidance on the application of an Environmental and Social Management Plan (ESMP) checklist to mitigate any associated environmental and social risks and to avoid

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threats to the health and safety of the public and workers during minor works. MLSA will apply due diligence by following procedures to be spelled out in the POM and the ESMP checklist.

Monitoring, supervision, and reporting: The labor, OHS, and community health and safety aspects will be overseen by the municipal departments responsible for the respective public works. SEA and PCU will provide monitoring and overall oversight for public works as well as employment subsidy program. The SEA territorial office representative assigned to the particular public works and/or employment subsidy program will conduct site monitoring at least once a month. Overall monitoring and oversight under the project will be provided by the project coordination unit (PCU). Reporting from municipality to SEA, SEA to PCU, and PCU to World Bank will be done on the basis of the ESMP Checklist to be included in the POM, and in the contracts between municipalities and SEA. Labor and OHS provisions will also be specified in the individual contracts with beneficiaries to be recruited for public works. The above commitments will be listed in the project ESCP.

The project is expected to bring positive social benefits targeting vulnerable displaced populations. Social risks may be associated with insufficient information and outreach to allow all eligible beneficiaries to access the public works and subsidized temporary employment program (benefits implemented by SEA). Additional risks and impacts can also be related to inclusive and non-discriminatory labor terms and conditions, occupational health and safety in the public works component, and gender-related risks such as gender imbalance in the recruitment for internships and public works, as well as SEA/SH concerns. Labor, health, and safety requirements including the prohibition of Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) will be included in the contracts for all employment benefits under the project (these contracts will be signed on a tripartite basis: among the employer, beneficiary, and SEA in the case of employment subsidies / internships; among the municipality, beneficiary, and SEA in the case of public works).

The MLSA PCU will prepare, consult, and disclose a Stakeholder Engagement Plan (SEP) to describe all information disclosure, outreach and consultations to be undertaken during project implementation, including and building on the ongoing efforts by the Ministry, SSA, and SEA, e.g., via media, online platforms, and hotlines that have already been established at national and regional level. The SEP will also describe the project grievance mechanism (GM), including measures to be taken to ensure that the GM is sensitized to receiving and processing SEA/SH related grievances.

Areas where “Use of Borrower Framework” is being considered:

The use of Borrower Framework is not being considered for the whole of the project or any of its parts.

ESS10 Stakeholder Engagement and Information Disclosure

The target population for the project are persons displaced from NK territories displaced during and immediately after the September-October 2020 conflict. The displaced persons are settled across all regions of Armenia. They have been settled both in public building accommodations and with private host families. Data on the displaced persons and their host families, where applicable, is available to the MLSA (SSA and SEA) via the national Migration Service database.

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The SSA and SEA agencies of the MLSA conduct ongoing outreach, disclosure of information, and face-to-face assistance to beneficiaries via their regional branches, websites, hotlines, national and local media. MLSA PCU will prepare a Stakeholder Engagement Plan for the project building on the ongoing efforts by these agencies as well as additional communication and consultations to be undertaken in the course of the project. The SEP will describe the project's grievance mechanism, as well as the special measures to be taken to ensure that this mechanism can accept and handle sensitive and confidential SEA/SH related cases.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

ESS2 is relevant and applies to all direct and contracted workers under the project. Direct workers include employees of the PCU within MLSA. Other government staff to be involved in the delivery of project benefits - staff of MLSA, SSA, SEA, and municipalities - are civil servants and their labor terms and conditions will be guided by national legislation. ESS2 requirements relating to the prohibition of forced and child labor will also apply in the case of civil servants. Contracted workers under the project include all persons being contracted via public works or employment subsidy programs, financed by the project. Contracted workers may also include any consultants that may be recruited by the PCU for project implementation purposes. No civil works contractors will be involved in the project. The project will not involve community workers. Due to the minor scale of public works dispersed across multiple municipalities, primary suppliers are not expected to be relevant to project activities, i.e., the project will not rely on suppliers who provide directly and on ongoing basis goods or materials essential for the core functions of the project.

The MLSA PCU will prepare labor management procedures, which will be integrated in the Project Operations Manual and will include requirements for direct and contracted workers. LMP will specify the requirements for employers to be included in work contracts with contracted workers, including at minimum: providing equal opportunity and non-discrimination, providing workers with clear information on labor terms and conditions, on occupational, health, and safety requirements, providing accessible and fair grievance mechanism for workers, prevention, prohibition, and accountability measures relating to sexual exploitation and abuse and sexual harassment (SEA/SH), prohibition of forced and child labor, ensuring that these are adhered to throughout the period of employment through regular monitoring and reporting.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant. The types of pollution which may be generated during the minor works include noise, dust, and inert construction waste. The noise and dust can be minimized by routine mitigation measures. Where construction waste generation cannot be avoided or minimized, the waste should be disposed of at the locations designated for the disposal of the construction waste. The relevant provisions will be included in the ESMP checklist.



ESS4 Community Health and Safety

This standard is relevant. Potential community health and safety concerns may arise from the implementation of public works. All activities will be screened and monitoring as per ESMP Checklist to be prepared by PCU MLSA. Activities involving construction, handling of hazardous materials, requiring environmental or other permits, or requiring land acquisition, physical or economic displacement will be deemed ineligible. Codes of conduct will be introduced for all project workers.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is not relevant as the project does not entail land acquisition, restrictions on land use, or involuntary resettlement. The absence of such impacts will be confirmed in the ESMP checklist to be prepared as per ESS1. Should any resettlement impacts be identified during the screening process, those activities will be deemed ineligible under the project or the relevance of ESS5 will be re-assessed.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The ESS is not relevant to the project. The minor works for the renovation of public buildings and the improvement of public infrastructure and spaces will be executed in transformed urban and rural areas. Therefore, project-supported activities cannot affect biodiversity and living natural resources.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

This standard is not relevant. No indigenous groups are known to reside in the Republic of Armenia.

ESS8 Cultural Heritage

This ESS is not relevant to the project. The project will not support any activities in or near monuments listed among cultural and historic structures of the Republic of Armenia that require a permit from the Ministry of Education, Science, Culture and Sport. The relevant screening procedure will be included in the POM.

ESS9 Financial Intermediaries

This standard is not relevant. Financial intermediaries will not be involved in the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

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III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?

No

Financing Partners

Other international agencies are also supporting the Government of Armenia in providing social benefits to displaced persons. However, there are no co-financing arrangements for the specific activities and beneficiaries supported by the present project. Therefore, a common approach is not necessary.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

- Environmental and Social Commitment Plan (ESCP)
- Stakeholder Engagement Plan (SEP), disclosed and consulted

Additionally, 30 days after signing of Grant Agreement, the MLSA PCU will submit a Project Operations Manual which includes:

- Environmental and social screening forms and Environmental and Social Management Plan (ESMP) Checklist;
- Labor Management Procedures;
- Project grievance mechanism consistent with SEP.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- Maintaining institutional capacity/staff for addressing environmental and social aspects for project implementation;
- Conducting environmental and social screening of each proposed sub-project;
- Preparation of detailed POM 30 days after signing of Grant Agreement;
- Inclusion of labor management procedures as part of POM;
- Implementation of SEP;
- Implementation of ESMP Checklists for public works activities;
- Maintenance of functioning GM sensitized for SEA/SH grievances.

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IV. CONTACT POINTS

World Bank

Contact:	Maddalena Honorati	Title:	Senior Economist
Telephone No:	1-202-4681037	Email:	mhonorati@worldbank.org

Borrower/Client/Recipient

Borrower: Republic of Armenia

Implementing Agency(ies)



Implementing Agency: Ministry of Labor and Social Affairs

V. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

VI. APPROVAL

Task Team Leader(s): Maddalena Honorati

Practice Manager (ENR/Social) Varalakshmi Vemuru Recommended on 23-Mar-2021 at 14:55:30 GMT-04:00