



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 04-Mar-2019 | Report No: PIDISDSA26351



BASIC INFORMATION

A. Basic Project Data

Country Armenia	Project ID P169158	Project Name LIFELINE ROAD NETWORK IMPROVEMENT PROJECT - Second Additional Financing	Parent Project ID (if any) P126782
Parent Project Name LIFELINE ROAD NETWORK IMPROVEMENT PROJECT	Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 22-Feb-2019	Estimated Board Date 17-Apr-2019
Practice Area (Lead) Transport	Financing Instrument Investment Project Financing	Borrower(s) Republic of Armenia	Implementing Agency Ministry of Transport, Communications and Information Technologies

Proposed Development Objective(s) Parent

The Project Development Objective is to improve access of rural communities to markets and services through upgrading of selected lifeline roads, and to strengthen the capacity of the Ministry of Transport and Communication to manage the lifeline road network.

Proposed Development Objective(s) Additional Financing

The Project Development Objective is to improve access of rural communities to markets and services through upgrading of selected lifeline roads, and to strengthen the capacity of the line ministry in charge of roads to manage the lifeline road network.

Components

- Lifeline Road Improvement
- Project Management and Institutional Strengthening
- Contingent Emergency Response

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	18.75
Total Financing	18.75
of which IBRD/IDA	15.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	15.00
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Non-World Bank Group Financing

Counterpart Funding	3.75
Borrower/Recipient	3.75

Environmental Assessment Category

B-Partial Assessment

Decision

Other Decision (as needed)

B. Introduction and Context

Country Context

The Republic of Armenia is a small (29,800 km²), landlocked lower-middle income country with a population of about 3 million, with a large diaspora population of around 7 million, and an average per capita Atlas Gross National Income (GNI) of US\$4,000 in 2017. Armenia’s Gross Domestic Product (GDP) in 2017 expanded at its fastest pace since the 2008–09 global financial crisis, with favorable trends continuing in early 2018 - the economy grew by 7.5 percent in 2017, catching up from 0.2 percent growth in 2016. More than half of GDP growth in 2017 came from a strong expansion in services, including trade, reflecting positive developments in the labor market and higher remittances as well as robust tourism. Inflation was within the Central Bank of Armenia’s (CBA) inflation target range.

The country had moved from a semi-presidential system to a parliamentary republic as per constitutional amendments passed in 2015. In the spring of 2018, following nationwide protests, the president of the country stepped down, and a parliamentary opposition leader was appointed prime minister in May. Snap parliamentary elections followed and on January 14, 2019, the prime minister was appointed for a five-year term.

Sectoral and Institutional Context

The total length of the Armenia road network is 7,758 km, excluding urban roads, with less than half being in good or fair condition. In February 13, 2014, the Government of Armenia (GoA) issued a Decree No. 265 on road reclassification as follows: 1,759 km of interstate roads, 1,966 km of republican roads and 3,805 km of local roads. Lifeline roads comprise mostly of the local roads and a portion of the republican roads, totaling around 4,000 km. Most of the road network was



built in the 1960s and 1970s. The road network density of Armenia is about 2.6 km per thousand persons and 279 km per square km, which is very low compared to other countries in the region, reflecting in part the difficulties to provide basic access to the rural population. Despite positive improvement of the last decade, there still is a large backlog of lifeline roads that need rehabilitation.

The World Bank's engagement is part of a broader package of transport operations put forward to promote economic development. In 2008, Armenia Transport Sector Development Strategy 2020 was prepared, which included an investment plan for the road sector. Priority investments were identified to improve the interstate and rural road network during 2010-2020. The noninvestment component focused on priority reforms, including the development of regulations and operational procedures; encouragement of private sector participation in construction and maintenance; and capacity building for planning, monitoring, evaluation and reporting. At present, the World Bank is the only international financial institution that provides financing to support rural roads in Armenia. The Asian Development Bank is providing support to the North-South Corridor Investment Program - an ambitious program aimed at improving the 556-kilometer North-South Road Corridor running from the border with Georgia at Bavra to the border with Iran. Trade facilitation and connecting local production to markets remain paramount in reducing rural poverty and promoting economic growth. The European Investment Bank is also an active participant in the transport sector financing in Armenia. The agricultural sector represented about 14.94 percent to the GDP of Armenia, 25.29 percent came from the industry and 51.32 percent from the services sector. Trade from rural areas is less than optimal due to restricted connectivity to markets in part as a result of the poor condition of roads. This has hindered trade facilitation for rural farmers, resulting in substantial crop losses for some communities due to the inability to get them to market on time. It is vital that rural infrastructure continues to improve promoting agricultural trade and stimulating economic growth and local employment for the future.

C. Proposed Development Objective(s)

Original PDO

The Project Development Objective is to improve access of rural communities to markets and services through upgrading of selected lifeline roads, and to strengthen the capacity of the Ministry of Transport and Communication and Information Technologies to manage the lifeline road network.

Current PDO

The Project Development Objective is to improve access of rural communities to markets and services through upgrading of selected lifeline roads, and to strengthen the capacity of the Ministry of Transport, Communication and Information Technologies to manage the lifeline road network.

Key Results

D. Project Description

The proposed project restructuring and Additional Financing (AF) in the amount of US\$ 15 million for the Lifeline Road Network Improvement Project (LRNIP) responds to a request received from the Government of Armenia on January 31, 2019 for additional World Bank support to enhance the country's transport connectivity. The AF would finance the scaling up of LRNIP activities through the rehabilitation of an additional 61 km of the lifeline road network (LRN). The AF would also finance technical assistance aiming to improve road safety management in the country, and better planning for the climate resilience of the road network. Efficient access to roads in underserved regions continues to be crucial to the socio-economic development of Armenia's rural population.



E. Implementation

Institutional and Implementation Arrangements

Series of the World Bank engagements in rehabilitation and reconstruction of lifeline roads have been implemented by Transport Project Implementation Organization (TPIO), that underwent restructuring due to institutional reorganization in 2017 under the Ministry of Transport, Communication and Information Technologies (MoTCIT). The MoTCIT will continue to have the overall responsibility for the implementation of the LRNIP. The Ministry has successfully implemented many World Bank projects to date and many other projects from other development partners. Implementation risks associated with the lack of experience in implementation of similar projects is low.

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

The Project is implemented nation-wide. Lifeline roads targeted for rehabilitation with the project proceeds usually pass through small urban or rural settlements, agricultural fields and pastures, as well as non-cultivated State-owned lands. In rare cases a road may pass through a forested area or cross a small river. Typical landscapes around road corridors are mountainous, characterized with differing risk of rockfall and slope erosion, with sparse to medium-density vegetation comprised of grass cover, shrubs, and thin-growing trees. Climate is predominantly dry and continental, with hot summers and frosty winters. The first batch of roads for rehabilitation have been selected based on multicriteria analysis approved for this project including economic and social criteria. These roads sections are: T-2-30-Norahsen-Dvin-H9, T-2-38 – Aygezard, Lukashin-H17, Dastakert - Nzhdeh - Tsghuni, M11-Akhpradzor. The remaining road sections have been preliminary identified and will be approved during project implementation.

G. Environmental and Social Safeguards Specialists on the Team

Darejan Kapanadze, Environmental Specialist
Sanjay Agarwal, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Activities financed under the LRNIP-AF are not expected to have significant impact on the environment. All planned physical works are limited to rehabilitation of the existing alignments. Overall long term social and environmental impacts will be positive, while negative impacts will be of minor



scope and duration, and typical for any small to medium size road rehabilitation activity. The project continues to be classified as environmental Category B. The Environmental and Social Management Framework (ESMF) is prepared through updating of the Environmental Management Framework of the original LRNIP. The ESMF provides guidance for undertaking site-specific environmental due diligence throughout the Project life, including procedures for environmental screening proposed individual investments, planning measures for mitigating potential risks of these investments, and monitoring application of these measures. The use of an EMP Checklist for Small Scale Road Construction or Rehabilitation is proposed for facilitating site-specific environmental management planning under the Project.

Performance Standards for Private Sector Activities OP/BP 4.03	No	No change
Natural Habitats OP/BP 4.04	No	The Project does not finance construction of any new roads and all works will be undertaken within the present road corridors. Hence an impact on natural habitats is not expected. Site-specific EMPs will examine proximity of individual work sites to the designated protected areas or to valuable habitats outside them and will recommend mitigation measures as required.
Forests OP/BP 4.36	No	No change
Pest Management OP 4.09	No	No change
Physical Cultural Resources OP/BP 4.11	No	The project will not finance construction of any new roads, therefore it is unlikely to impact any registered historical and cultural monuments. Likelihood of chance findings is modest as no new roads will be constructed and no significant re-alignment of the existing roads will be undertaken. However, as a precautionary measure, the updated ESMF provides guidance on proper handling of chance findings should they be encountered during earth works.
Indigenous Peoples OP/BP 4.10	No	No change
Involuntary Resettlement OP/BP 4.12	Yes	The Project is expected to have positive social impacts in the form of improved access to markets, nearby towns, and provided opportunities for temporary employment through the contractors.



Based on the experience of the ongoing original LRNIP, the road improvements will include upgrading or arrangement of sidewalks, drainage, etc., with good engineering standards, and will require a minimum road cross-section of 10 meters. It is possible that all roads may not have 10-meter encumbrance free cross-section. Thus, the Project may require some minor land acquisition. In order to mitigate related impacts, a Resettlement Policy Framework (RPF) was updated by the Government. The RPF covers the process of identifying the anticipated impacts, consultation process during design and implementation stages, grievance mechanisms, implementation arrangements, monitoring mechanism, coordination with civil works, etc. Once the detailed designs for specific road sections are finalized and if any of those requires involuntary resettlement, a Resettlement Action Plan (RAP) will be prepared, disclosed and discussed with the affected people. The Government will be responsible for implementing RAPs prior to commencement of civil works. Bank approval will be sought if project financing is proposed for land acquisition.

Safety of Dams OP/BP 4.37	No	No change
Projects on International Waterways OP/BP 7.50	No	No change
Projects in Disputed Areas OP/BP 7.60	No	No change

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

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

The Project is not expected to have significant impact on the environment. All planned physical works are limited to rehabilitation of road sections along their existing alignments. They are unlikely to induce immediate or mid-term new development of a significant scale in the project area. Therefore, negative social and environmental impacts of the project will be of minor scope and duration, and typical for any small-scale road rehabilitation activity, while the long term social impact will be positive. An Environmental and Social Management Framework (ESMF) currently used for the purposes of LRNIP, including the first Additional Financing (AF) to it, has been updated for the needs of the provision of the second AF, disclosed and consulted with stakeholders. It provides general guidelines for applying environmentally sound practices to local roads rehabilitation. Site-specific Environmental and Social Management



Plans (ESMPs) will be produced for all road sections to be upgraded with the Project support. Site-specific ESMPs will specify environmental and social risks associated with rehabilitation works to be carried out in respective locations, recommend respective mitigation measures, and provide monitoring schemes for tracking adherence to the mitigation plans. ESMPs will be included in tender documents and later get incorporated into contracts for the provision of works hence becoming contractually binding for works contractors. Adherence to the ESMPs in the course of civil works will be sufficient for keeping environmental and social impacts of the Project at the acceptable minimum level.

The project has a Contingent Emergency Component (CERC). The project's ESMF will be further revised before Project effectiveness to include a description of potential emergencies and the types of activities likely to be financed and potential risks and mitigation measures associated with them. It will also identify likely vulnerable locations and/or groups and include, if and where needed, a social assessment to guide emergency responses. The ESMF will include a screening process for potential CERC activities, the institutional arrangements for environmental and social due diligence and monitoring, any needed capacity-building measures, and generic guidance on emergency civil works. If the implementation arrangements for CERC differ from those of the on-going Project, the Bank will verify whether a different implementing agency has the requisite skills and capacity to undertake due environmental and social diligence regarding the CERC activities and if any additional safeguard instruments are required for implementing the CERC. The ESMF will indicate which kinds of emergency response actions can proceed with no additional environmental or social assessment, and which ones require an assessment (and at what level) prior to being initiated. Revising the ESMF in the above-described manner satisfactory to the Bank, and re-disclosing it will be an effectiveness condition of the proposed AF loan.

The Project is unlikely to undertake any form of land acquisition and will not cause restriction of access to sources of livelihoods, because all physical activities will be carried out within the existing right of way. The road improvements will include upgrade or arrangement of sidewalks, drainage, etc., with good engineering standards and will require a minimum road cross-section of 10 meters. However, in some cases, the road and/or sidewalk width varies, as per the design, to avoid damage to any property and avoid adverse impacts on any asset, crop, used land, etc. The parent project triggered OP 4.12, which necessitated the preparation of the Resettlement Policy Framework (RPF) for the project. This RPF was updated and redisclosed for the purposes of this AF. To date, none of the sub-projects under the parent Project have necessitated the development of a Resettlement Action Plan (RAP) as all road construction has been within the right of way of existing roads. The RPF has been updated as a precautionary measure, in case there are any road sections which necessitate involuntary resettlement. Should such a case arise, project-related social or economic resettlement will be addressed through site-specific Resettlement Action Plans (RAPs), which will be prepared, when needed. Overall, the potential social impacts of the project investments are expected to be of a small-scale and site-specific and thus easily remediable through the ESMP.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: No indirect and long term negative impacts are anticipated in relation to future activities in the Project area. The Project is expected to have positive social impacts in the form of improved access to markets, nearby towns, and provided opportunities for temporary employment through the contractors.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The Project does not include new developments: it will be rehabilitating existing roads; therefore no alternatives were considered. It will improve sections of the existing lifeline road network critically important for rural livelihood.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower



capacity to plan and implement the measures described.

The Borrower has updated and re-disclosed the ESMF and RPF currently used for the purposes of LRNIP on February 21, 2019. These framework documents provide comprehensive guidance for undertaking site-specific safeguards work. Once designs for the rehabilitation of individual road sections are prepared on the rolling basis, site-specific ESMPs will be developed for all works, and RAPs will be prepared in cases if rehabilitation works require any type of involuntary resettlement. Adherence to ESMPs and implementation of RAPs, as required, will be mandatory for works financed from the Project proceeds. The Ministry of Transport, Communication and Information Technologies (MoTCIT) carries overall responsibility for the Project implementation. MoTCIT delegates day-to-day administration and management of the Project to the existing Transport Project Implementation Organization (TPIO) under the MoTCIT. It has been successfully implementing LRNIP. TPIO has in-house environmental and social/resettlement specialists and also uses external consultant services for the application of safeguard policies. Environmental and social performance under LRNIP is satisfactory.

LRNIP's rating for compliance with environmental and social safeguard policies has been within the range of Moderately Satisfactory to Satisfactory during the project lifecycle. Both the social and environment risk ratings are currently satisfactory. In the past, shortfalls related to the limited stakeholder engagement during implementation, omission of registration of social impacts in some ESMPs, inadequate dissemination of project information, and the limited publicity and use of grievance mechanism have been observed. However, there have been notable improvements by the TPIO in the past year to work on these shortfalls. The TPIO is committed and will continue to improve social risk management through strengthening grievance management, improving communication with beneficiary communities, enhancing the public consultation process, monitoring ESMP implementation and building capacity of contractors' staff on managing social risks. On the environment side, earlier, shortfalls were observed in on-site management of waste and its final disposal, sanitary conditions at work bases of individual contractors, and reporting on the outcomes of environmental monitoring by supervision consultant. While quality of reporting has been fixed to the Bank's full satisfaction, work site management remains a relative weakness and calls for close attention by the TPIO; especially aspects related to health and safety of workers and project-affected communities.

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

The key Project stakeholders are the MoTCIT, Armenian Road Department, Ministry of Territorial Development and Administration, Ministry of Nature Protection, Traffic Police, local municipalities, and residents of settlements which use lifeline roads for connecting to services and markets. A wider range of population of Armenia will benefit in a longer term from the expected increased access to economic and social opportunities, and job creation resulting from better connectivity through the rehabilitated lifeline roads. The updated ESMF and RPF have been re-disclosed in country on February 21, 2019 through the web pages TPIO and the MoTCIT, and will also be disclosed at the World Bank's external website prior to the approval of the second AF. Site-specific ESMPs will be drafted, disclosed, and consulted with local stakeholders prior to tendering of works at any given work site. RAPs, if required, will be drafted, disclosed, discussed with project-affected people, and implemented by the Government prior to commencement of works.



B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
31-Jan-2019	28-Feb-2019	

"In country" Disclosure

Armenia
21-Feb-2019

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
31-Jan-2019	28-Feb-2019

"In country" Disclosure

Armenia
21-Feb-2019

Comments

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

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

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

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

Yes

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

Yes



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

Yes

OP/BP 4.12 - Involuntary Resettlement

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

Yes

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

Yes

Is physical displacement/relocation expected?

No

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

No

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

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

Yes

All Safeguard Policies

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

Yes

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

Yes

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

Yes

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

Yes

CONTACT POINT

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APPROVAL

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LIFELINE ROAD NETWORK IMPROVEMENT PROJECT - Second Additional Financing (P169158)
