

# INTEGRATED SAFEGUARDS DATA SHEET

## IDENTIFICATION / CONCEPT STAGE

Report No.: ISDSC16052

Date ISDS Prepared/Updated: 01-Sep-2016

### I. BASIC INFORMATION

#### A. Basic Project Data

<b>Country:</b>	Armenia	<b>Project ID:</b>	P158359
<b>Project Name:</b>	AGRICULTURE POLICY MONITORING AND EVALUATION CAPACITY BUILDING PROJECT		
<b>Team Leader(s):</b>	Bekzod Shamsiev, Arusyak Alaverdyan		
<b>Estimated Date of Approval:</b>	11-Nov-2016		
<b>Managing Unit:</b>	GFA03	<b>Lending Instrument:</b>	IPF
<b>Financing (in USD Million)</b>			
Total Project Cost:	1.8	Total Bank Financing:	0
Financing Gap:	0		
<b>Financing Source</b>			<b>Amount</b>
Japan Policy and Human Resources Development Fund			1.8
<b>Environment Category:</b>	B - Partial Assessment		

#### B. Project Development Objective(s)

The broad objective of the PRIME window of the Japanese PHRD technical assistance grants program is to enhance the use evidence-based decision making in government systems, by strengthening the monitoring and evaluation (M&E) systems of recipient ministries in priority sectors. Agriculture has been selected as a priority area for grant support, along with health, nutrition, population and urban development. Armenia's Ministry of Agriculture (MoA) is viewed as a strong candidate for support due to its demonstrated commitment to policy reform, its awareness of the need to improve its capacity for policy analysis and policy formulation, and its recent efforts to strengthen its capacity for monitoring and evaluation.

Within this context, the objective of the proposed project is to strengthen M&E capacity and systems as elements of evidence-based agriculture policy analysis and formulation. Strengthened government ownership of the policy process is viewed as an important further outcome of grant support.

#### C. Project Description

The MoA in close collaboration with FAO will undertake detailed project design during August-September 2016 in a way that complements and extends the initiatives already taken by FAO in the context of evidence-based decision making. The tentative project design includes: a review of the training needs for MoA staff; the scope for associated capacity building within national universities

and think tanks as a means to further strengthen the capacity for independent policy M&E; a review of the existing information and statistical base and recommendations on how best to use this information for evidence-based decision making; and the basis for building effective links with other Ministries and relevant public and private agencies as a means to increase understanding and awareness of the impact of evidence-based policy making. Support and training would cover all Ministry units involved in designing, implementing and monitoring policy. This would include the Department of Monitoring and Evaluation and the Department of Agricultural Program Development, but also the line departments and divisions involved with specific policies, e.g. the Department of Plant Growing and Plant Protection, the Department of Land Use and Melioration, the Department of Agro-processing Development and the Department of Veterinary and Livestock Agriculture. This would ensure that all elements of the policy cycle critical to M&E are upgraded, with policies being well documented with clear intervention logic and appropriate monitoring indicators and are well evaluated, and would ensure that no one department was swamped by too much technical assistance and training.

The project will run for 2 years, from early 2017-2019, with an estimated total cost of US\$ 1.8 million and will have two components.

#### Component I: Capacity Building for Evidence Based Policy Making (US\$1.625 million)

I.1 Staff Training (US\$ 350,000). The training needs identified by the International Expert will be followed up with an extended series of short (2-4 day) training programs, to be implemented once every 2 months during the life of the project. In addition to relevant MoA staff, training will also be provided for staff of other ministries and public agencies (e.g. NSSRA), and university staff, as deemed appropriate. Potential areas of training will include building skills in: the selection, design and use of appropriate monitoring indicators; how to review existing and prospective sources of information; the development and management of data bases; the design and commissioning of evaluations to support evidence based policy making; techniques of policy analysis; the design of mechanisms to build citizen engagement into the process of policy evaluation; and the alignment of M&E outputs with strategy implementation and budget formulation.

I.2 Survey Design and Analysis (US\$ 200,000). To further build skills in the development of M&E for evidence based policy making, the project will support a small number of surveys and analyses to be commissioned and implemented by staff in the Ministry of Agriculture or other relevant agencies (e.g. NSSRA, Agrarian University etc). Potential activities include: analysis of the recently completed Agricultural Census; the development of templates for farm enterprise analysis (gross margins), that can be updated quickly and easily with secondary data on an annual basis as the basis for monitoring trends in on-farm incomes and profitability; and a joint program with the NSSRA to review and improve the current survey instruments used for agriculture and rural areas, to render them better suited to evidence based policy making.

I.3 Specific Evaluations (US\$400,000). The proposed project will fund specific, detailed economic evaluations on topics agreed with the MoA's leadership. These evaluations would typically take a few weeks to complete, often involving a small ad hoc working group comprising staff from the relevant departments. These papers can focus on different issues, such as impact analysis of existing policies, including socio-economic impact, environmental impact and regulatory impact assessment. (ii) Each kind of evaluation would have its own issues and approaches, which could be taught by engaging an international expert to guide and support the MoA as they do their first evaluations. Where capacity in the MoA is limited, many of these evaluations can be contracted out to

universities and think tanks, but it would be good for the MoA to have their own experience of carrying out such evaluations, to help them prepare good Terms of Reference and better assess the reports that they receive.

I.4 Computers, Printers and Software for Data Base Management (US\$ 60,000). The project will provide limited support for computers and software for data base management.

I.5. Technical Assistance (US\$615,000). An international advisor with demonstrated experience in capacity building for evidence based policy making will be recruited to guide and support project activities in the Ministry of Agriculture. Potential areas of support (to be agreed during project preparation) include: review of the current institutional base within the Ministry of Agriculture for M&E and evidence-based policy making, including its links to other ministries and public agencies, followed by recommendations and guidance on ways to strengthen this institutional base; an assessment of the human resource base for policy M&E and the design of a training program for building and strengthening relevant skills; a review of the current system of M&E, its capacity to evaluate policy and its links to implementation of agriculture sector strategy and design of the agriculture budget, and support for adoption of the principles and techniques of evidence based policy making -- including statistical analysis, commissioned research, citizen engagement and the use of administrative information; a review of the current evidence base for agricultural policy monitoring produced by the NSSRA and the development of recommendations on ways to strengthen its contribution to evidence based policy making for agriculture; a review of the need to build capacity for independent policy monitoring outside the Ministry (e.g. universities, think tanks) as a further input to evidence based policy making and the design and implementation of appropriate training and support programs; and the development of appropriate forums for sharing the outcomes of evidence based policy making with other government ministries and public agencies. As capacity building of this nature is a gradual process, and needs constant support and reinforcement to be effective, the International Expert will be appointed for the duration of the project.

This subcomponent will support implementation of the knowledge transfer strategy to strengthen ownership while ensuring sustainability. The knowledge transfer strategy will be developed at project appraisal using experience from implementation of similar projects in Bulgaria, Georgia, Macedonia, northern Cyprus, Serbia and Uzbekistan.

In line with the requirements of section 3(b) of the Operating Guidelines for the Japan PHRD Technical Assistance Grants Program: "Performance and results with improved monitoring and evaluation" (PRIME) window the project will support an Action Plan which could include the following activities under the Component 1:

- Establishing user-friendly databases and regular updating procedures for key sources such as the agricultural census results, annual agricultural statistics, reports from Ministry, systems, and trade data for food and agricultural products.
- Creating standard systems for monitoring common elements of Ministry policies (payments, beneficiaries, etc.) so policy analysts have ready access to these data.
- Adding modules to monitor individual Ministry policies and programs, adjusted to the specific indicators used in each case.
- Providing access to and training in international databases, such as FAOSTAT, Eurostat database, UN Comtrade, World Bank DataBank and World Integrated Trade Solutions software (WITS).
- Helping establish an information unit in the Ministry to provide all departments with these data.
- Contracting studies and surveys to collect detailed data from farmers and other stakeholders, to

support specific policy evaluations.

- Training all staff involved in agricultural policy, to raise understanding of the policy cycle, how to set appropriate monitoring indicators, and how to assess the economic impact of proposed and implemented policies.
- Establishing a regular gross margin survey to give the Ministry up-to-date and reliable information on the profitability of different farming activities, and training staff in how to use this for policy evaluation in areas ranging from assessing the impact of recent floods or drought, to calculating how policy changes could affect different types of farm.
- Providing the Ministry with regular commodity balances and a practice of monthly commodity briefings, so that policy makers are aware of potential problems before they appear in the newspapers.
- Improved procedures for consultation and stakeholder involvement in policy M&E and design.
- Developing more advanced tools for specific parts of the policy cycle (e.g. problem analysis and ex ante policy appraisal, regulatory impact assessment, environmental impact assessment, and ex post impact evaluation), with training and support for relevant staff to apply them.
- Assessment of gender development of specific mixed-method indicators to track gender (surveys, specific evaluations), gender-specific impact evaluation and use of diagnostics / thematic studies to recognize gender-specific constraints or opportunities to inform design corresponding activities.
- Re-establishing a market information system so that policy makers, farmers and traders have good and up-to-date information about developments on the markets.
- Creating an annual policy report setting out the objectives, beneficiaries, budget and impact of each policy and programme implemented by the Ministry.
- Training selected staff in survey design and analysis, so that they can both implement small surveys themselves and confidently specify and manage contracts for external survey work.
- Supporting senior Ministry staff to embed best practice and an evidence-based policy cycle into the routine operations of the Ministry, including strong linkages between strategy development, policies and budget.

Component II: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination (US\$ 175,000)

This component consists of three subcomponents:

II.1 Project Management and Administration (US\$124,000). The project will be managed by a national expert with extensive experience in agriculture and the institutional structures of government. He will be assisted by a full-time secretary. The project will be implemented by the existing Agriculture Projects Implementation Unit (APIU) of the Ministry of Agriculture. The project budget provides for incremental project management costs, including additional technical specialists as identified during further project preparation, costs of transport and field visits and audit.

II.2 Monitoring and Evaluation (US\$25,000). This subcomponent will finance the costs of impact assessments at mid-term and at project completion. The project the M&E framework will be developed during appraisal and its implementation will be reviewed regularly by the Ministry of Agriculture and APIU.

III. 3 Knowledge Dissemination (US\$24,000). This subcomponent will fund activities related to the project launch, expert round tables and web-based and paper copy dissemination of the project's key reports. The Ministry of Agriculture's and APIU's websites will be used for a virtual discussion of the project's studies. The project will finance printing and distribution by direct mailing 100 of the final

project reports in Armenian and English to all key counterparts in the Government of Armenia's key ministries and agencies, think tanks, NGOs active in this sphere, key public libraries and higher educational institutions (faculties of economics and rural development/agriculture).

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

**E. Borrower's Institutional Capacity for Safeguard Policies**

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

Darejan Kapanadze (GEN03)

**II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	Yes	The outcomes of the proposed project may have significant environmental and social implications. Some of the proposed output of the proposed program may contain the analysis of environmental and social impacts and the approach for mitigating these impacts. The choice of safeguard policies to be triggered and the choice of an appropriate safeguards instruments would be considered during program preparation once there is greater clarity of the proposed program subcomponents.
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	No	
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. Appraisal stage ISDS required?: Yes**

i. Explanation

- ii. Tentative target date for preparing the Appraisal Stage ISDS  
30-Sep-2016

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage ISDS.**

#### IV. APPROVALS

Team Leader(s):	Name: Bekzod Shamsiev, Arusyak Alaverdyan	
<b><i>Approved By:</i></b>		
Safeguards Advisor:	Name: Nina Chee (SA)	Date: 27-Jun-2016
Practice Manager/ Manager:	Name: Peter Goodman (PMGR)	Date: 28-Jun-2016

<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.