

# INTEGRATED SAFEGUARDS DATA SHEET

## IDENTIFICATION / CONCEPT STAGE

**Report No.:** ISDSC14126

**Date ISDS Prepared/Updated:** 17-Feb-2016

### I. BASIC INFORMATION

#### A. Basic Project Data

<b>Country:</b>	Armenia	<b>Project ID:</b>	P156378
<b>Project Name:</b>	Social Investment and Local Development RETF		
<b>Team Leader(s):</b>	Briana N. Wilson		
<b>Estimated Date of Approval:</b>	01-Jul-2016		
<b>Managing Unit:</b>	GSP03	<b>Lending Instrument:</b>	Lending Instrument
<b>Sector(s):</b>	Other social services (100%)		
<b>Theme(s):</b>	Decentralization (10%), Participation and civic engagement (9%), Other human development (30%), Municipal governance and institution building (21%), Rural services and infrastructure (30%)		
<b>Financing (in USD Million)</b>			
<b>Total Project Cost:</b>	2.39	<b>Total Bank Financing:</b>	0
<b>Financing Gap:</b>	0		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0
Free-standing Single Purpose Trust Fund			2.39
<b>Environment Category:</b>	B - Partial Assessment		

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

The proposed development objective is to increase the access of pilot municipalities in Syunik and Vayots Dzor marzes to direct capital investments for improving sustainable public infrastructure and services across multiple communities.

#### C. Project Description

This project complements the recently approved Armenia: Social Investment and Local Development Project (SILD - P148836), financed by the World Bank. It provides additional resources to complement Component 2 of the SILD Project in order to pilot new innovative inter-community projects in two regions targeted by the larger SDC's LSG program. It is being processed as a separate project, rather than additional financing, as it is part of SDC's larger engagement in Armenia to strengthen accountability, effectiveness and efficiency of the local self-government system and thus has narrower objectives specifically aligned to the SDC's parent program. It will follow the operational procedures developed for the SILD.

The Project will provide direct capital investments to facilitate tangible improvements in terms of local development and public service provision. Pilot municipalities will have the opportunity to apply for grants to fund projects with the objective of meeting minimal public infrastructure requirements (such requirements are defined on individual basis for each municipality by MTAES on the basis of feasibility studies already conducted with the support of GIZ and participatory decision making of targeted municipalities), thereby providing better services to citizens and supporting economic activities through inter-communal cooperation. The pilot areas, identified by SDC in consultation with the GOA, are located in Southern Armenia and include Shinuhair (Tatev), Goris, Sarnakunk and Meghri in Syunik Marz and Zarithap, Vayk, Jermuk in Vayots Dzor Marz. These municipalities will have the opportunity to apply for funding under the project selection procedures for Component 2 of the SILD, which are currently under preparation. The phasing and logic of distribution of funds across the two regions and across the above mentioned municipalities will depend on the phasing of the reform and the quality of project proposals presented.

This funding will stimulate the municipalities to:

- a) Improve effectiveness and efficiency of public services by introducing new models of service provision through inter-municipal cooperation;
- b) Invest into local economic development and strengthen the municipalities' role in the provision of transactional services for rural economic development through improving public infrastructure that, in turn, can lead to the growth of local revenues.

Links of proposed capital investment projects to local and regional development plans and municipal budgets through co-funding will be among the conditions for all project grants.

These pilots have the potential to generate experience and models that can be widely applied later by ATDF throughout the country for stimulating more effective and efficient service provision and regional economic development through inter-communal cooperation and inform the further rollout of Component 2 of SILD.

#### Targeted Areas

Component 2 of the SILD project as well as direct capital investments planned by USAID and regional development grants of the EU will be implemented nationwide, whereas this SDC-funded RETF will be streamed specifically to two regions – Syunik and Vayots Dzor – where other SDC projects are being implemented. This geographic focus is expected to yield reinforcing links between SDC's interventions in the field of local governance and economic development and employment and, thus, greater impact.

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

This project will include activities in Southern Armenia, including Shinuhair (Tatev), Goris, Sarnakunk and Meghri in Syunik Marz and Zarithap, Vayk, Jermuk in Vayots Dzor Marz. Specific sub-projects and sub-project locations are not yet known.

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

The project will be implemented by ATDF - an agency with strong administrative capacity and technical expertise with an operation history of 18 years. ATDF has a high capacity staff, sound financial management and procurement systems and reporting mechanisms that are currently used

under the SILD Project. In terms of social safeguards, the SILD Project includes a legal covenant requiring ATDF to retain qualified safeguards expertise to ensure compliance with OP/BP 4.12. As of October 2015, a social safeguards specialist has been recruited by ATDF for this function. This specialist will also supervise safeguards compliance under this project.

ATDF has been using services of an environmental consultant for years. It is agreed between the ATDF and the Bank that ATDF must retain present in-house capacity for environmental management and also consider hiring an additional environmental person to cope with the significantly expanding portfolio and workload.

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

Darejan Kapanadze (GEN03)

Sarah G. Michael (ECCU3)

Sophia V. Georgieva (GSU03)

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

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	<p>The expected environmental and social risks from this project are identical to those identified for SILD Project and both operations are classified as environmental Category B. OP/BP 4.01 was triggered for SILD Project and an Environmental and Social Management Framework (ESMF) has been prepared for it. Will be used for the purposes of SILD SDC RETF project as well.</p> <p>SILD Project's ESMF was disclosed in draft, discussed with stakeholders, finalized thereafter, and re-disclosed on October 31, 2014.</p> <p>ESMF provides detailed guidance on environmental and social screening and classification of the proposed activities, developing environmental and social management plans as required, and undertaking monitoring of safeguards application.</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	Yes	As was the case for SILD Project, OP/BP 4.12 is triggered to facilitate implementation of any sub-projects which may trigger resettlement.

		<p>The SILD Project's Resettlement Policy Framework (RPF) and Project Operations Manual (POM) procedures regarding safeguards will also govern this project. The SILD RPF was consulted in country and in-country disclosure took place on October 31, 2014.</p> <p>If required, Resettlement Action Plans (RAPs) will be developed for sub-projects following the guidance provided in the RPF. They will be disclosed, consulted with the sub-project-affected people, approved and implemented prior to commencement of works at a given site.</p> <p>The RPF includes clear grievance redress procedures to be maintained throughout the Project implementation period.</p>
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	Yes	<p>Triggered under SILD Project, however communication between the riparian states on the Project interventions is deemed unnecessary. An exception from the requirement for the notifying the other riparian states was obtained from World Bank Management on January 15, 2015.</p> <p>Activities proposed for financing from SILD STC RETF will be screened alike those suggested for SILD Project support to ensure that investments related to water, wastewater, and irrigation infrastructure (i) will not adversely change the quality or quantity of water flows to the other riparians; and (ii) will not be adversely affected by the other riparians' possible water use. Activities not meeting these requirements will be ineligible for SILD SDC RETF funding.</p>
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  
15-Mar-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.**

No environmental and/or social studies are required for the preparation of SILD SDC RETF. Framework safeguard documents prepared and used by ATDF for the implementation of SILD Project will be updated to fully cover the new project needs. ESMF and RPF will be re-disclosed upon revision prior to the appraisal of SILD SDC RETF.

**IV. APPROVALS**

Team Leader(s):	Name: Briana N. Wilson	
<b><i>Approved By:</i></b>		
Safeguards Advisor:	Name: Agnes I. Kiss (SA)	Date: 22-Feb-2016
Practice Manager/ Manager:	Name: Andrew D. Mason (PMGR)	Date: 23-Feb-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.