



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 10/12/2022 | Report No: ESRSC02804



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Armenia		P179083	
Project Name	Promoting Social Accountability in the Governance of Armenian Water Resources		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Sustainability and Inclusion	Investment Project Financing		11/21/2023
Borrower(s)	Implementing Agency(ies)		
Urban Foundation for Sustainable Development (UFSD)	Hetq Investigative Journalists NGO (HIJ), Urban Foundation for Sustainable Development (UFSD)		

Proposed Development Objective

The proposed development objective is: To contribute to improving citizens’ access to irrigation water resources in Ararat valley of Armenia through fostering citizen engagement and social accountability in water governance.

The project will pursue the rights of about 300 000 residents in about 100 settlements who experience severe water shortage in the result of poor governance and aggravated by climate change. The project will specifically target Water Users Associations (WUAs) who are the closest institutional link to the citizens in the water governance chain. By capacity development and mobilization of active citizen groups, WUAs of the target area will be held accountable for their practices and supported to improve them. For water related policy issues that are under national competence, citizens and the WUAs will advocate jointly.

More specifically, the scope of the proposed project encompasses the following:

- i. Generating accurate and up-to-date data about existing water resources in the target area (including information about its distribution, losses, reasons of scarcity, etc.);
- ii. Capacity development of 4 WUAs to improve management practices and accountability;
- iii. Mobilization and training of local activists, creation of Citizen Task Force (CTF), establishing mechanisms for monitoring water management practices.
- iv. Development and advocating changes for more efficient water usage jointly by WUAs and CTFs on institutional and practical level;
- v. Knowledge sharing with WUAs and stakeholders (including state Water Committee) from other regions of Armenia for jointly promoting social accountability in water sector.



Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>0.46</b>

**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]**

The project responds to the Armenia CPF focus area on sustainable management of environmental and natural resources, and consists of three components:

Component 1: Capacity building for collaborative social accountability. This component focuses on providing capacity development of active groups of water users – members of WUAs to hold WUA management accountable for their activities and fair distribution of irrigation water. Activities under this component follow ‘learning by doing’ principle. They will be implemented parallel to those under Component (ii) and may coincide or interplay with them to promote multi-stakeholder partnership.

Component 2: Implementing collaborative social accountability mechanisms for improved water resource governance efforts. This component focuses on providing training to WUAs to strengthen participatory management, become more transparent and accountable before water users and public in general. Activities under this component will be implemented parallel to those under Component (1) and may coincide or interplay with them to promote multi-stakeholder partnership.

Component 3: Improving knowledge and learning on social accountability in the Armenian water resources sector, and project management. This component focused on knowledge sharing about project’s achievements, multi-stakeholder partnership is established aiming at improving social accountability in water sector of Armenia.

**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 project's geographical area is the fertile Ararat Valley of Armenia which is the largest agricultural region of the country. Ararat Valley is the breadbasket of Armenia, producing over one third of the country’s total agricultural output annually, and is home to a significant portion of Armenia’s vineyards and orchards. Almost every household is engaged in farming at one level or another. The Valley is rich in groundwater resource that has been used not only for irrigation but also for domestic, fish-farming, and industrial purposes, including cooling the Metsamor nuclear power plant. However, over decades, water extraction and use has been poorly managed. This implied weak enforcement of existing regulations, corruption, government decisions being based on outdated and inaccurate data,

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dilapidating infrastructure, and inaction in the face of climate change. Issuance of multiple water permits led to drastic increase in the number of fish farms and over-exploitation of groundwater resources. For irrigation purposes, Ararat Valley has been becoming increasingly dependent on surface water supply from Lake Sevan.

Targeted project beneficiaries are all farmers that use irrigation services for growing crops. The main disparity among farmers comes from unequal availability of water, quality of received irrigation services, and soil quality. Water-stressed villages are disadvantaged as compared to those with stable access to irrigation water, however, impacts of climate change and depleting groundwater aquifers carry risk for farmers that are not experiencing water scarcity at present. The project will help to optimize the use of available water resources through improved governance and build climate resilience into planning and managing operation of irrigation schemes as well as into a broader set of agricultural practices of farmers.

**D. 2. Borrower’s Institutional Capacity**

The Urban Foundation for Sustainable Development (UFSD) is a non-governmental organization in Armenia, acting as the grant recipient and project implementing entity. The UFSD has not worked with the Bank previously and has no experience in project implementation following the Bank’s Environmental and Social Framework (ESF). However, since 2008, the UFSD has built up expertise in stakeholder engagement, capacity development, social accountability, and citizen engagement.

The UFSD was established in 2004, with the aim of promoting sustainable and harmonious development of communities. Since then, the UFSD has implemented more than 80 projects in the fields of citizen engagement, capacity development of civil society organization (CSOs), and institutionalized participatory management of local authorities.

The UFSD will partner with Hetq Investigative Journalists (HIJ), a non-governmental organization (NGO) under the project framework. The UFSD will provide guidance on environmental and social aspects to HIJ as needed throughout the project implementation period.

The UFSD will also recruit a number of individual consultants to supplement its inhouse capacity. These would include a social accountability specialist, community trainers, IT/GIS specialist, and others as required.

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

**A. Environmental and Social Risk Classification (ESRC)**

Low

**Environmental Risk Rating**

Low

The project will not support any type of civil works and will have no environmental footprint. It will support target communities and WUAs in organizing and acquiring skills for meaningful involvement in irrigation water governance, achieve greater transparency in water resource management, enhance accountability and transparency. Towards this end, a multi-stakeholder steering committee will be established, a citizen task force created and trained, a roadmap for social accountability development and implementation launched, a web-based WUA platform developed and operationalized, learning materials for WUA representatives developed and disseminated, etc. Hence, project interventions are likely to bring about more efficient and equitable use of irrigation water with potentially positive environmental impact in the medium to long term perspective.

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**Social Risk Rating**

Low

The social risk is classified as Low. The project does not involve civil works and will not impact land, building structures, or any other assets in target communities. Project components include building capacity for collaborative social accountability, implementing collaborative social accountability mechanisms for improved water resource governance efforts and improving knowledge and learning on social accountability in the Armenian water resources sector. The project will employ various types of activities, including conducting workshops and surveys, producing reports and information leaflets, and facilitating mechanisms for effective monitoring. Deployment of the social accountability specialist in the project implementation team and the establishment of the CTF will ensure transparency of all project activities, inclusion of stakeholders in the project implementation, and equal access to project benefits for all target beneficiaries.

**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 project will not include any infrastructure works and will be focused on strengthening capacity and accountability of WUAs in Armenia. The following environmental and social standards (ESSs) are assessed as relevant to the project at the concept stage: ESS 1, ESS 2, and ESS 10.

The UFSD will develop and implement Stakeholder Engagement Plan (SEP) aligned with the requirements of ESS 10 for maximizing project benefits to target communities. The project will employ tailored measures, including multiple forms of communication - face-to-face as well as digital and printed media - to inform and engage citizens and stakeholders. SEP will be followed during project implementation and will be handed over to the beneficiary WUAs for subsequent use as a tool for ensuring transparency of their operation and meaningful involvement of the Associations' members in the WUA decision-making and management.

Labor Management Procedures (LMP) will also be prepared based on the human resource management policy of UFSD, national legislation of the Republic of Armenia, and the Bank's ESS 2. It will apply to direct workers (employees of the UFSD) as well as contracted workers (employees of HIJ and consultant companies, if any) and will include a grievance mechanism. The project will introduce Code of Conduct (CoC) for all employees, and protocols for safe and confidential handling of SEA/SH concerns.

An obligation to implement the project in consistency with the relevant ESSs of the Bank will be reflected in the Environmental and Social Commitment Plan (ESCP) of the UFSD. Based on the nature and scale of project activities and the low risk associated with their implementation, and provided that these activities do not undergo significant changes, it is recommended not to require development of an Appraisal-stage Environmental and Social Review Summary.

**Areas where "Use of Borrower Framework" is being considered:**

N/A

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### **ESS10 Stakeholder Engagement and Information Disclosure**

Citizen and stakeholder engagement is the core part of the project design as the project aims building capacity for collaborative social accountability, implementing collaborative social accountability mechanisms for improved water resource governance efforts and improving knowledge and learning on social accountability in the Armenian water resources sector. The project will employ various types of activities, including conducting workshops and surveys, producing reports and information leaflets, and facilitating mechanisms for effective monitoring. Project-beneficiaries and interested parties include WUAs, citizen groups (CSO/CBOs, activists, and interest groups) within the area where the WUAs operate. Local authorities of target areas of the project, water users of in the service area of WUAs, vulnerable groups living in ‘water stressed’ areas, farmers, fish farms and agricultural businesses, water management structures/stakeholders including state Water Committee.

The UFSD will prepare a SEP by Appraisal, which will outline the activities and timeframe for engaging with different stakeholder groups throughout the life of the project, define roles and responsibilities, human resources and budget needed for implementing SEP activities. Key objectives of the SEP are to maintain a constructive relationship with stakeholders, ensure that their views are taken into account in project design and implementation, specifically in the management of environmental and social performance, provide means for inclusive engagement with all project-affected parties, and ensure that appropriate project information is disclosed to stakeholders in a timely, understandable, accessible, and appropriate manner and format. To achieve these objectives, the SEP will be prepared with inputs from stakeholders and reflect methods of engagement that they would consider most effective. SEP activities will envision measures to ensure that disadvantaged and vulnerable groups have equal opportunity to obtain information and benefit from project activities, as well as have channels for grievance and redress if negatively affected. Such activities include tailored awareness and information campaigns, distributing information materials through multiple channels such as media, social media, and local municipality / community leaders, emphasizing the rules and principles of equity and non-discrimination, for example, in relation to employment opportunities in all training and consultation activities.

Disadvantaged and vulnerable groups under the project are likely to include: elderly; women; poor households; households involving persons with disability; or ethnic/language minority groups. These groups will be identified in SEP and differentiated measures will be proposed to ensure their participation.

The UFSD will establish a grievance mechanism for the project to ensure that citizens have an accessible mechanism to raise any questions, feedback, or complaints on project-related activities. The grievance mechanism will incorporate multiple intake channels and be widely communicated so that all interested parties and the general public can be informed on its existence and use. The details of the grievance mechanism – intake channels, advertisement, processing of feedback and complaints, recording of grievances, response to complainants, monitoring and reporting on the grievance mechanism, etc. – will be described in the SEP.

### **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**



The UFSD has chosen the NGO HIJ as their implementing partner. An implementation agreement will be signed between the partners which will spell out responsibilities and scope of work of each of the two, including the UFSD's commitment to share grant funds with the HIJ based on their involvement in project implementation.

The project will include direct workers (employees of the UFSD) as well as contracted workers (employees of HIJ and other contracted workers). No volunteers or community workers will be involved in this project. In the course of project preparation, the Bank team will undertake an assessment of the national labor regulations and internal regulations UFSD to identify gaps, if any, with ESS2.

The LMP for the project will be developed and will include a description of the grievance mechanism available to all project workers to raise employment-related complaints in a safe and confidential manner. Direct workers engaged in the project implementation will be the staff and individual consultants of the UFSD and HIJ. There may be contracted workers as well represented by the staff of consultant companies, should the latter be contracted for the purposes of the project implementation. At the moment, there are fewer than 10 employees at the UFSD. Labor and OHS risks are low as the project will not involve construction or rehabilitation, or work in a hazardous environment. The LMP will cover direct and contracted workers and will include measures to address SEA/SH risks, as well as measures for COVID-19 infection prevention and rapid response.

#### **ESS3 Resource Efficiency and Pollution Prevention and Management**

The project aims at promoting transparency in irrigation water management and equitable distribution of the resource. Project implementing entity will ensure that the principle of efficient use of irrigation water is mainstreamed into awareness-raising, stakeholder consultation, and civic campaigning activities towards improved governance of water resources. Planning for the procurement of goods for the project will prioritize purchase of energy-efficient equipment, as relevant.

#### **ESS4 Community Health and Safety**

This standard is not relevant. Project activities will not have impact on community health and safety.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

This standard is not relevant. The project will not require land acquisition, nor entail land use restrictions or involuntary resettlement.

#### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

This standard is not relevant. Project activities will have no impact on biodiversity and living natural resources.

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

ESS 7 is not considered relevant for this project.



**ESS8 Cultural Heritage**

ESS 8 is not considered as relevant for the project.

**ESS9 Financial Intermediaries**

ESS 9 is not considered as relevant for the project.

**B.3 Other Relevant Project Risks**

All relevant risks that have been identified are summarized against each of the standards.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

There are no financing partners for the project.

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

**Actions to be completed prior to Bank Board Approval:**

- 1. Prepare and disclose ESCP prior to Appraisal; update, if needed, and re-disclose prior to Board Approval.
- 2. Prepare and disclose LMP; and prepare, disclose, and consult SEP prior to Appraisal.

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

- 1. Ensure that the UFSD has designated specialists for the implementation of ESCP, LMP, and SEP throughout implementation;
- 2. Ensure adherence to LMP throughout project implementation;
- 3. Implement SEP throughout project implementation;
- 4. Include requirements of ESCP in TORs of all technical advisory contracts (including clauses of LMP, CoC, Grievance Mechanism);
- 5. Provide training and awareness sessions for all project workers and consultants prior to start of their respective activities on the project's environmental and social requirements (including LMP, CoC, Grievance Mechanism).

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: Urban Foundation for Sustainable Development (UFSD)

**Implementing Agency(ies)**

Implementing Agency: Hetq Investigative Journalists NGO (HIJ)

Implementing Agency: Urban Foundation for Sustainable Development (UFSD)

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

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