Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 14-Oct-2022 | Report No: PIDC265087

BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P179083		Low	Promoting Social Accountability in the Governance of Armenian Water Resources
Region	**Country**	**Date PID Prepared**	**Estimated Date of Approval**
EUROPE AND CENTRAL ASIA	Armenia	14-Oct-2022	
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Urban Foundation for Sustainable Development (UFSD)	Hetq Investigative Journalists NGO (HIJ), Urban Foundation for Sustainable Development (UFSD)	

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	0.40
Total Financing	0.40
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	0.40
Global Partnership for Social Accountability	0.40

B. Introduction and Context

Country Context

The Republic of Armenia is a land-locked upper-middle income country in the Southern Caucasus region, bordering with Azerbaijan, Georgia, Iran, and Turkey. Armenia's economy has undergone a profound transformation since its independence. Sustained growth, ambitious reforms, as well as inflows of capital and

remittances have created a market-oriented environment. Among the sectors, services drove growth following an acceleration in tourism output and continued dynamism in trade. Industry also expanded strongly, driven by a rebound in mining production. The labor market has improved, but the unemployment rate remains exceptionally high. Regional disparities between the capital, Yerevan, other urban areas, and rural areas persist due to limited economic activity and a lack of job creation beyond the agricultural sector.

With US$2.1 billion, the agricultural sector GDP peaked in 2014 but declined for four years in a row to US$1.7 billion in 2018 —a drop of 16 percent, despite rising exports and structural change towards semi-commercial farms. Despite this decline, agriculture is the main source of economic activity in rural areas and a significant contributor to GDP at 11.2 percent of GDP (2020) and employs about 29.6 percent (2019) of the working population of whom 32.8 percent are female farmers. In 2010 the percentage of female farmers was at 47.2 percent. The importance of agriculture for rural development was made evident in Armenia's Agricultural Sector Strategy for 2020-2030, which sets out a vision to have sustainable, innovative, high value-added agriculture in harmony with the environment, ensuring care of natural resources, producing organic products, and creating conditions for well-being of the people living in the village. The Action Plan of the Strategy is aimed at increasing agricultural production, developing rural areas, and increasing Armenia's competitiveness in the global economy.

In 2018, large-scale protests against corruption in the country led the then president's resignation from office. Collective action led to a wider movement for systemic change known as the 'Velvet Revolution' which brought hope and placed trust in the new regime. In May 2018 Nikol Pashniyan was elected as prime minister. The new government took a gradual approach to reform, which has led to incremental progress. As a result, corruption investigations more than doubled and space for civil society expanded. Moreover, an anti-corruption strategy with the 2019–2022 implementation action plan was established which foresaw several changes in Armenia's legal and institutional anti-corruption framework. Several reform attempts have been implemented since then.[1] However, the deficient enforcement of anti-corruption laws in the context of a rather monopolized economy and existent conflict of interest among public officials remains a concern, and corruption continues to exist in many core public areas, such as the judiciary, tax administration, law enforcement, and basic service delivery.[2]

The 2020 economic outlook has been strongly affected by the COVID-19 pandemic and military conflict. Many Armenians have lost their jobs due to the containment measures; children's education has been affected as distance learning modes were put in place, economic activity decreased, and many Armenians have lost family members to the disease (as of June 2022, an estimated 8,626 Armenians died from COVID-19). With the onset of a six-week military conflict from September-November 2020 between Armenia and Azerbaijan, prospects are uncertain and subject to disruption. The conflict displaced about 90,000 persons and many border-zone agricultural areas remain unsafe for cultivation due to the conflict.

[1] Transparency International. 2020. Overview of corruption and anti-corruption in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, https://knowledgehub.transparency.org/assets/uploads/kproducts/Regional-profile-Eastern-Partnership-countries_2020_PR.pdf. As such, the government has adopted a comprehensive legal framework for civil

service and for public service integrity, criminalized trading in influence and illicit enrichment, introduced the laws on whistleblower protection, enhanced the legal provisions on asset declarations and public procurement, introduced various e-governance tools and services, the system for publication and verification of asset declarations and expanded e-procurement, and established an Anti-Corruption Council, amongst others. Source: OECD. 2018. Fourth round monitoring report, English, https://www.oecd.org/corruption/acn/OECD-ACN-Armenia-4th-Round-Monitoring-Report-July-2018-ENG.pdf

[2] OECD. 2018. Fourth round monitoring report, English, https://www.oecd.org/corruption/acn/OECD-ACN-Armenia-4th-Round-Monitoring-Report-July-2018-ENG.pdf

Sectoral and Institutional Context

Management of water resources is crucial for sustainable growth, especially as the future availability of water could be impacted by climate change. About 80 percent of the country's crops are irrigated. Hydropower accounts for 40 percent of total electricity production. The Ararat Valley region (an important agricultural and fish-producing area) is projected to experience higher warming and thus higher future irrigation demands. As a result, according to the then Ministry of Nature Protection (2009)[1], a 25 percent reduction in river flow is projected which is likely to result in a 15 to 34 percent reduction in the productivity of irrigated cropland (average 24 percent). The total future losses to the agricultural sector are estimated at around AMD 75 billion to AMD 170 billion (US$180 million to US$405 million). The energy sector will also be affected, as Armenia uses its rivers for hydropower generation, and for cooling water for nuclear and thermal power plants. The country's energy program to further develop hydropower could be at risk.

Over the years there have been observable climate trends to water shortage during spring months. The main destination of water supplied for irrigation is the Ararat Valley, where 36 percent of Armenia's food is produced. 80 percent of the Valley is irrigated. By law, water abstraction for irrigation purposes is capped to 170 million m3 a year. The water level in Lake Sevan is now 20 meters lower and volume is 13 percent smaller than in pre-Soviet days. The Lake is now protected as the national policy restricts outflows aiming to raise water level by at least three meters.

Armenia has considerable groundwater resources that play a key role in the overall water balance. About 96 percent of the water used for drinking purposes and about 40 percent of water abstracted in the country comes from groundwater sources. USAID recently assessed the status of groundwater resources in the Ararat Valley, finding the decreasing level of the groundwater supply and the uncontrolled use of artesian water by fish farms has left some 30 communities in the Ararat and Armavir marzes without reliable access to drinking or irrigation water. The depletion of groundwater resources poses a real threat to the country's agricultural sector, and the socio-economic and environmental well-being of these regions. Despite recent measures by the Armenian government to regulate the use of artesian water in the valley, the situation remains serious and is among the Armenian Government's top priorities.

Water use has been subject to considerable variation spanning from 1.7 billion m3 in 2002 to 3.0 million m3 in 2007. 25 percent of water withdrawals have been designated to domestic households, with just 5.4 percent going to industries. Agriculture is the main source of economic activity in rural areas and a significant contributor to GDP, 16.3 percent of GDP (2019) and employs about 32.6 percent (2019) of the working population of whom nearly 32.8 percent were female farmers. 110,000 ha of Armenia's arable land is currently irrigated (24.6 percent), which is equivalent to 5.2 percent of the overall total agricultural land of 2.1 million ha.

Inter-annual variability of precipitation over Armenia fluctuates between 60 and 165 percent. The monthly anomaly analysis indicates huge fluctuations over Armenia. For example, monthly precipitation anomalies in Yerevan vary within the range of 100 to 450 percent, and in Aragats between 100 and 250 percent. Armenia has been facing severe water stress conditions since 2007 when withdrawals reached 60.8 percent of available water resources. According to the World Resource Institute (WRI), the Sevan and Hrzadan river basins are amongst the most water stressed areas in Armenia. By 2030 the stress is expected to rise by a factor of 1.4. The WRI Aqueduct water stress indicator measures the ratio of total water withdrawals to available renewable surface and groundwater supplies ranging from low (0-1) to high (4-5).[1] Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users. At the regional scale, water stress at Yerevan, Kotayk, and Gegharkunik (marzes) is classified as extremely high. The results indicate competition amongst marzes in agricultural, domestic, and industrial water use.

The climate is highly variable with rainfall fluctuations ranging from 20 percent above average rainfall to 40 percent below average. Armenia's climate is influenced by continental climate conditions with atmospheric circulation from the Mediterranean, Siberia and Arabian regions influencing weather patterns. The observable trends indicate that the temperature is increasing, and snow cover is decreasing, thus leading to possible water shortage during spring months. Projected climate trends indicate more frequent and more severe extreme events in spring and summer. Specifically, these include temperature increases of about 4°C average and a nine percent reduction in precipitation by 2100, with the highest warming increases and greatest precipitation declines during summer. The important agricultural Ararat Valley region is projected to experience higher warming than the rest of the country for all seasons, and lastly, the largest changes in precipitation are expected at altitudes higher than 1,700 meters, which are the main areas of river flow formation, impacting water resources.

About 15 percent of agricultural territory is prone to drought. In the Ararat valley, hot winds blow for 120-160 days per year and these combined climatic changes have resulted in longer droughts, especially in the Ararat lowland and foothill zones. Between 2000 and 2010, Armenia experienced seven droughts - major droughts in 2000, 2006 and 2010 combined with other hazardous events such as hailstorms, early frosts, and spring floods. These events caused a reduction in grain production by 50 percent, potato production by 35 percent and vegetable production by 65 percent. In turn, this led to a ten percent reduction in rural employment opportunities.

Governance

Armenia's water sector has been known for corruption and irregularities. High ranking officials and oligarchs reportedly established fish farms in the Ararat Valley which became lucrative businesses due to uncontrolled water extraction and fraud with regards to payment of water and electricity bills. This resulted not only in severe depletion of groundwater resources but in non-transparent, unaccountable work patterns of the Water User Associations (WUAs). Conflicts between ordinary water users and management of WUAs during irrigation season were commonplace. This resulted in trust gaps between water users and providers. A survey conducted by the Urban Foundation under the PURE Water project shows that most of the residents of the Ararat Valley (96 percent) are not involved in water resource management processes, nor have they received relevant information, and 70 percent of households are not aware of their rights and responsibilities as water users.

Armenia has modern legislation that is closely aligned to the EU-Water Framework Directive, and an institutional landscape that separates management of the resource from service provision. Until recently, Armenia had established a body at the highest level of government (The National Water Council - NWC), the functions of which have now been subsumed into the Ministry of the Environment, thus, potentially, reducing its powers and importance and placing a question mark over the sub-sectoral coordination.

The Ministry of Environment (MoE) has a mandate for management of natural resources. Within the MoE, the Water Resources Management Agency (WRMA) has the responsibility to implement the Government's water resources management and protection responsibilities. The linkage between the subsumed functions of the NWC and the established functions of the WRMA are not clear, but it could be assumed that the WRMA would act as a technical secretariat of sorts to provide inputs for Policy and Strategy development. Likewise, the river basin planning function of the WRMA would (or should) ensure flexible management across sub-sectors.

Armenia has in place the Committee for Water (CW), which sits under the Ministry of Territorial Administration and Infrastructure. The CW is a policy-making body, for water infrastructure and systems including irrigation and water supply and sanitation (WSS). All water services are coordinated at this level and implemented through a water supply agency in the case of irrigation, and water supply and sanitation utilities, respectively.

At the operational level, irrigation water is managed by the WUAs, which are non-profit legal entities, established to supply irrigation water to water users in their service area guided by public interest. Currently, there are 15 WUAs operating in Armenia responsible for distribution of irrigation water. They are governed by the general meeting of member water users – the highest authority convening twice a year, Regulatory Board elected by the meeting, and an executive office for day-to-day management. WUAs were created as a participatory mechanism to counterbalance powers within the system, however, the Regulatory Boards of WUAs are strongly dependent on the CW both financially and institutionally. The State subsidizes part of the water cost which was supposed to be generated from fees. Because of different reasons, and particularly non-transparency, adverse practices in fee collection, as well as immense water

losses, WUAs rely on state budget for salaries and operational expenses. A World Bank study of the Sevan-Hrazdan system shows that the overall average energy cost of water delivered to WUAs by the Supply Agency was 12 AMD/m3 ($ 0.024/m3), which is almost four times the average tariff that WUAs pay for this water (3 AMD/m3 = $ 0.007/m3). The high cost is in part related to the need in some places to use expensive pumps. In other words, there is a substantial element of subsidy and economic cost before water even reaches the WUAs. As water moves through the secondary and tertiary canals of the WUAs, it is subject in some cases to further pumping and almost always to further losses, so that the average energy cost of delivering water to the farm is 21 AMD/m3 ($ 0.043/m3), almost twice the government-set volumetric tariff paid by WUA members (11 AMD/m3 = $ 0.022/m3). In addition to these variable costs, there are also substantial fixed costs for staffing, maintaining, and operating the various physical structures and administrative units that make up Armenia's irrigation system.

For irrigation water, the high cost of services and the current low-cost recovery in these systems continue to result in a sector that is performing below par. Prudent water allocation for the different water users in each basin will ensure the full economic potential of water resources. This will include information about water distribution, losses, reasons of scarcity, etc.); approaches to data collection, verification, and management are critical. The sharing of data among different agencies and providing better access to data by the public should be used to improve service delivery.

Enabling Environment for Fostering Effective Citizen Engagement and Social Accountability Practices in Water Management

Although Armenia has made important legal and institutional advances to promote transparency and accountability in the public sector, challenges in implementing reforms have stymied progress in this area. Armenia's efforts in this regard are evidenced by membership in important international initiatives such as the Open Governance Partnership (OGP) and Extractive Industries Transparency Initiative (EITI). Recently the country has begun publishing national and regional budget information online. Line Ministries, such as Health and Education, have established online feedback platforms for collecting citizen feedback. Moreover, legislation such as the *Law on Legal Acts* and the *Law on Local Self Government* are key avenues to collaborate with citizens at the national and the local level.

Further efforts to improve the enabling environment for social accountability can focus on the provision of user-friendly information and two-way mechanisms to involve citizens in decisions concerning public services. Legislation and national feedback platforms provide a strong enabling environment in principle. In practice, citizens and civil society organizations (CSOs) face obstacles to provide meaningful input for the improvement of services. For instance, various Ministries have adopted online platforms, but it is unclear how the results of online polling are used to inform policy and/or improve services. Regular reporting and communication from Government on the use of feedback data will be essential to improve trust. CSOs' have the capacity to serve as effective intermediaries between state actors and citizens. While the general trust towards CSOs is low, specific types of organizations such as those focused on women's issues, charitable causes and environmental matters enjoy higher levels of public confidence and central and local governments increasingly recognize the value of CSOs for service provision. Opening up space for different

levels and types of CSOs to engage in policy discussions will encourage a more collaborative and trusted CSO – state engagement.

Despite a supportive legal environment and the array of mechanisms for public engagement, Armenia can adopt measures to institutionalize meaningful, inclusive and consistent citizen engagement and promote social accountability at the national level and the local level. The most important challenges include: i) a stronger emphasis on user-friendly information sharing; ii) promoting mechanisms for 'closing the feedback loop' i.e., making information about feedback received publicly available, taking and publicizing actions to improve services based on public feedback and functional grievance redress mechanisms, using collaborative decision-making to increase citizen and CSO participation in program or service design; iii) address limited trust in the capacity and effectiveness of CSOs by equipping them with tools for analysis, engagement, and encouraging collaboration between a rich mix of civic institutions, including think tanks, water research institutions, specialist sector NGOs (international, national, or local NGOs, civic actions groups); and iv) support capacity-building for regional and local governments to support beneficiary collaboration mechanisms.

Although a Law on WUA regulating the water sector calls for public participation in decisions, there is lack of concrete mechanism to make the process effective. Access to information on WUAs' activities, their transparency and accountability are among serious shortfalls in the system. There are technical and legal obstacles that do not allow ordinary water users and other interested public to get timely information and participate in discussions. Feedback channels are also not operational, the role of local self-government as defender of the interests of the community in provision of water permits is unclear.

After the peaceful revolution of 2018, the government declared a war against corruption, and is committed to improving the situation by creating an institutional framework with a system for mutually accountable, fair and efficient water distribution. The guiding principles are spelled out in the "Concept of Sustainable Development of the Irrigation System" initially adopted in 2019 and considerably revised in 2022 to address sector challenges, particularly the need for improved, participatory water management, and the creation of trustworthy, fair and accurately measured water distribution systems.

The proposed Project will strengthen the accountability and governance of water resources by promoting models for citizen engagement and accountability in WUAs. The project will pursue the rights of about 300,000 residents in about 100 settlements who experience severe water shortage as a result of poor water governance further aggravated by climate change. The Project seeks to reverse the disengagement of water users, based on the perceived non-responsiveness and non-transparency of WUA officials. WUAs are the closest institutional link to the citizens in the water governance chain. WUAs of the target area will be held accountable for their practices and supported to improve them through capacity development and mobilization of active citizen groups. The project will pilot tools to inform the transparent allocation and distribution of water for multiple uses. By strengthening the engagement of citizens and their ability to hold WUAs to account, WUAs will be more likely to fulfill their legally mandated role. By understanding WUA's current status, their strengths and weaknesses, gaps can be identified to increase citizen and government capacity to collaborate. Citizen Task Forces, consisting of water users, will be established and trained to

understand the technical, financial and institutional dimensions of water availability, management and sustainable allocation so that they can identify and work towards social accountability objectives.

[1] The World Resources Institute Aqueduct Water Stress Indicator measures overall water risk as follows: Low 0-1; Low – Medium 1-2; Medium-high 2-3; High 3-4; Extremely high 4-5

[2] Armenia's Ministry of Nature Protection was reorganized and renamed to become the Ministry of Environment in 2010

Relationship to CPF

The World Bank has a long history of supporting the irrigation and drainage sector. It began with the Irrigation Rehabilitation Project (IRP - 1994-2001) of the International Development Association (IDA), and continued Dam Safety Project (DSP – 1998-2009), and the Irrigation Dam Safety Project II (IDSP II - 2004-2011). In parallel and with the support the Bank financed Irrigation Development Project (IDP) (2001–2009) and the Millennium Challenge Corporation, major policy and institutional reforms took place (2005-2010), which resulted in the support to initially established 52 WUAs under IDP and reorganized later into 44, responsible for the management of irrigation systems at local levels. In 2017, these were consolidated into 15 large WUAs. During 2009-2013, the Bank supported Irrigation Rehabilitation Emergency Project (IREP) targeted the rehabilitation of some main canals coupled with employment generation. The Irrigation Systems Enhancement Project (ISEP, P127759, 2015-2019) has been the most recent Bank-supported project, which aimed to reduce the cost of irrigation services from pumped systems and to improve data and information for improving canal operation and water distribution.

The proposed project is fully aligned with the Armenia Country Partnership Framework (CPF) for FY19–23 (Report No. 123902-AM, dated February 28, 2019). The CPF has been conceived to support the rebalancing of Armenia's economy toward a new growth model focused on boosting exports, enhancing human capital, and sustainably managing natural resources and the environment. The intervention logic is a forward-looking management of environmental and natural resources—including forests, pasture lands, watersheds, and mineral resources— that provides the foundation for sustained inclusive growth through improved performance and citizen engagement in sectors such as agriculture, mining, tourism, and forestry, as well as providing a buffer against climate change and extreme weather events. The project aligns with the CPF Objective 9 which focuses on 'Enhanced climate-change resilience, water security, and disaster risk management capacity'. The proposed project is also aligned to Objective 1 (Improved performance in export-enabling sectors), which focuses on innovative digital platforms for more efficient supply chain management in agriculture and better irrigation and input use and modern small-scale irrigation systems. Lastly, to serve the objectives of the Armenia Citizen Engagement Roadmap, developed in FY17, the proposed project aligns with the CPFs cross-cutting objectives in utilizing diverse citizen engagement mechanisms and indicators to improve project design and implementation.

The proposed project is also aligned with the Government of Armenia's Program as published in February 2019. The top priority of the Government's agricultural policy is to increase the productivity in agriculture, improve the living standards and earning capacity of all entities involved in the entire agricultural value chain - from small households and farmer cooperatives to processors and exporters- as well as sustainably provide food safety in the Republic of Armenia. This includes plans for improving irrigation system performance, and emphasis on establishing systems for enhancing the irrigation efficiency. Approaches mentioned include strengthening local water institutions as well as supporting legal and institutional reforms related to WUAs and improving the quality of services delivered through refining management efficiency and sustainable use of water resources.

C. Project Development Objective(s)

Proposed Development Objective(s)

The Project Development Objective is to contribute to improving the governance of water resources in the Ararat Valley of Armenia through collaborative social accountability processes.

Key Results

The results framework of the project follows the program level results framework of the GPSA. The following three key indicators will measure the project's achievements:

PDO Indicator 1: *Actions have been taken by relevant public sector institution(s) to address problems identified and targeted by the project.*

Unit of measurement: Yes/No

PDO Indicator 2: *Targeted Water Users Associations use [reporting] systems that enable them to provide accurate and transparent information on the supply and distribution of water.*

Unit of measurement: Yes / No

The number of multistakeholder compacts meeting regularly with involvement from relevant stakeholder groups.

Unit of measurement: Number

There is evidence of uptake (as defined by the GPSA) by public sector institutions, the Bank or other donor/development actors to which the project has contributed.

Unit of measurement: Yes/No

The GPSA defines uptake as one or more of the following actions: 1) Use substantive lessons for improvements of targeted policies, processes, and mechanisms; 2) Sustain elements of collaborative social accountability processes after the life of the project; 3) Adapt insights from GPSA projects to scale them through programs or policies, or 4) Apply elements of collaborative social accountability processes in additional localities or sectors.

D. Preliminary Description

Activities/Components

The Project will strengthen the accountability and governance of water resources by promoting models for citizen engagement and accountability in WUAs. The project will pursue the rights of about 300,000 residents in about 100 settlements who experience severe water shortage as a result of poor water governance further aggravated by climate change. The Project seeks to reverse the disengagement of water users, based on the perceived non-responsiveness and non-transparency of WUA officials. WUAs are the closest institutional link to the citizens in the water governance chain. WUAs of the target area will be held accountable for their practices and supported to improve them through capacity development and mobilization of active citizen groups. The project will pilot tools to inform the transparent allocation and distribution of water for multiple uses. By strengthening the engagement of citizens and their ability to hold WUAs to account, WUAs will be more likely to fulfill their legally mandated role. By understanding WUA's current status, their strengths and weaknesses, gaps can be identified to increase citizen and government capacity to collaborate. Citizen Task Forces, consisting of water users, will be established and trained to understand the technical, financial and institutional dimensions of water availability, management and sustainable allocation so that they can identify and work towards social accountability objectives.

An important strategy of this project will be to create multi-stakeholder 'compacts,' enabled by platforms that bring together representatives from government and civil society to work collaboratively on water resource management issues at different levels. The compacts will exist between the CSOs led by Urban Foundation, representatives of the Citizen Task Forces, WUA staff and management, and local government officials at the user level. At the national level a Steering Committee will forge a high-level compact around the purpose of the project to adaptively find solutions to WUA operations. This will be enabled by structured dialogue between the Project and technical representatives of the Ministry of Territorial Administration and Infrastructure to provide collaborative oversight and direction to the Project based on emerging lessons. A national conference will be convened at the beginning and end of the project to bring together policy makers, donors and civil society to agree on the policy objectives of the project and create a policy level compact of cooperation, around the underlying social accountability reforms in the sector.

The project encompasses the following:

i. Establishment of multistakeholder platforms for cross sector engagement, bringing together government officials, WUAs, CSO, donors and users around compacts, joint dialogue and problem solving in the water resources sector
ii. Mobilization and training of local WUA members, sector stakeholders, Citizen Task Forces (CTF), and mechanisms for monitoring water management decisions and practices.
iii. Generating and disseminating accurate and up-to-date data about existing water resources in the target area.
iv. Capacity development of WUAs in Ararat Valley through digitization tools to improve management practices and accountability.
v. Enabling citizen access to information on water resources, improving grievance redress and WUA customer relationship management.
vi. Development and advocating changes for more transparent and efficient water usage jointly by WUAs and CTFs on institutional and practical level.
vii. Knowledge sharing among WUAs including through self-assessment and benchmarking with WUAs in other regions of Armenia.

The project will consist 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. It will be implemented parallel to those under Component (2).

Activities will include, inter alia:

- Activity i-1: Mapping target communities, mapping and meeting local stakeholders. Duration: 2 months

- Activity i-2: Surveying target communities and WUAs. Generate evidence-based information about the current situation in irrigation water supply and collect baseline information on indicators. Duration 2 months

- Activity i-3: Creation of the Citizen Task Forces (CTF) and training: The most proactive and interested WUA members, including representatives from water stressed communities will be invited to form a CTF, which will be trained to use social accountability tools for keeping WUA management responsive and accountable. Duration: 3 months
- Activity i-4: Monitoring of water distribution using social accountability tools. Small grants to WUAs and CTFs to implement innovative interventions on collaborative social accountability addressing problems in the water delivery chain, advocating improved policies with potential of higher-level impact will be encouraged. Duration: 24 months

- Activity i-5: Report on social accountability status of WUAs. The CTFs will prepare a report describing actions that have been implemented to improve social accountability of WUAs. The report will be published as a resource for replication in other parts of Armenia. Duration: 2 months.

Component 2: Implementing collaborative social accountability mechanisms for improved water resource governance. 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).

Activities will include, inter alia:

- Activity ii-1: Training of the target WUAs on participatory management and accountability. To promote social accountability and create a collaborative environment between CTF, CSO/CBOs and WUAs, a seminar will be organized for target WUAs. Dissemination of good practices for WUAs operating in non-targeted areas. Duration: 1.5 months
- Activity ii-2: Accurate data management: To obtain accurate information on the operation of irrigation systems, the project will establish an e-management tool linked to the Geographic Information System (GIS). The system will provide a destination for data on water resources management. WUA members will be trained to interrogate their water connection applications, billing status against water supplied and consumed, rationing schedules and complaints handling. Duration: 28 months
- Activity ii-3: Benchmarking for performance self-assessment of WUAs. The project will institute a benchmarking self-assessment tool. The approach will encourage horizontal learning and peer review. The results of CTF score cards will be juxtaposed with the benchmarking. Bottlenecks and mitigation measures will be recommended and discussed by the civil society-government Steering Committee (see activity iii-1). Duration: 24 months
- Activity ii-4: Equipping WUAs with technology. The Project will procure portable electronic devices - tablets as working instruments in the field. The devices will be connected to the GIS system to operate with accurate and systemized data which will be synchronized with websites and be available for water user residents. Duration: 3 months
- Activity ii-5: Inception meetings with national-level water authorities and creation of the Steering Committee. The PT will organize introductory meetings with national-level authorities in charge of water resource management in Armenia. The project team will ask government counterparts to nominate representatives for the Steering Committee, which will convene regularly. The Steering Committee's role will be to channel findings and recommendations from the project to decision makers and liaising with the national stakeholders. Duration 3 months

Component 3: Improving knowledge and learning, 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.

Activities will include, inter alia:

- Activity iii-1 Stakeholder launch and dissemination conferences. The project will organize an introductory and closing stakeholder conference for broad stakeholders. The launch conference will introduce the project and map stakeholder synergies whereas the closing conference will present solutions and concrete measures for replicating lessons nationwide. Duration 3 weeks each including preparation and reporting.
- Activity iii-2: Roadmap for improved social accountability. Based on the findings and recommendation generated in the survey (Activity i-2), the project team will elaborate a Roadmap for improving SA in the irrigation water sector, supporting transparent and functioning WUAs, enhance water users' voice in the governing bodies of WUAs and promote the rights of users. Duration 2 months
- Activity iii-3 Investigative journalism. The project's media partner – HETQ Association of Investigative Journalists will publish information about the outcomes of the project and build awareness about efforts to promote social accountability. It will use different media to publicize materials on various platforms. An investigative analytical article will be prepared and published on media platforms (such as www.hetq.am). Duration: 34 months
- Activity iii-4: Setting up the project's monitoring, evaluation and learning (MEL) system. Duration 1 month
- Activity iii-5: Contracting an independent evaluator (individual or firm) at the onset of the project. The independent evaluator will conduct the project's evaluation (midterm, and final evaluation), inform quality bi-annual technical reports as well as provide support to the project team to develop capacities to adaptively manage the project. Duration 1 month
- Activity iii-6: Conducting regular internal project MEL sessions focused on adjusting the project's social accountability strategy and operations. Duration continuous
- Activity iii-7: Developing and implementing a plan for disseminating the project's Knowledge and Learning products to key target audiences - with a focus on the uptake of relevant aspects and elements of the collaborative social accountability process and mechanism (implemented by the project) that may be sustained or scaled up and/or inform substantive decisions. Duration continuous
- Activity iii-8: Project Management - support to carry out day to day Project implementation and monitoring, procurement, Financial Management and Monitoring and Evaluation, including through the provision of consultant services (including audit). Duration continuous.

Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social	Relevant

	Risks and Impacts	
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4	Community Health and Safety	Not Currently Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8	Cultural Heritage	Not Currently Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	
Projects in Disputed Areas OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts

The environmental and social risk of the project is assessed as Low. The Project will not support any civil works and will have no environmental footprint. Labor and OHS risks will be limited and can be easily mitigated. Social risks relate to the engagement of stakeholders in the project. Potentially vulnerable and disadvantaged persons may include the elderly, persons with disabilities and limited mobility, and people with limited access to water resources. The project will mitigate these risks by employment of a social accountability specialist, creating the Citizen Task Force, establishing e-platform for Water User Associations, undertaking inclusive consultations and skills training for project beneficiaries in order to ensure equal opportunity for participation, transparency of project activities, and inclusive access to its benefits.

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