

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

Report No.:

Date prepared/updated: December 20, 2013

I. Basic Information

A. Basic Project Data

Country: Armenia		Project ID: P146199	
		Additional Project ID (if any):	
Project Name: Grant for Preparation of Electricity Transmission Network Improvement Project			
Task Team Leader: Artur Kochnakyan			
Estimated Appraisal Date: December 27, 2013		Estimated Board Date: January 30, 2014	
Managing Unit: ECSEG		Lending Instrument: TA	
Sector: ECSSD			
Theme: Power Transmission and Distribution (100%)			
IBRD Amount (US\$m.):			
IDA Amount (US\$m.):			
GEF Amount (US\$m.):			
PCF Amount (US\$m.):			
ECA Regional Capacity Development Trust Fund: US\$670,000			
Environmental Category: B			
Simplified Processing		Simple <input checked="" type="checkbox"/>	Repeater <input type="checkbox"/>
Is this project processed under OP 8.00 (Rapid Response to Crises and Emergencies)		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

This ISDS is for the small REFT grant, which will support preparation activities and studies for the Electricity Transmission Network Improvement Project (ETNIP).

B. Project Objectives: The development objectives of the proposed grant are to enhance the readiness of the High Voltage Electric Networks (HVEN) and Yerevan Thermal Power Plant (TPP) to implement ETNIP, and to strengthen the capacity of HVEN and Yerevan TPP.

C. Project Description: The project will have the following key components:

Component 1: Preparation of Investment Scope of the ETNIP and Technical Grid Studies. This component will support the following key activities: (a) Identification of investment needs for the proposed substations, power transmission lines, and, possibly, assets of the Electric Power System Operator. This will also include economic and financial justification of the proposed investments based on the comprehensive economic and financial analysis; (b) Preparation of technical specifications, preliminary designs, and bidding documents for the supply and installation works under ETNIP; (c) Preparation of a detailed implementation schedule to ensure timely implementation of investments under the ETNIP; (d) Conducting technical studies to improve reliability, safety and security of the power system.

Component 2: Preparation of Safeguards Documents and Operational Manuals. This component will help the implementing entities to prepare, disclose, and discuss (through consultations) the

relevant environmental and social documents to ensure that all project activities are screened to identify their likely social and environmental impacts, the nature and scope of these impacts are analyzed, and measures for their mitigation are worked out. ETNIP triggers OP/BP 4.01 Environmental Assessment and OP/BP 4.12 Involuntary Resettlement, while relevance of triggering any other safeguards policies will be determined as the ETNIP scope is finalized. Additionally, this component will help identify gender impacts, if any, and design relevant mitigation measures. This component will also support update of the existing Operational Manual (OM) for HVEN and preparation of an OM for Yerevan TPP, covering the respective implementation aspects of the ETNIP for each implementing entity.

Component 3: Training. This component will provide training to HVEN and Yerevan TPP on technical, fiduciary and safeguards aspects of the project preparation and implementation.

Component 4: Financial audit. This component will finance financial audit of the use of the funds under the grant at the end of the grant. The audit will be performed by a qualified auditing firm acceptable to the Bank.

Grant activities, which consist of studies, analyses, preparation of project documents, training and other capacity building, are not expected have any direct environmental or social impacts. However, their results will influence future project investments and play an important role in determining social and environmental aspects of ETNIP. Therefore, as relevant, Grant activities will include attention to environmental and social risks and mitigation options, and consideration of social and environmental issues will be included in all relevant TORs.

D. Project Location and salient physical characteristics relevant to the safeguard analysis:

The Grant will not finance physical works. Carrying out scoping for the future investments, development of the technical specifications, preliminary designs, and environmental and social studies will imply field work at the proposed sites of the ETNIP intervention. These sites are located in the Yerevan, Aragatsotn, and Lori provinces of Armenia.

E. Borrowers Institutional Capacity for Safeguard Policies:

The Grant will be implemented and monitored by HVEN. Specifically, the existing designated team will implement the grant activities under the project, including activities that will benefit Yerevan TPP (related to substation at Yerevan TPP) and Electric Power System Operator (technical grid studies). The designated project team at HVEN is comprised of a project coordinator, a procurement specialist and a financial management specialist, who will be responsible in day-to-day management of the grant activities. The grant implementation activities at HVEN will be supervised by its Management Board.

HVEN has implemented a number of donor-funded projects and is currently implementing the World Bank financed Electricity Supply Reliability Project (ESRP). However, the implementation arrangements under those projects had limited responsibility for HVEN related to procurement of consultants, contractors, contract administration, financial reporting, and safeguards. Under the ongoing ESRP, HVEN has gained some experience in the World Bank fiduciary and safeguards policies and operating procedures, however, further capacity building is required, and that is a part of the Grant financed activities.

Currently, HVEN relies on an implementation support consultant to supervise safeguards aspects of the project. It is expected that a permanent staff member(s) will be recruited by HVEN to oversee safeguards issues in this Grant, the ongoing energy project and the preparations of ETNIP. Under this grant, this new staff member will receive capacity-building support on Bank's safeguard policies.

F. Environmental and Social Safeguards Specialists on the Team:

Darejan Kapanadze (Sr. Environmental Specialist)

Sarah G. Michael (Sr. Social Development Specialist)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered ?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Although the Grant proceeds will not be used for any physical works, the Grant financed project implementation will imply development of an Environmental and Social Management Framework (ESMF) for the investments to be made under the ETNIP. This would imply outlining of the potential environmental and social risks of the ETNIP interventions, providing guidelines for classification of the proposed investments according to such risks, and suggesting a generic set of measures for mitigation of the possible risks. ESMF will also provide a blueprint of action for the site-specific environmental work to be undertaken once the scope and preliminary designs of investments are available. Furthermore, the Grant proceeds will be used for the preparation of site-specific environmental documents for investments into a number of infrastructural elements. Therefore, the Grant financed project triggers OP/BP 4.01.
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	Because the Grant resources will not be used for any type of physical works, the Grant-financed activities can not cause resettlement. However, the Grant proceeds will be used for the development of a Resettlement Policy Framework (RPF) for the ETNIP. Development of the RPF will be done

		on a participatory basis, including consultations with the potentially affected communities and other relevant stakeholders. Grant proceeds may also be used for the preparation of site-specific Resettlement Action Plans (RAPs), as need may be. Therefore, OP/BP 4.12 is triggered.
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. Tentative target date for preparing the updated PAD stage ISDS:

Not applicable.

B. Time frame for launching and completing the safeguard-related studies that may be needed.

The TORs for the development of ESMF and RPF will be drafted, agreed with the Bank, disclosed, and opened for stakeholders' feedback prior to signing of the Grant Agreement.

IV. APPROVALS

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Artur Kochnakyan, TTL, Energy Economist, ECSEG	December 20, 2013
Environmental Specialist:	Darejan Kapanadze, Sr. Environmental Specialist, ECSEN	December 20, 2013
Social Development Specialist	Sarah G. Michael, Sr. Social Development Specialist, ECSSO	December 20, 2013
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Agi Kiss, Lead Ecologist and Regional Safeguards Coordinator, ECSOQ, Europe and Central Asia	December 20, 2013
Sector Manager:	Ranjit Lamech, ECSEG, Sector Manager	December 20, 2013