

INTEGRATED SAFEGUARDS DATA SHEET

IDENTIFICATION / CONCEPT STAGE

Report No.: ISDSC16650

Date ISDS Prepared/Updated: 21-Apr-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Armenia	Project ID:	P158899
Project Name:	Eurasian Development Bank Mastara Reservoir Preparation		
Team Leader(s):	Winston Yu		
Estimated Date of Approval:	01-May-2016		
Managing Unit:	GWA03	Lending Instrument:	Lending Instrument
Sector(s):	Irrigation and drainage (100%)		
Theme(s):	Water resource management (100%)		
Financing (in USD Million)			
Total Project Cost:	0.67	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Free-standing TF for ECA			0.67
Environment Category:	A - Full Assessment		

B. Project Development Objective(s)

To improve readiness of the Eurasian Fund for Stabilization and Development-financed Mastara Reservoir Project by supporting the relevant project preparation studies, and to enhance capacity of the Water Sector Projects Implementation Unit to prepare and implement projects.

C. Project Description

At this stage, only very preliminary information exists concerning the Mastara Reservoir. Based on an earlier feasibility study (from 1970), the command area of the proposed Mastara Reservoir is located in one of the water-shortage areas in the Ararat Plain. Mastara will provide additional supplies into the Armavir irrigation system. The proposed location is about 15 km from the town of Armavir, near the Mastara railway station. The total capacity of the reservoir is expected to be around 10.2 million m³, useful capacity - 8.2 million m³, the dam height will be around 30 m. The area under the command of the Armavir canal is over 20,000 ha which includes supplies from the Akhuryan Reservoir [commissioned in 1980]. Currently, additional water supplies to Armavir main canal during the most critical irrigation months (July-August) is implemented through the Talin canal from the Selav-Mastara River. The volume of supplementary supply varies between 1-2 m³/sec. Downstream of this point, irrigation is supplied to the lands of 5 communities (Nairi, Myasnikyan,

Khanjyan, Lukashin and Norapat) for a total area of around 4,000 ha. About 8,000 Mm³ of water are required for full water supply of these lands. After full development of lands under the command of the 1st stage of the Talin canal up to the design level of 12,000 ha, flow availability during the critical irrigation months (July-August) may be problematic. Thus, it becomes clear that construction of a reservoir on the Selav-Mastara river for regulation may be beneficial. Construction of the Mastara reservoir is expected to generate the following benefits:

- Guaranteed quantity of irrigation water on the area of about 4,384 ha located within the service areas of two existing water users associations (WUAs).
- Decrease the use of groundwater in the Ararat Plain by about 5.3 Mm³ annually.
- Reduce costs of irrigation water through the conversion from pump to gravity irrigation and save annually about 2.1 million Kwhr (about USD 232,000) and associated operations and maintenance (O&M) costs (about USD 65,000 annually).
- Increase the agricultural production and the incomes of rural population: The main crops in this area are orchards, vineyards, vegetables, wheat, and alfalfa. Improved irrigation will result in higher yields/ higher share of cash crops.

As a result of the Mastara Reservoir, about 4,400 water users from six communities will benefit from the project.

This project is financed through a recipient-executed grant from ECAPDEV. These funds, which are administered and managed by the World Bank, have been selected for use in the preparation of the Mastara Reservoir project (most likely to be financed by the Eurasian Fund for Stabilization and Development) to ensure outputs that are of high quality and consistent with World Bank standards. The grant will support the procurement of consultant services whose main tasks will be to prepare, inter alia, a feasibility study for the reservoir, including preliminary designs, a draft procurement plan, terms of reference for final designs, a draft monitoring and evaluation plan, preliminary environment and social assessment documents (consistent with World Bank safeguard policies), and the draft PAD. It is expected that the feasibility study will review various design solutions (which date back to the 1970s), specify geological and hydrogeological conditions in the reservoir area, review the quality of the hydrological data, identify irrigated lands and provide initial cost estimates and a preliminary economic analysis. Finally, the grant will also be used to support the strengthening of the operational capacity of WSPIU staff through relevant trainings. This will enhance the quality of future project implementation.

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

The Mastara reservoir is to be built in the Armavir region, 15 km from the town of Armavir, near the Mastara railway station. It will be located on the Selav-Mastara River and will be filled by this river's seasonal flow, glacier water from Mount Aragats, and storm water. The current estimated total capacity of the reservoir will be around 10 million m³ with a dam height of about 30 m.

At this stage, precise resettlement and land acquisition requirements are unknown. The same is true for the presence of natural habitats and historic/cultural heritage within the project area.

E. Borrower's Institutional Capacity for Safeguard Policies

The WSPIU has a long history working with the World Bank on projects and as such, has a strong working knowledge and experience with Bank safeguard policies and practices. As part of the Mastara Reservoir Preparation project preparation, WSPIU will draft TORs for undertaking the

preliminary Environmental and Social Impact Assessment (ESIA) and preparing the Resettlement Policy Framework (RPF), disclose these draft TORs and discuss them with stakeholders prior to finalization. The ESIA report, including an Environmental and Social Management Plan, PRF, and RAP will be subject to the same procedures once their mature drafts are produced in the course of the project implementation.

F. Environmental and Social Safeguards Specialists on the Team

Darejan Kapanadze (GEN03)

Sophia V. Georgieva (GSU03)

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 undertaking of the preliminary Environmental and Social Impact Assessment (ESIA) and Environmental Management Planning (EMP) for the reservoir construction works based on the Feasibility Study and the preliminary design documents. OP 4.01 is triggered and the present project is classified as environmental Category A. The ESIA will be carried out and the EMP prepared following the guidance provided in OP/BP 4.01. TOR for the ESIA will be disclosed and discussed with stakeholders as the requirement is for Category A investments. The preliminary ESIA report to be produced under the Mastara Reservoir Preparation project will be subject to the same procedures. Preliminary ESIA report will be updated and completed once detailed design of works is available in the course of the Mastara Reservoir Construction project. Prior to finalization, it will undergo the second round of disclosure and consultation with stakeholders.
Natural Habitats OP/BP 4.04	TBD	Outcomes of the feasibility study will allow taking a decision on whether Mastara Reservoir Construction project will trigger OP/BP 4.04.
Forests OP/BP 4.36	No	
Pest Management OP 4.09	Yes	Mastara Reservoir construction will improve water availability for the serviced areas. It is anticipated that because of improved irrigation services agriculture will intensify in the coverage areas and higher value crops may be cultivated, which could entail more intensive usage of pesticides. Hence, OP 4.09 is triggered. While there is no need of developing a Pest

		Management Plan, promotion of good pest and pesticide management practices is included into the project design. A library of brochures, fliers, and posters on the sound and safe handling of pesticides, including information on the Integrated Pest Management, has accumulated as a depository of outputs from a number of rural development projects implemented in Armenia with support of the Bank and other international/bilateral financiers. This material is readily available for reproduction for the needs of the future Mastara Reservoir Construction project. Water User Associations will play pivotal role in promotion of good agricultural practice to farmers.
Physical Cultural Resources OP/BP 4.11	TBD	Outcomes of the feasibility study will allow taking a decision on whether Mastara Reservoir Construction project will trigger OP/BP 4.37.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	The Grant proceeds will be used for the development of a Resettlement Policy Framework (RPF) for the future Mastara Reservoir Construction project. TOR for this assignment will be disclosed and consulted with stakeholders during the project preparation. RPF will be drafted during the project implementation on a participatory basis, including consultations with the potentially affected communities and other relevant stakeholders.
Safety of Dams OP/BP 4.37	Yes	This grant deals directly with the preparation of documents (e.g. feasibility, environment and social assessments, etc.) for a future Mastara reservoir construction project.
Projects on International Waterways OP/BP 7.50	Yes	This grant deals directly with the preparation of documents (e.g. feasibility, environment and social assessments, etc.) for a future Mastara reservoir construction project. OP/BP 7.50 is triggered, however no communication to riparians is required for the purposes of the grant-financed TA. A need for communication will be considered for the future investment project.
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Appraisal stage ISDS required?: Yes

i. Explanation

As information is ready, ISDS will be updated.

ii. Tentative target date for preparing the Appraisal Stage ISDS

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.

During the implementation of the grant activities.

IV. APPROVALS

Team Leader(s):	Name: Winston Yu	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Brandon Enrique Carter (SA)	Date: 21-Apr-2016
Practice Manager/ Manager:	Name: Steven N. Schonberger (PMGR)	Date: 22-Apr-2016

¹ 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.