ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA) SISIAN-KAJARAN ROAD PROJECT, ARMENIA

SCOPING LEAFLET

PROJECT BACKGROUND

A range of new regional road corridors are currently being implemented to improve connectivity between countries in, and across Asia and Europe. Armenia is an integral part of this transport initiative and is establishing the North South Road Corridor (NSRC) connecting Iran in the south to Georgia in the north. The NSRC consists of 5 tranches, the longest of which - Tranche 4 - is divided into 3 parts (Artashat-Sisian, Sisian-Kajaran and Kajaran-Agarak). It runs from the southern border to just south of Yerevan, and within that tranche is the **Sisian-Kajaran Road** section (the Project).

The European Bank for Reconstruction and Development (EBRD) is considering financing the Project. EBRD views the Project as a Category A, and as such requires the completion of an Environmental and Social Impact Assessment (ESIA) on both the Project and all associated facilities. A consortium of environmental and social consultancies made of Ecoline International Ltd. (Bulgaria), SE Solutions Pty. (South Africa) and ATMS Solutions LLC (Armenia) has been appointed to conduct the ESIA.

The "Road Department" Fund, under the Ministry of Territorial Administration and Infrastructure of Armenia, will implement the Project.





PROJECT COMPONENTS

The Sisian-Kajaran Road Project is a 60-km greenfield development other than short sections at the start and end of the road where the new road will be connected to existing roads.

The new road will pass by the settlements of Aghitu, Darbas, Getatagh, Lor, Shenatagh, Qirs, Karut, Geghi, Verin Geghavank and Kavchut (heading south) and will have 27 bridges, 3 major interchanges, 14 service roads and 8 tunnels. The largest of the tunnels will be the Bergushat tunnel (8.64 km long) creating for the first time a **direct connection between Sisian and Kajaran**. The tunnel will also prevent the Project from directly affecting the Zangezur Sanctuary (a specially protected area). The road will be two lanes (one in each direction) with additional climbing lanes on steep ascents.

The proposed route was selected from three alternative routes as having the least environmental and social impacts, although it is not a cheap option.

PROJECT PLANNING AND TIMELINE AND ESIA

The ESIA is conducted in two stages, namely Scoping and Assessment. Scoping serves to define the scope of the Assessment and requires effective stakeholder engagement. A **Scoping Report** has been prepared to document the results of the scoping stage. This **Scoping Leaflet** is a brief summary of the scoping report. Both documents (in English and Armenian) are publicly disclosed for 30 days at the website of the Road Department:

https://armroad.am/am/safeguard/environmental-

<u>impact/el-reports</u> to allow the stakeholders to obtain information about the Project at its early planning stage and to provide their feedback.

Then, based on the **baseline studies**, the impacts are assessed at the Assessment stage as a function of the state and sensitivity of the existing biophysical and social environments and the risks posed by proposed project activities. The output of the assessment is the anticipated impacts and their significance for decisionmaking. Mitigation will be identified to manage the impacts and packaged as an **Environmental and Social Management Plan** (ESMP).

The construction of the road is expected to start in mid-2023 and take 5-6 years to complete.

SCOPING OF POTENTIAL IMPACTS AND BENEFITS Environmental:

- **Air**: Dust and vehicle emissions from construction traffic and machinery and the operational roadway may cause a deterioration in air quality with associated potential impacts.
- Water: Spillage of hazardous materials during both construction and operations, may be transported into surface water resources, and potentially also groundwater. Excavations may result in erosion and sedimentation of surface water resources and tunnelling may affect groundwater levels and quality.
- Physical structures and people: Excavations and tunnelling may result in damage or collapse of structures. Construction activities, especially blasting, may result in noise driven impacts on people and vibration that would potentially threaten building structures. Noise from the operational roadway may result in negative impacts at few areas where the road will come close to villages.
- **Soil** may be contaminated by spillages of hydrocarbons and by air pollutant deposition during operations. The presence of sulphur oxides in spoil material would create a risk of acid rock drainage.
- Biodiversity (protected areas): Clearing of vegetation for the road would result in loss and/or fragmentation of habitat and fauna may be displaced due to the noise and general disturbance, especially blasting. Migration routes of fauna may also be affected. Noise and light from the operational road may disturb fauna and the new road may provide easier access to wildlife refuges for poaching.

 Landscape: Construction activities will change landscape character permanently. Spoil material from excavation and tunnelling will require dumping areas that will also influence landscape and land use.

Socio-economic:

- Socio-economic development: Improved connectivity and significantly reduced travel time and costs are expected. Economic growth of Armenia will be stimulated due to better accessibility and trading opportunities with neighbouring countries. Tourism and recreation potential will be enhanced in the region and more jobs created in this sector.
- Transport safety: Improved road quality will lead to increased transport safety and less spending on maintenance of vehicles.
- Employment and procurement: Creation of new jobs will occur during the construction stage, albeit for a limited period. Regional and local procurement opportunities for goods and services will be associated with the construction stage. During the road operation new permanent jobs also can be created at roadside services (trading centres, cafeteria, refuelling stations, and so forth).
- Land acquisition and access to assets: Impacts will relate to temporary and permanent land acquisition owned or used by private persons or businesses (loss of grass-land, crops, plants, land plots; surface structures) and livelihood impacts (e.g., loss of income). Access between the villages and locally important sites (pastures, cemeteries, cultural monuments, etc.) may be temporarily restricted.
- Public utilities may be affected during the construction stage. Limited impact on public power supply can be expected as the tunnel, bridges and associated road lighting will require additional power.
- **Community health and safety**: Temporary adverse impacts on the near-by population may be caused by construction activities and traffic (emissions, noise, vibration, public health and road safety risks, etc.).
- Occupational health and safety risks will occur mainly during construction but also to a lesser extent during operations.
- **Cultural heritage sites** can be affected by the road elements. There is a risk of damaging chance-finds during the Project construction stage.

YOUR VIEWS: WHAT ELSE TO CONSIDER IN THE ESIA?

STAKEHOLDER PARTICIPATION AND INFORMATION DISCLOSURE

A dedicated public consultation process compliant with EBRD standards is conducted. In April and December 2021, inception meetings and consultations were held with representatives of Syunik Regional Administration, Kajaran and Sisian Community Administrations to present and discuss the ESIA's scope of work, current status of the Project, road routing, and potential environmental and social impacts and opportunities. To identify potential land acquisition impacts seven further meetings were held with heads of rural settlements in Kajaran and Sisian communities potentially affected by land-take. Ongoing stakeholder engagement takes place about biodiversity matters with representatives of Zangezur Biosphere Complex, Kapan Forestry, and local authorities.

An initial identification and analysis of stakeholders has been completed and a preliminary Stakeholder Engagement Programme developed. From that a draft **Stakeholder Engagement Plan** (SEP) will be developed as per EBRD requirements. The SEP will guide further stakeholder engagement, including public hearings, disclosure of Project-related information, establishment of a grievance mechanism, and monitoring of stakeholder engagement.

As per EBRD requirements, the draft ESIA report and Non-Technical Summary, ESMP, Biodiversity Action Plan, SEP, Environmental and Social Action Plan, and Resettlement Framework will be publicly disclosed for **120 days** (in the second half of 2022). This will enable stakeholders to understand the environmental and social implications of the Project and express their opinions. Consultation dates and meeting venues will be announced at a later date.

LAND ACQUISITION AND ACCESS TO ASSETS

The Project requires around 327 ha of land. Of this, 33% properties are privately owned, 48% community owned, 11% state owned, and for 7% the ownership status is unknown. The remaining 1% has mixed ownership status per cadastre. Preliminarily, four houses and non-residential structures of 11 businesses may need to be relocated.

Since the Project can cause physical and economic displacement impacts (i.e., loss of assets or access to assets that leads to loss of income sources or means of livelihood), a **Resettlement Framework** was prepared for the Project compliant with applicable EBRD and national requirements. The Resettlement Framework will guide Project-related future land acquisition, compensation, and livelihood restoration activities.

As the Project progresses the Road Department will prepare a detailed **Resettlement Plan** that will identify who will be affected by the Project the impacts they may endure, establish eligibility criteria for compensation, and determine how affected people will be compensated or incomes restored. The Resettlement Plan will be disclosed and due compensation paid before any land-take or land use restriction occurs in relation the Project.

Comments or enquiries relating to Project activities can be directed to:

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Your feedback on the scoping for ESIA is awaited until <u>12 May 2022</u>, whereas your other inquiries are welcome any time.

The Scoping Leaflet and Scoping Report are available at the website of the Road Department: <u>https://armroad.am/am/safeguard/environmental-impact/el-reports</u>.

Hard copies of the **Scoping Leaflet** are available at the administration buildings of Sisian, Ishkhanasar, Uyts, Aghitu, Noravan, Vaghatin, Vorotnavan, Darbas, Getatagh, Lor, Shenatagh, Geghi, Lernadzor and Kajaran administrative units. Hard copies of the **Scoping Report** are available at the administration buildings of Sisian and Kajaran Communities, and Darbas, Shenatagh and Gekhi administration units, as well as at the Road Department Office in Yerevan and ATMS Solutions Ltd. office in Yerevan