

## Terms of Reference

Environmental and social assessment  
for

*Briquette Production in Koghb Community of Tavush region, Armenia*  
*(a pilot project aimed at sustainable use of forest resources and provision of  
alternative livelihoods to communities)*

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## FLEG II Program background

The European Union (EU) funded “*European Neighborhood and Partnership Instrument (ENPI) East Countries Forest Law Enforcement and Governance (FLEG) II Program*” (the “Program”) is aimed to support the participating countries strengthen forest governance through enhancing their forest policy, legislation and institutional arrangements, and implementing sustainable forest management models on a pilot basis. The Program is implemented in seven countries of the EU’s European Neighborhood and Partnership Instrument (ENPI) East region: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine, and the Russian Federation.

The Program builds on initiatives undertaken under the first EU funded FLEG Program. Its implementation period is four years with end on December 31, 2016. The Program is supported by the European Commission contributing to a single-donor trust fund administered by the World Bank (WB). Austrian Development Cooperation (ADC) provides additional funds for complementary measures in Armenia and Georgia. Implementation of the Program is led by the WB, working in partnership with the International Union for Conservation of Nature (IUCN) and the World Wide Fund for Nature (WWF). The Program has three Development Objectives (PDO):

- 1) To make progress implementing the 2005 St. Petersburg FLEG Ministerial Declaration in the participating countries and support the participating countries commit to a time-bound action plan to ensure its implementation and follow-up activities (regional level).
- 2) To review or revise (or establish a time-bound action plan to review or revise) forest sector policies and legal and administrative structures; improve knowledge of and support for sustainable forest management and good forest governance (including the impact of related EU regulations) in the participating countries (national level).
- 3) To test and demonstrate best practices for sustainable forest management and the feasibility of improved forest governance practices at the field-level on a pilot basis in all participating countries (sub-national level).

The Program in Armenia deals with a number of issues according to the objectives above. In particular, it is mainly focused on the works supporting legal and institutional review and reforms, building human resource capacity to address FLEG issues, public awareness and public monitoring of the forests, strengthening sustainable forest management through activities with model forest units such as forest protected areas and activities on sustainable use of forest resources with involvement of adjacent communities as well as improving the FLEG planning and monitoring at the national, regional (local) and international levels.

Sustainability of the Program activities and outputs produced will be enhanced through ensuring environmentally and socially safeguards, consistent with Strategic environmental and social assessment

framework (SESAF) as well as with Environmental assessment and management framework (EAMF) and Process framework (PF)<sup>1</sup>.

## Specific objective

During the screening phase, the activity on development and implementation of pilot projects aimed at sustainable use of forests and alternative livelihoods of selected communities (Armenia) was proposed to be rated as B category (moderate impact), which according to the Environmental Assessment and Management Framework (EAMF) requires a limited Environmental Assessment (EA) and/or an Environmental and Social Management Plan/ESMP (only the most evident issues to be addressed; some standard mitigation measures and monitoring needed).

The scoping phase should define the scope of assessment, identification of potential issues to be considered and decision on the type and level of assessment required for the activity on development and implementation of pilot projects aimed at sustainable use of forests and alternative livelihoods of selected communities.

## Roles and responsibilities

EA process will be conducted in line with the WB environmental and social safeguards procedures and consistent with the applicable EA instruments - the EAMF.

The main role of the WB is to support (and confirm) categorization of proposed activities within the Program, oversee implementation of the EAMF and ensure that the EA is of appropriate quality.

The main responsibilities of the WWF include screening of activities and their classification, definition of the scope of assessment, coordination of assessment and ensuring its quality, preparation of safeguards framework papers, their disclosure and public consultations, as requested, as well as monitoring of activities, based on the framework documents (this implies causing acceptable EA/EMP; RAP to be prepared, as necessary).

In the frames of preparation and implementation of pilot projects, WWF will support:

1. Consultations with local population to discuss environmental and socio-economic issues as part of the EA process;
2. Addressing potential problems and/or grievances with local population (if necessary, preparation of ESMP before starting actual implementation of the pilot projects);
3. Monitoring the implementation of these activities to implement necessary socio-economic and environmental safeguards.

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<sup>1</sup> <http://www.enpi-fleg.org/news/environmental-assessment-and-management-framework-of-pilot-projects-under-the-enpi-fleg-ii-program/>

## Pilot project activity

A pilot project on sustainable use of forest resources and alternative livelihoods was developed in the frames of FLEG II. It is aimed at development of wood briquetting in Tavush Region of Armenia to make use of fuel-wood resources more efficient and reduce pressure on forest resources and land degradation caused by loggings for fuel-wood. A business plan for the pilot project implementation was also developed.

As per the pilot project, the wood briquetting unit is proposed to be established in Koghb community of Tavush Region, where the administration of Noyemberyan Forest Enterprise (FE) of “Hayantar” State Non-Commercial Organization/SNCO (state forest managing body) is located. Final decision on an entity to implement the project on wood briquettes should be made (several options are under consideration). There will be a trilateral Memorandum of Understanding signed between WWF-Armenia, “Hayantar” SNCO and the implementing entity to define the roles and responsibilities. In particular, the partners should guarantee the legal bases of the supplied raw material. WWF-Armenia will support the project by provision of the needed equipment for briquettes production in the frames of FLEG II.

The briquettes will be produced from wood and straw on half-half basis. The wood raw material will include residual waste wood from sanitary/maintenance activities implemented by the FE (to be provided by “Hayantar” SNCO free of charge) and some additional amounts of wood sold by the FE. The residual straw from agricultural fields from the communities adjacent to the briquettes production unit will be used. The table below shows respective amounts of raw materials.

| Type of raw material   | Amount (annually)  |
|--|--------------------|
| Residual waste wood from sanitary/maintenance activities         | 264 m <sup>3</sup> |
| Wood sold by the FE  | 616 m <sup>3</sup> |
| Wood from households for production of briquettes free of charge | 120 m <sup>3</sup> |
| Straw  | 528 tons           |

The production unit will serve as an additional work place for the local population of nearby communities. The population will be involved in operations of the production unit, as well as in the activities on collection, preparation and transportation of raw material. The workforce to be involved include 2 workers and 1 guard (permanent staff) as well as a number of seasonal workers to ensure supply of raw material.

In total 15 rural households from the target communities Koghb, Berdavan and Dovegh (5 households per community) will be selected to get on free of charge basis ready wood briquettes for use as heating material; they will be provided also with special stoves supported by FLEG II. Each household will get briquettes equivalent to 8 m<sup>3</sup> of wood. Community members will provide respective wood raw material. They are expected to participate in production processes upon defined needs.



The production unit will carry out awareness raising among population in general and specific targeted potential buyer groups to describe the advantages of use of briquettes instead of fuelwood as heating material.

During the initial meetings of WWF-Armenia with “Hayantar” SNCO (and its Noyemberyan FE) and the authorities and some members of the communities Koghb, Berdavan, Dovegh and Noyemberyan (summer 2015), the following questions were answered:

1. *Will the activity affect or endanger any Critical Natural Habitats (natural habitats of high value for biodiversity conservation, not limited to protected areas)?*

Critical Natural Habitats will not be affected by the pilot project as the raw wood material is planned to be obtained exceptionally from legal sources. They include residual waste wood/remnants from sanitary/maintenance activities implemented by the FE, also some amounts of wood sold by the FE. Usually, the annual allowable cut (AAC) is defined for all branches of “Hayantar” SNCO, based on the management plans and other conditions. Wood is usually obtained from defined areas out of protected areas or valuable forest areas in terms of biodiversity and ecosystems. No negative consequences are expected for forests in the pilot project nearby areas, as especially the half of the raw material will come from agricultural lands.

2. *Is there any potential access restrictions envisaged?*

The pilot project is aimed at use of raw wood material to produce briquettes. The project will not restrict the access of local population to fuel-wood, as the amount of raw wood material includes: 264 m<sup>3</sup> of residual waste wood from sanitary/maintenance activities (which usually is not used and remain in the activity area due to far distance from communities and low calorific value of wood remnants), 616 m<sup>3</sup> of wood sold by FE (out of total AAC of about 6300 m<sup>3</sup>, which makes less than 10%) and the rest is straw from agricultural lands. On contrary, instead of fuel-wood new more efficient type of fuel (briquettes) will be provided for the price equivalent to fuel-wood. Therefore, the pilot project does not imply restriction of access to wood used as fuel-wood.

3. *Whether or not it will affect local people? Which would be the concerns?*

From the initial meetings, it can be seen that there will be no negative impact on the livelihoods of local people. On contrary, the pilot project will offer new (permanent and seasonal) employment opportunities. In addition, 15 most vulnerable families from 3 target communities will be provided with fuel briquettes and respective stoves. It was mentioned by the communities that reduction of forest loggings for fuel-wood (which is planned by the pilot project) is important for improvement of the health of forests and their livelihoods through use of non-wood forest products.

In general, the meetings revealed that the local communities are in favor of the pilot project, which is going to provide more efficient type of fuel and reduce forest degradation. More meetings (in the frames of the EA process) are envisaged with the local communities, to address all possible socio-economic issues and to avoid possible negative impacts.

## Mitigation measures and monitoring (Environmental and Social Management Plan and Plan of Actions)

As part of the environmental impact assessment, mitigation and monitoring will be included into the ESMP. The ESMP will consist of a set of mitigation and monitoring measures to be taken during the actual implementation of the pilot project, in order to eliminate possible adverse environmental, economic and social impacts, reduce them to acceptable levels or offset them, as applicable. The ESMP would need to identify the set of responses to potential adverse impacts, determine requirements for ensuring that those responses are made effectively and in a timely manner and describe the means for meeting those requirements.

The ESMP would include the following components:

- The areas in Noyemberyan FE, where sanitary/maintenance activities are planned to provide raw wood material and planned amounts of wood.
- Socio-economic data (local population, use of fuel-wood by population, main sources of income).
- Potential positive and negative socio-economic impacts.
- Potential positive and negative impacts on the environment.
- Environmental and social impact mitigation plan.
- Environmental and social monitoring plan
- Plan of actions (PoAs) on pilot project implementation (meetings with communities, commencement and implementation of the project).

The PoAs would have to be reviewed in order to determine the feasibility of the measures to assist the affected persons to improve (or at least restore in real terms to pre-project level, whichever is higher) their livelihoods with due regard to the sustainability of the natural resource. Additional plan of measures will be designed and implemented, if further mitigation measures (apart from the employment) are necessary for the local villagers.

## Annex 1. Map of the pilot project area, Tavush region, Armenia

