

Armenia Mineral Sector Policy II

Stakeholder Engagement Plan

(SEP)

June, 2020

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List of Acronyms

ATDF	Armenian Territorial Development Fund
EGPS	Extractives Global Programmatic Support
EI-TAF MDTF	Extractive Industries-Transaction Advisory Facility Multi Donor Trust Fund
EITI	Extractive Industries Transparency Initiative
MTAI	Ministry of Territorial Administration and Infrastructure
CSO	Civic Society Organizations
FGD	Focus Groups Discussion
GFP	Grievance Focal Point
GoA	Government of Armenia
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
ICT	Information and communication technology
ISU	Institutional Support Unit
LEID	Local Economy and Infrastructure Development
MES	Ministry of Emergency Situations
MLSA	Ministry of Labour and Social Affairs
MoE,	Ministry of Economy
MoEv,	Ministry of Environment
MoH,	Ministry of Health
MSG	Multi-Stakeholder Group
NGO	Non-governmental Organization
SEP	Stakeholder Engagement Plan
SILD	Social Investment and Local Development
WB	World Bank
ZCMC	Zangezur Copper-Molybdenum Company

1. Introduction

Country Context

Mining is one of the largest contributors to the industrial sector and exports in Armenia. The country has an abundance of mineral resources such as copper, gold, silver and zinc, as well as industrial minerals such as diatomite, gypsum, limestone, perlite and rhenium salt. On a local basis, mining companies are significant job providers as they offer formal jobs in rural and smaller urban areas where those jobs are rare.

Mining, although a potential engine for growth, is also a contested subject in Armenia. There is strong distrust of mining activities by parts of the population, and in particular civil society. This distrust is largely fuelled by a lack of information and dialog among stakeholders, and the fact that most metallic mines were developed in the Soviet era under weak environmental and social standards.

To address the lack of trust and improve the investment climate, the Armenian Government joined the Extractive Industries Transparency Initiative (EITI) in 2017 supported by the World Bank and several partner international organizations. Since forming the required Multi-Stakeholder Group (MSG), which was a prerequisite for application submission, consisting of representatives of Government, Civil Society and Industry, dialogue among the key stakeholders has developed significantly. Through EITI Reports and its website¹ a large amount of sectoral information is publicly available. However, there is still not much progress towards the sector's sustainable development.

In 2015-2016, The World Bank, under the Extractive Industries-Transaction Advisory Facility Multi Donor Trust Fund (EI-TAF MDTF), supported the undertaking of a Strategic Mineral Sector Sustainability Assessment². It showed that, whereas mining is important to the Armenian economy, individual operations are not generally contributing sufficiently to the longer-term sustainable development of the nation. This was in spite of a range of past and ongoing initiatives taken by the regulators to reform the sector. The strategic assessment therefore strongly recommended for Armenia to develop a clear vision and long-term strategy on where the country wants to go with its mining sector; in other words, a Mining Sector Policy.

After the Velvet Revolution in May 2018, and the following Parliamentary elections, the new government announced its intention to sustainably develop the mining sector in Armenia. According to the Government Program, there is a need to develop an environmentally, socially and economically viable mining sector, and, for that, it is necessary to have a Mineral Sector Policy in place. All the key stakeholders agreed that the mining sector's future development has to be accompanied by a strong, constructive and transparent dialogue on the future of the

¹ Link of the website: <https://www.eiti.am/en/>

²<http://documents.worldbank.org/curated/en/289051468186845846/Armenia-Strategic-mineral-sectorsustainability-assessment>

sector, that includes government, the private sector, civil society, and the communities affected by mining activities.

National Mineral Sector Policy

The development of a National Mining policy through an inclusive multi-stakeholder process will help establish the appropriate policy framework for mineral sector governance in Armenia, while making sure the sector will develop according to the highest social and environmental standards. With several mining projects in early development stages and about 50 explorations taking place, now is an excellent time to develop a long-term vision for the sector.

The Development of a Mineral Sector Policy will help Armenia determine what it wants the sector to look like in the future, and how to make sure that a mining sector in Armenia will be: a) robust investment climate for the advanced companies; b) operating in environmentally and socially responsible manner; c) managing natural reserves and sharing responsibility for future generations; and d) based on strong linkages to local businesses.

An effective sector policy will frame broad based sectoral reforms. The policy will include an action plan for legislative and institutional reforms to accompany and guide its implementation. Reforms based on the Policy will allow the Government to have a sustainably developing mining sector in Armenia.

The World Bank, through the Extractives Global Programmatic Support (EGPS) Trust Fund, is financing the development of a Mineral Sector Policy for Armenia under the present grant “Armenia Mineral Sector Policy II” (hereby the “Project”). The Project will be implemented by the Armenian Territorial Development Fund (ATDF). ATDF will conduct all financial oversight and management activities related to the Project’s implementation. The Ministry of Territorial Administration and Infrastructure (MTAI) is the main government entity responsible for the development and adoption of the mineral sector policy. Other ministries, such as Ministry of Environment (MoEv), Ministry of Economy (MoE), Ministry of Health (MoH), Ministry of Emergency Situations (MES), as well as other related governmental institutions and non-governmental stakeholders will be actively involved in the Policy discussions and related legal reforms.

The proposed Development Objective of this grant project is to support the development of a Mineral Sector Policy and associated action plan for Armenia that focuses on strengthening the contribution of the mining sector to sustainable economic growth.

Key Results are as follows:

- Mineral Sector Policy with Strategic action plan is approved by the Government
- At least 5-7 major amendments are done in the Mining Code and related legislation to strengthen the environmental and social aspects of the mining sector in line with the Mineral Sector Policy

- 30% of the Government mining institutions staff, of which at least 30% women, are trained in modern mineral sector governance standards and practices, in line with the new Policy.

A publicly available stand-alone Mineral sector policy is a useful regulatory tool that serves two important functions:

- It provides the mineral industry with a clear statement of the government's expectations and intent towards the industry,
- It provides lawmakers, regulators and other stakeholders with broad guidance; and helps coordinate between different agencies.

Purpose of the SEP

The purpose of the present Stakeholder Engagement Plan (SEP) is to outline the key stakeholders of Mineral Sector Policy and its associated action plan, identify the methods of stakeholder engagement and establishment of a constructive dialogue between the parties, and introduce responsibilities in the implementation of stakeholder engagement activities. The intention of the SEP is to ensure broad and active participation of stakeholders and establish a constructive dialogue atmosphere in a timely manner during the process of developing the mineral sector policy document and action plan.

Specifically, SEP serves the following purposes:

- I. stakeholder identification and analysis;
- II. planning inclusive engagement modalities and effective communication tools for consultations, enabling stakeholders' views to be taken into account;
- III. ensuring that appropriate information on the Mineral Sector Policy environmental and social risks and impacts is disclosed to stakeholders in a timely, accessible and appropriate manner and format and disclosure;
- IV. defining roles and responsibilities of different actors in implementing the SEP;
- V. defining the Project's Grievance Mechanism (GRM); and
- VI. providing feedback to stakeholders;
- VII. monitoring and reporting of the SEP.

This Stakeholder Engagement Plan will be disclosed and open to feedback and consultation. Feedback from stakeholders will be incorporated in the final version of SEP.

2. Project Description

Activities/Components

The Project ensures development of a Mineral Sector Policy which will be the basis for the Government activities concerning the sector. The activities of the Project will be concentrated on a) finalization of the Mineral Sector Policy document, including conducting stakeholder consultations and incorporating the outcomes of such consultations into the Policy document; b) a legal review to assure that the existing legislation is brought in line with the priorities and objectives outlined in the Policy; c) capacity building activities for relevant line ministries' staff and d), dissemination of information and consultation on the policy and action plan for local communities, industry sector and public servants. The Project consists of the following components:

Component 1: Policy development, outreach and consultation: The policy will be based on literature review and international best practices, the studies undertaken under the Mineral Sector Policy Grant I, and the results of stakeholder consultations. This policy will provide clear guidance towards the development of a sound, sustainable and feasible mining sector. The policy would set objectives for the minerals sector laying out the appropriate guiding principles across the legal, contractual, institutional, fiscal, environmental and socio-economic dimensions.

Policy discussions should be based on **multi-stakeholder dialog** and **consultations** with government representatives, mining companies, CSOs, affected communities, educational institutions, etc., emphasizing the participation of women and vulnerable groups. The objective of these consultations will be to develop a shared vision of the future of the mining sector in Armenia, which will feed into the policy. The EITI MSG will be actively involved in these processes.

Based on the policy, an Action Plan will be developed. The Action Plan will be part of the policy which will lead to reforms. It will define a timeline with associated priorities and responsibilities.

Component 2: Policy Implementation and legal review: Based on the Policy and Action Plan, which will identify key reform areas, a legal review will be undertaken to ensure coherence between the newly adopted mining policy and the legal framework. The Government of Armenia will prioritize legal reforms and go through development, consultations and adoption of legal acts.

Component 3: Awareness raising and capacity building: Awareness raising, and capacity building activities will be crucial for the effective implementation of the Policy. Training and seminars focusing on environmental and social sustainability of the sector organized for the relevant line ministries, in particular for MTAI, MoEv, MES, Inspectorate for Nature Protection and Mineral Resources and other key stakeholders, will insure successful development and

implementation of the Policy. Awareness raising events will assist to disseminate Policy priorities with the key stakeholders, including government agencies, CSOs, businesses and affected communities.

Implementing Agency

The Project will be implemented by the Armenian Territorial Development Fund (ATDF) under the Ministry of Territorial Administration and Infrastructure. The Ministry will be responsible for the project contextual implementation and ATDF for the fiduciary functions. Both have extensive experience of implementing projects financed by international organizations, including the World Bank. ATDF successfully implemented World Bank several projects and currently implements Social Investment and Local Development (SILD) and Local Economy and Infrastructure Development (LEID) projects. The Fund is familiar with the World Bank procurement and financial management requirements and had a capacity to implement this project.

Prior Stakeholder Engagement Activities Carried out under the Mineral Sector Policy Grant I

The duration of The Mineral Sector Policy Grant I Project was from Augusts 2017 to September 2019. To start Mining Sector Policy development the Government of Armenia formed a working group in 2016, comprising of the representatives of different governmental entities, which developed the Mineral Sector Development Concept Paper of Armenia. This Concept Paper highlights the importance to engage all stakeholders in the development of mineral sector policy, including representatives of the different governmental entities, sectorial ministries, civic society, industrial companies, potential investors, affected communities, international donor organizations, etc. The adopted paper identified the importance of developing a mineral sector policy, as well as several in-depth assessments to formulate recommendations for the mineral sector sustainable development. The government received a 450,000 USD grant from the EGPS Trust Fund. Unfortunately, it was not possible to finalize the development of the full sector Policy within the timeframe of the previous grant due to various reasons, among which political changes in the country in 2018.

In 2016, Swedish Geological AB had published Armenia Strategic Mineral Sector Sustainability Assessment, commissioned by the World Bank, which aimed to assist the Armenian government to gain a better understanding of key social and environmental challenges and future opportunities for the Armenian Mining Sector. Prior consultation meetings have been carried out by the representatives of The Ministry of Environment (MoEv), Ministry of Economy (MoE), Ministry of Territorial Administration and Infrastructure (MTAI) and representative of Prime-Minister's office to identify the topic of the further assessments. In total seven different directions of assessment related to the mining sector have been identified and discussed, among them three directions were identified to be of prior interest – economy, environmental protection and healthcare. Accordingly, as background to the policy, two studies have been initiated - Economic Assessment of the Mining Sector in Armenia (conducted by EV Consulting) and Environmental and Health Impact Assessment of the Mining Sector in Armenia (conducted by DMT-GTK). Two working groups have been formed comprising the representatives of the

several sectoral ministries including Ministry of Territorial Administration and Infrastructure (MTAI), Ministry of Economy (MoE), Ministry of Environment (MoEv), Ministry of Health (MoH), and the Prime-Minister Office.

The TORs of the assessment studies and draft reports have been reviewed and discussed by these working groups. In total, 3-4 face to face consultation meetings have been carried out by each working groups for TOR final approval. The minutes of the consultation meetings have been developed. The TORs of the assessment and draft reports were subject to a separate review and discussions by EITI MSG. Representatives of the following CSOs have been involved in the EITI MSG: “Transparency International Anti-Corruption Centre”, “EcoLur” Informational NGO, “Civil Voice” NGO, “Armenian Bar Association” NGO, “Community Consolidation and Support Center” NGO, “Forests of Armenia” NGO and from scientific community - Yerevan State University, Regional Geology and Minerals Survey. During the assessment studies, the consultant companies conducted discussions with the representatives of CSOs, active in the mining sector and with the mining companies. The reports have been reviewed, discussed and amended by the governmental working groups and EITI MSG.

All the relevant documents, e.g. TORs for the assessment reports, drafted assessment reports, etc., have been at least three times circulated among the stakeholders as first draft, final draft and final documents for their collaboration and comments aimed at further improvement of the documents. In addition, the assessment reports have been shared with the key stakeholders through EITI e-mail list comprising of more than 100 representatives from CSO sector and mining companies. Based on the received feedback, the assessment reports have been amended and improved. In addition, CSO representatives initiated and carried out non-formal discussions on the reports.

Table 1. Stakeholder Engagement Activities carried out under Grant 1

Activities	Stakeholders engaged	Time, Location, Area of Consultation
Prior consultation meetings	The Ministry of Environment (MoEv), Ministry of Economy (MoE), Ministry of Territorial Administration and Infrastructure (MTAI), Prime-Minister’s office	June-August, 2017 Yerevan Identify the topic of the further assessments
Discussion of TOR for Economic Assessment of the Mining Sector of Armenia	Former Ministry of Energy Infrastructures and Natural Resources (currently MTAI), Ministry of Economy, Ministry of Environment, Prime Minister's Office	October - December 2017, Yerevan Discussion of the content of TOR for economic assessment
Discussion of TOR for Environmental and	Ministry of Health, Former Ministry of Energy Infrastructures and Natural	October - December 2017, Yerevan

Health Impact Assessment of Armenia	Resources (currently MTAI), Ministry of Environment, Prime Minister's Council	Discussion of the content of TOR for Environment and Health Impact Assessment
Discussion of TORs for Economic Assessment of the Mining Sector of Armenia and Environmental and Health Impact Assessment of Armenia	EITI Multi-Stakeholder Group, including CSOs: “Transparency International Anti-Corruption Centre”, “EcoLur” Informational NGO, Yerevan State University, Regional Geology and Minerals Survey, “Civil Voice” NGO	January - February 2018, Yerevan Discussion of the content of TORs for the assessments
Development of assessment reports by the consultant companies, discussions with civic society organizations, industry representatives under the study	CSOs, industry representatives, the Union of Miners and Metallurgists of Armenia	March 2019- January 2020 – Economic Assessment July 2019- March 2020 - Environmental and Health Impact Assessment, throughout the country Gain an insight into current practices of metal and non-metal mining
Discussion and revisions of the developed draft assessment reports	Former Ministry of Energy Infrastructures and Natural Resources (currently MTAI), Ministry of Economy, Ministry of Environment, Ministry of Health, Prime Minister's Office, EITI Multi-Stakeholder Group, including CSOs - “Transparency International Anti-Corruption Centre”, “EcoLur” Informational NGO, Yerevan State University, Regional Geology and Minerals Survey, “Civil Voice” NGO	February, 2020 - Economic Assessment, April, 2020 - Environmental and Health Impact Assessment, Yerevan Provide opinion, suggestions on the developed reports aimed at further improvement of the documents

3. Stakeholder Identification and Analysis

Key Definitions

The Project aims to ensure ownership of the process by the constituencies by creating a better understanding of both the current state of the mining sector in Armenia and international good practices in mineral sector management, so that the different parties can decide together how to bridge that gap and come to a shared long term vision about the future of the sector, as well

as a strategy on how to implement this. **Stakeholder Engagement** of the Project includes the activities to be initiated by the Project implementers to ensure meaningful participation of all stakeholders in developing the mineral sector policy. It is intended to raise the inclusiveness, transparency of, and sense of ownership towards the Mineral Sector Policy Paper among the different stakeholders.

Project stakeholders are defined as individuals, formal or informal groups and organizations, and/or governmental entities whose interests or rights will be affected, directly or indirectly, by the Mineral Sector Policy Paper, both positively and negatively, who may have an interest in Mineral Sector Policy Paper implementation, and who have the potential to influence the Project outcomes in any way.

As per the World Bank's Environmental and Social Framework, Environmental and Social Standard 10 (ESS10) on Stakeholder Engagement and Information Disclosure, stakeholders may be categorized into:

- **Affected Parties** – stakeholders that are affected or may be affected by the project;
- **Other Interested Parties** – other parties who may have an interest in the project.

The Project has multiple stakeholders from government, private sector, research sector, civic society and the general public. For the purposes of this SEP document, stakeholders who are likely to be directly affected by, and involved in the implementation of the policy, are classified as **Affected Parties**. These include, among others, mining companies, mining communities, mining sector workers and their direct representatives (e.g., trade unions), the Mining Department of the Ministry of Territorial Administration and Infrastructure, EITI Multi-Stakeholder Group.

Other Interested Parties include individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the Project and/or who could affect the project and the process of its implementation in some way. Other interested parties include, among others, government institutions that may be involved in various ways in mining sector activities such as MoH, MoEv, MoE, MLSA, Inspectorate for Nature Protection and Mineral Resources, Cadastre, Health and Labour Inspectorate, Urban Development, Technical Standards and Fire Safety Inspectorate etc, academia, civil society, international organizations, the media and the general public.

As a special category of stakeholders the SEP also identifies **Vulnerable Groups**, i.e., individuals or groups who may require special engagement efforts due to their vulnerable status³ to ensure their equal representation in the consultation and decision-making process associated with the Project. In the context of the Mineral Sector Policy, such groups include population of the rural settlements located close to the mining pits and associated facilities (e.g. tailing dams, slurry

³ Vulnerable status may stem from an individual's or group's race, national, ethnic or social origin, color, gender, language, religion, political or other opinion, property, age, culture, literacy, sickness, physical or mental disability, poverty or economic disadvantage, and dependence on unique natural resources.

pipelines, etc.) which are disproportionately affected by the mining activities and do not have the proper voice or channel to raise those concerns. Generally those communities do not have access to the jobs in mines or related facilities, but are adversely affected by environmental and social negative impacts (reduction of agricultural lands, pollution of water, resettlement, etc.).

The other vulnerable group in the context of the Mineral Sector Policy include women who are traditionally provided with less opportunities in the mining sector compared to men. Men are mostly employed in this sector, and the number of women working in the sector is very small which leads to the violation of the balance of role distribution between men and women in favor of men. The decrease of the role of women occurs not only in the labor market and in family, but also in decision-making processes. Traditionally, women are left out of the stages of decision-making, are less involved in public consultations and have fewer opportunities to raise their concerns and suggestions.

Project Stakeholders

The groups of the Project’s key stakeholders are identified on Table 2.

Table 2. Key stakeholder groups of the Mineral Sector Policy Paper

Type of Stakeholder	Name of Stakeholder	Interest	Estimated Numbers
Affected parties	Ministry of Territorial Administration and Infrastructure and Mining Department	MTAI and the Mining Department are directly involved in the Project implementation activities. Are interested in establishment of efficient and justified legislative framework and procedures which will create favourable environment for responsible mining.	-
	Mining companies and the sector organization (the Union of Miners and Metallurgists of Armenia)	Will be directly impacted by the Mineral Sector Policy and future legislative amendments. Are interested in decrease of legislative burden, elimination of restrictions and increase of profitability of the sector.	900 mines (43 metallic, 789 non-metallic, 44 underground fresh water, 24 underground mineral water), 578 ore occurrences (129 metallic, 449 non-metallic) registered in the State Cadastre

			of Mineral Recourses of the Republican Geological Fund. 432 subsoil use licenses granted for exploitation of 26 metallic mineral, 373 non-metallic mineral and 33 mineral water mines. One sector organization – the Union of Miners and Metallurgists of Armenia
	Mining communities	Will be directly impacted by the Mineral Sector Policy and future legislative amendments. Are interested in responsible mining with less environmental, social and health adverse impacts for them.	-
	Mining sector workers and trade union	Will be directly impacted by the Mineral Sector Policy and future legislative amendments. Are interested in responsible mining with favourable work conditions and occupational health and safety environment.	10,529 people, out of them 90% works in metallic mines, 1 trade union
	EITI Multi-Stakeholder Group	According to the principles of the Extractive Industries Transparency Initiative, the multi-stakeholder group aims to support the introduction of responsible mining in the Republic of Armenia as one of the key components of the country's sustainable development. Based on the EITI's approach to set responsible mining as a priority in the field, it is necessary to engage the EITI MSG in the strategy	

		development process.	
Other interested parties	Governmental entities (MoH, MoEv, MoE, MLSA, Inspectorate for Nature Protection and Mineral Resources, Cadastre, Health and Labour Inspectorate, Urban Development, Technical Standards and Fire Safety Inspectorate)	May be involved in various ways in mining sector activities. Are interested in establishment of efficient and justified legislative framework and procedures which will create favourable environment for responsible mining, including ecology, public health, urban development, public safety, etc.	-
	Academia	May be involved in various ways in mining sector activities. Are interested in responsible mining with less environmental, social, health and safety impacts and promotion of evidence-based decision making and policy development.	-
	Civic Society Organizations and Media	May be involved in various ways in mining sector activities. Are interested in responsible mining and increase of transparency in the sector with less environmental, social, health and safety impacts.	-
	International organizations	May be involved in various ways in mining sector activities. Are interested in responsible mining operating in transparent and accountable manner.	-

- **The Government of Armenia (GoA) and The Ministry of Territorial Administration and Infrastructure (MTAI)**

The Government of Armenia is the main beneficiary of the Project. The Government Program 2018-2022 includes activities related to Mineral Sector Policy development and reforms. Supported by the recommendations by the Mineral Sector Sustainability Assessment, as well as future developments in the sector, the Government initiated the development of a Mineral Sector Strategy/Policy.

The Ministry of Territorial Administration and Infrastructure (MTAI) is a sector regulatory ministry directly leading the Project implementation activities. In its 2018-2022 Program the Ministry identified the development of a Mineral Sector Policy as a key priority. It will lead the process of policy development and reforms and will involve other stakeholders in discussions and reviews, in close coordination with the Ministry of Environment (MoEv) and Ministry of Economy (MoE).

The other ministries which are associated with the mineral sector policy and are Project stakeholder entities include the Ministry of Emergency Situation (MoES) and the Ministry of Health (MoH).

- **Mining companies**

The companies involved in the mining industry are the key stakeholders of Mineral Sector Policy Paper. At present, there are about 900 mines (43 metallic, 789 non-metallic, 44 underground fresh water, 24 underground mineral water), 578 ore occurrences (129 metallic, 449 non-metallic) registered in the State Cadastre of Mineral Resources of the Republican Geological Fund.

Currently, approximately 432 subsoil use licenses are granted for exploitation of 26 metallic mineral, 373 non-metallic mineral and 33 mineral water mines. For more detailed information on subsoil use licenses, please follow this link: <http://mtad.am/hy/mtad29.29.7/>.

There is one sector organization – the Union of Miners and Metallurgists of Armenia located in Yerevan which includes seven member organizations associated with mining industry. For more information, please follow this link: <https://miningmetal.am/>.

- **Communities directly or indirectly impacted by mineral extraction**

Communities are guaranteed self-governance through the Constitution and have a right to participate in the decision-making process regarding mining activities to be implemented in the community territory or close to the community. However, practice has shown that local self-governments⁴ have restricted possibilities to affect the mineral sector projects and sometimes have low institutional capacity and experience to be efficiently engaged in the decision-making process.

⁴ There are hundreds of communities of various size affected by mining. For example, For example in case of “Zangezur Copper-Molybdenum Company” which operates an open-pit mine located in Qajaran there are 9 communities identified as affected, 7 out of them are small rural communities (the smallest communities have population app. 100, the largest - 500), and 2 are urban (Qajaran (population - 7000) and Kapan (population – 42 000)). Those small rural communities are impacted by the tailing dam and slurry pipelines and generally do not have access to the mining jobs as they are located far from the mine pit. A more detailed assessment of mining regions, social and economic impacts may be found in World Bank. 2016. “Armenia Strategic Mineral Sector Sustainability Assessment”

The predispositions and perceptions of the local communities towards the mining industry may vary significantly from community to community. Some of the communities benefit from the mining industry through available formal jobs whilst others are directly impacted by minerals related projects experiencing adverse environmental and social impacts of the mining.

- **Mining workers and Unions**

Mining sector has a significant job potential with comparatively high salary and availability of jobs outside of Yerevan. As of November 2019, **10,529** people were employed in the mineral industry and open-pit mine extraction sector with 457 831 AMD (approximately 1000\$) average nominal salary per month⁵. Average number of workers in metallic mining companies is 784, whereas non-metallic mining had on average only 13 employees. Those employed in the metallic mining sector represent 90% of total employment in the overall minerals sector, which in turn equaled around 10% of those employed in the industrial branch of the economy⁶.

There are one active trade unions in the sector located in Yerevan – “Branch Union of Trade Union Organizations of Miners, Metallurgists and Jewellers of Republic of Armenia” which has approximately 6000 members.

- **EITI Multi Stakeholder Group (MSG)**

The Extractive Industries Transparency Initiative (EITI) is a global Standard to promote the open and accountable management of natural resources, which membership includes 53 countries. Armenia began the process of becoming an EITI member in July 2015 and joined in 2017.

EITI Multi-stakeholder Group composed of representatives of the Government, mining companies and civil society. The EITI MSG is responsible for management of the process of EITI implementation, and its primary goal is to ensure Armenia’s EITI candidacy, thereafter, EITI compliance. Armenia’s EITI MSG is responsible for guiding the processes the EITI implementation, monitoring, evaluation and decision-making. It has 15 members, of which 6 representatives from the Government (authorized state bodies), 4 representatives from mining companies, 5 civil society representatives⁷.

- **Civil Society Organizations (CSO)**

⁵ Source: https://www.armstat.am/file/article/sv_12_19a_142.pdf

⁶ Source: https://www.eiti.am/file_manager/Useful%20materials/StrategicEng.pdf

⁷ Source: <https://www.eiti.am/en/MSG-composition?page=2>

CSOs include any organizations, whether formal or informal, that are not part of the apparatus of government, that do not distribute profits to their directors or operators, that are self-governing, and in which participation is a matter of free choice. This definition of CSOs includes informal, unregistered groups and movements, advocacy groups, community-based organizations and initiatives.

Mining is a highly complicated and very sensitive topic in Armenia which has always been the focus of civic society organizations and initiatives for the last two decades. There are several recent examples of social movements around environmental issues, particularly related to mining activities, which have been initiated by non-formal groups of people united around a common cause. According to some estimates there are around two dozen NGOs which are actively involved in environmental issues; most of them are located in the capital Yerevan. All relevant NGOs will be identified and included in consultations.

CSOs which may be associated with the Mineral Sector Policy Paper are environmental, transparency and entrepreneurship focused organizations, civic initiatives, groups and movements. Those may include but not limited to Ecolur, an environmental informational NGO which maintains a website with wealth of environmentally related information, Transparency International Anti-Corruption Center, which focuses mostly on the legislative and decision-making processes in the mining sector, Pan-Armenian Environmental Front, Environmental Education Network, Caucasus Environmental NGO Network, etc. Several online media outlets, which are permanently engaged in investigation of the mining sector such as Hetq, CivilNet, Radio Liberty, are also among the stakeholder CSOs. The following CSOs form part of the EITI Multi-Stakeholder Group: “Transparency International Anti-Corruption Centre”, “EcoLur” Informational NGO, Yerevan State University, Chair of Regional Geology and Minerals Survey, “Civil Voice” NGO, etc.

As the stakeholder engagement activities will pay special attention to engagement of women and youth, the organizations targeting these groups and acting especially in the mining communities are also identified as interested parties. These organizations may include women's resource centers (e.g. Women Resource Center in Kapan, Goris, etc.), women associations, youth NGOs, etc.

- **Academia**

Several academia and research institutes have demonstrated to be strongly interested in responsible mining making an attempt to promote global best practices in socially, environmentally, and economically responsible mining in Armenia and the region. Those include The American University of Armenia which has set up a Centre for Responsible Mining in 2014, Yerevan State

University (YSU) which established the Sustainable Development Centre in 2012, The National Academy of Sciences which conducts research on the environmental impacts among them covering mining-related issues, The National Polytechnic University of Armenia (NPUA) which has Faculty of Mining and Metallurgy.

- **Bi- and multilateral agencies**

The World Bank, through the Extractives Global Programmatic Support (EGPS) Trust Fund, is a financing and consultancy partner of the development of a Mineral Sector Policy for Armenia under the present grant “Armenia Mineral Sector Policy II”.

Several bi- and multilateral agencies are involved in the activities which are or may be associated with the mining sector issues, including OSCE, UNDP/UNEP, USAID, GIZ and KfW, etc. Accordingly, these agencies are also stakeholders of the Project.

4. Methodology

Key Principles

In order to meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- *Openness and life-cycle approach*: stakeholder engagement activities will be arranged during the whole life-cycle, carried out in an open manner, free of external manipulation, interference, coercion or intimidation;
- *Informed participation and feedback*: information will be provided to and widely distributed among all stakeholders in an appropriate language (Armenian) and format; opportunities are provided for communicating stakeholders’ feedback, for analysing and addressing comments, suggestions and concerns;
- *Inclusiveness and sensitivity*: stakeholder identification are undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders are encouraged to be involved in the consultation and discussion process, to the extent the current circumstances permit. Equal access to information will be provided to all stakeholders.

Summary of Project Stakeholder Engagement Activities

Strong stakeholder engagement is a precondition for the effectiveness of the project. Two general vectors of stakeholder engagement under the project will be carried out as follows:

- Consultations with stakeholders and feedback collection throughout the entire project cycle

- Awareness-raising activities on the Mineral Sector Policy Paper and planned amendments of the related legal acts and provisions

Generally, the following stakeholder engagement activities are proposed:

Research and Consultation Stage

- *Focus Group Discussions (FGDs) and/or Townhall Meetings*
- *Round table discussions and forums*
- *Expert and key informant Interviews*
- *Online feedback platform*
- *Established Grievance Redress Mechanism*

Policy Paper finalization and adoption stage

- *Disclosing Draft Policy Paper on e-draft.am portal: (Unified Website for Publication of Legal Acts' Draft)*

Awareness Raising and Capacity Building Stage

- *Training, seminars and capacity building activities focusing on environmental and social sustainability of the sector*
- *Awareness raising events, e.g. forums, conferences, etc.*
- *Publications of media materials and news on online press, official websites and social media pages*

The project will pay special attention to the engagement of women, youth and vulnerable groups in the stakeholder engagement activities, for example, by conducting tailored outreach to such groups and their representatives and ensuring their proportionate representation in local focus group discussions, townhalls, and consultation meetings. Focus groups discussions, townhall meetings, public consultation meetings and roundtable discussions will be carried out in the locations which are accessible to people with disabilities, in case these types of buildings and facilities are available at communal level. Multiple forms of communication will be offered including face to face consultation meetings, an online platform, printed materials showing ways by which citizens or organizations can provide feedback and be involved in the policy consultation process.

The feedback, opinions and suggestions received by the stakeholders will be duly taken into account while designing and amending the Draft Mineral Sector Policy Paper. Once received, all questions, feedback, opinion or suggestion by a stakeholder, no matter what type of channels is used for submission, will be recorded and formally addressed by the authors of the Policy Paper with an official notification to the stakeholder. This may include postal letters, official response to an e-mail, response to a public comment on e-draft.am website, etc. The response message will include clarification indicating how the feedback, opinion or suggestion was taken into

account and had been reflected in the Policy Paper or, if not relevant, what is the reason for not reflecting it.

The Project will widely use technical solutions available at www.e-darft.am portal, which is a unified website housing draft legal acts, policy papers and strategies developed by the RA Governmental bodies. This web-site is well known and frequently used by civil society representatives and the public in general. This online platform provides the possibility to present policy papers', legal acts' drafts to the public, organize online discussions, and as a consequence – promote the active participation of representatives of civil society in the law-making process. The registered users are able to present suggestions, get acquainted with the conclusion paper of the suggestions of the legal acts' drafts, the adopted suggestions or the justifications concerning the not adopted ones.

A report summarizing all stakeholder engagement and consultation activities, including analysis of feedback received and how it has been addressed, will be prepared and disclosed along with the draft policy.

Stakeholder Engagement Plan

As mentioned above, stakeholder engagement will be carried out for 1) Consultations with stakeholders and feedback collection throughout the entire project cycle 2) Awareness-raising activities on the Mineral Sector Policy Paper and planned amendments of the related legal acts and provisions. Based on these general objectives, Stakeholder Engagement Plan has been developed and presented on Table 2.

Table 3. Stakeholder Engagement Plan

Project stage	Stakeholder engagement method	Target Stakeholders	Objective of stakeholder engagement activity	Topic of consultation / message	Responsibilities
<p>1. Developing Draft Mineral Sector Policy Paper</p> <p>(research and consultation stage)</p>	<p>1.1.1 Focus Group Discussions (FGDs) and/or Townhall Meetings</p> <p>1.1.2 Round table discussions and forums</p>	<ul style="list-style-type: none"> ▪ Community representatives directly or indirectly impacted by mining (including community representatives employed in mineral sector) ▪ Employee associations and unions ▪ Civil Society Organizations ▪ Research and academic institutions ▪ Independent experts ▪ Mineral Industry Representatives ▪ Governmental Entities 	<ul style="list-style-type: none"> ▪ Discover the key perception of local communities of mineral sector, its future development vision, etc. ▪ Understand the shared vision of the future of the mining sector in Armenia ▪ Establishing constructive dialogue among the key stakeholders ▪ Discover perceptions and visions of the stakeholders on mineral sector future, development perspectives, etc. ▪ Develop sense of ownership of the Mineral Sector Policy Paper among the stakeholders 	<ul style="list-style-type: none"> ▪ FGDs and/or Townhall Meetings will be conducted based on social research methodology developed in advance; FGDs and/or Townhall Meetings will follow developed interview guidelines. ▪ Round table discussions and forums will be conducted based on agenda developed in advance ▪ Core provisions included in the Policy Paper will be discussed 	<p>ATDF (through Consultant Company)</p>
	<p>1.2 Expert and key informant Interviews</p>	<p>Representatives of research institutions</p> <p>Independent experts</p> <p>CSO representatives</p> <p>Union representatives</p> <p>Industry representatives</p> <p>Government representatives</p>	<ul style="list-style-type: none"> • Obtain needed expert knowledge on core provisions of the Policy Paper 	<ul style="list-style-type: none"> • Core provisions included in the Policy Paper 	<p>ATDF (through Consultant Company)</p>

	<i>1.3 Established Grievance Redress Mechanism (including online portal for grievance and feedback submission)</i>	<i>All stakeholders and the general public</i>	<ul style="list-style-type: none"> • <i>Enabling key stakeholders to provide their grievances, feedback, suggestions on any aspect of the Project</i> 	<ul style="list-style-type: none"> • <i>Project activities in general</i> 	<i>Armenian Territorial Development Fund</i>
2. Adopting Mineral Sector Policy Paper (Policy Paper finalization and adoption stage)	<i>2.1 Disclosing Draft Policy Paper on e-draft.am portal (Unified Website for Publication of Legal Acts' Draft)</i>	<i>Representatives of Civil Society Organizations Representatives of research institutions Independent experts Communities and population in general</i>	<ul style="list-style-type: none"> • <i>Enabling key stakeholders to provide their opinion, feedback, suggestions on the Policy Paper</i> • <i>Integrate and address raised suggestions, opinions and considerations in the Policy Paper</i> • <i>Further modification and improvement of the Policy Paper based in received feedback</i> 	<ul style="list-style-type: none"> • <i>Core provisions included in the Policy Paper</i> 	<i>MTAI</i>
3. Mineral Sector Policy Paper adopted (awareness raising and capacity building stage)	<i>3.1 Training, seminars and capacity building activities focusing on environmental and social sustainability of the sector</i>	<i>Relevant sectorial ministries, in particular for MTAI, MoEv, MES, inspectoral body and other key stakeholders</i>	<ul style="list-style-type: none"> ▪ <i>Awareness raising on the policy paper</i> ▪ <i>Enable environment for successful and effective implementation of the Policy.</i> 	<ul style="list-style-type: none"> ▪ <i>Core provisions included in the Policy Paper</i> ▪ <i>Planned Amendments of the related legal acts and provisions</i> 	<i>MTAI</i>
	<i>3.2 Awareness raising events, e.g. forums, conferences, etc.</i>	<i>Government agencies, CSOs, research institutions, businesses and affected communities</i>	<ul style="list-style-type: none"> ▪ <i>Disseminate Policy priorities with the key stakeholders</i> ▪ <i>Enable environment for successful and effective implementation of the Policy.</i> ▪ <i>Successful and Effective implementation of the Policy.</i> 	<ul style="list-style-type: none"> ▪ <i>Core provisions included in the Policy Paper</i> ▪ <i>Planned amendments of the related legal acts and provisions</i> 	<i>MTAI</i>
	<i>3.3 Publications of media materials and news on online press, official websites and social media pages</i>	<i>Public in general</i>	<ul style="list-style-type: none"> ▪ <i>Disseminate Policy priorities with the key stakeholders and public in general</i> ▪ <i>Raise awareness on the Policy Paper</i> 	<ul style="list-style-type: none"> ▪ <i>Core provisions included in the Policy Paper</i> ▪ <i>Planned amendments of the related legal acts and provisions</i> 	<i>MTAI</i>
4. Legal reforms in mineral sector	<i>4.1 Discussions on legal reforms in</i>	<i>Industry participants, Government agencies, CSOs,</i>	<ul style="list-style-type: none"> • <i>Enabling key stakeholders to provide their opinion, feedback,</i> 	<ul style="list-style-type: none"> ▪ <i>Amendments of the related legal acts and provisions</i> 	<i>MTAI</i>

	<i>mineral sector</i> <i>4.2 Disclosure of legal act's amendments on e-draft.am platform</i>	<i>research institutions</i>	<i>suggestions on the proposed amendments of the related legal acts and provisions</i>		
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Proposed Strategy for Information Disclosure

The following principles will be applied when disclosing information on Project activities:

- The project will ensure that information to be disclosed is comprehensible and easily accessible and will be delivered to the stakeholders in a timely and qualitative manner,
- Information disclosure processes will be initiated at the very beginning of the Project and will be continued through the entire circle of the Project,
- Diverse information portals will be used for information disclosure including but not limited to the official websites, social media, news outlets, etc.

Information Disclosure Preliminary Strategy is presented on Table 4.

Table 4. Information Disclosure Preliminary Strategy

Project stage	Target stakeholders	Information to be disclosed	Methods and timing proposed
Developing Draft Mineral Sector Policy Paper (research and consultation stage)	<i>Government entities; local communities; NGOs and academics; mineral sector representatives, others</i>	<i>Project concept, Consultation process/SEP, GRM procedure, update on project development</i>	<i>Dissemination of information via Extractive Industries Transparency Initiative (EITI) website, ATDF website, MTDI website, Facebook Pages Public notices; Electronic publications via online/social media and press releases;</i>
Adopting Mineral Sector Policy Paper (policy paper finalization and adoption stage)	<i>Government entities; local communities; CSOs and academics; media representatives; mineral sector representatives, mineral sector companies, others</i>	<i>Draft Mineral Sector Policy Paper Update on project development, timeframe, GRM procedure</i>	<i>Disclosure of Draft Mineral Sector Policy Paper on e-draft.am portal, hard copies of Draft Policy Paper are available at designated public locations; Dissemination of information via Extractive Industries Transparency Initiative (EITI) website, ATDF website, MTDI website, Facebook Pages Public notices; Electronic publications via online/social media and press releases;</i>
Mineral Sector Policy Paper Adopted (awareness raising and capacity building stage)	<i>Government entities, responsible employees within the ministries; local communities; CSOs and academics; media representatives; mineral sector employees, others</i>	<i>Approved Mineral Sector Policy Paper, guidelines, and electronic materials Project documents, SEP monitoring report, Report on GRM performance</i>	<i>Public notices; Electronic publications and press releases on the Project web-site & via social media; Dissemination of hard copies at designated public locations; Press releases in the local media;</i>
Initiation of legal reforms and amendments in the sector	<i>Government entities, responsible employees within the ministries; local communities; CSOs and academics; media representatives; mineral sector employees, others</i>	<i>Amendments of the related legal acts and provisions</i>	<i>Disclosure of Draft Legal Act Amendments on e-draft.am portal, hard copies of amendments of the related legal acts are available at designated public locations; Dissemination of information via Extractive Industries Transparency Initiative (EITI) website, MTDI website, Facebook Pages Public notices; Electronic publications via online/social media and press releases;</i>

5. Grievance Redress Mechanism

Introduction to GRM

Grievance Redress Mechanism (GRM) at the Project level will be established and maintained during the entire period of Project implementation. The GRM is considered as an effective tool for early identification, assessment and resolution of complaints on Project activities. The early identification and understanding of possible complaints can help to further improve the project activities. The GRM will ensure that the Project beneficiaries and stakeholders have an outlet through which they can be engaged in the Project implementation, provide project staff with practical suggestions/feedback on Project activities allowing them to be more accountable, transparent, and responsive.

The following core principles are embodied in the GRM:

- Grievances will be treated confidentially, assessed impartially, and handled transparently.
- The Project beneficiaries may use a range of contact options (telephone number, e-mail address and postal address, etc.). The GRM is accessible to all stakeholders.
- The GRM is designed to be responsive to the needs of complainants.
- All grievances, simple or complex, will be addressed and resolved as quickly as possible. The action taken on the grievance will be swift, decisive, and constructive.

ATDF and MTAI, through their grievance redress mechanisms, will respond to all types of citizen concerns and feedback about the Project. Data on citizen concerns and the resolution of grievances will be collected helping to promote greater accountability and responsiveness. ATDF is responsible to verify that grievance redress mechanisms are present and properly advertised, that all grievances are responded to and addressed within an established timeframe, and that all grievances are recorded in a consistent manner at the local level and at the project level.

Armenian Territorial Development Fund has already established Grievance Redress Mechanisms within the framework of other World Bank-financed projects, e.g. Social Investment and Local Development (SILD), Local Economy and Infrastructure Development (LEID) Projects. These mechanisms can be efficiently reproduced and used for Mineral Sector Policy Paper II Grant Project. Currently ATDF has designated GRM tools for grievance submission which include e-mail, Hot-line, web-tool.

From ATDF side, the existing GRM mechanism will be used with a focal point dedicated to this project and ensuring that all questions, feedback and grievances received in relation to this Project will be recorded in designated database, followed up on and responded to. The GRM channels for ATDF include GRM focal point, special e-mail to receive grievances (support@atdf.am), web-tool to collect grievances (<http://atdf.am/hy/Home/ContactUs>) and hotline (+374 10 24 71 23), postal e-mails (to be submitted to Yerevan, K. Ulnetsu 31, 4th floor).

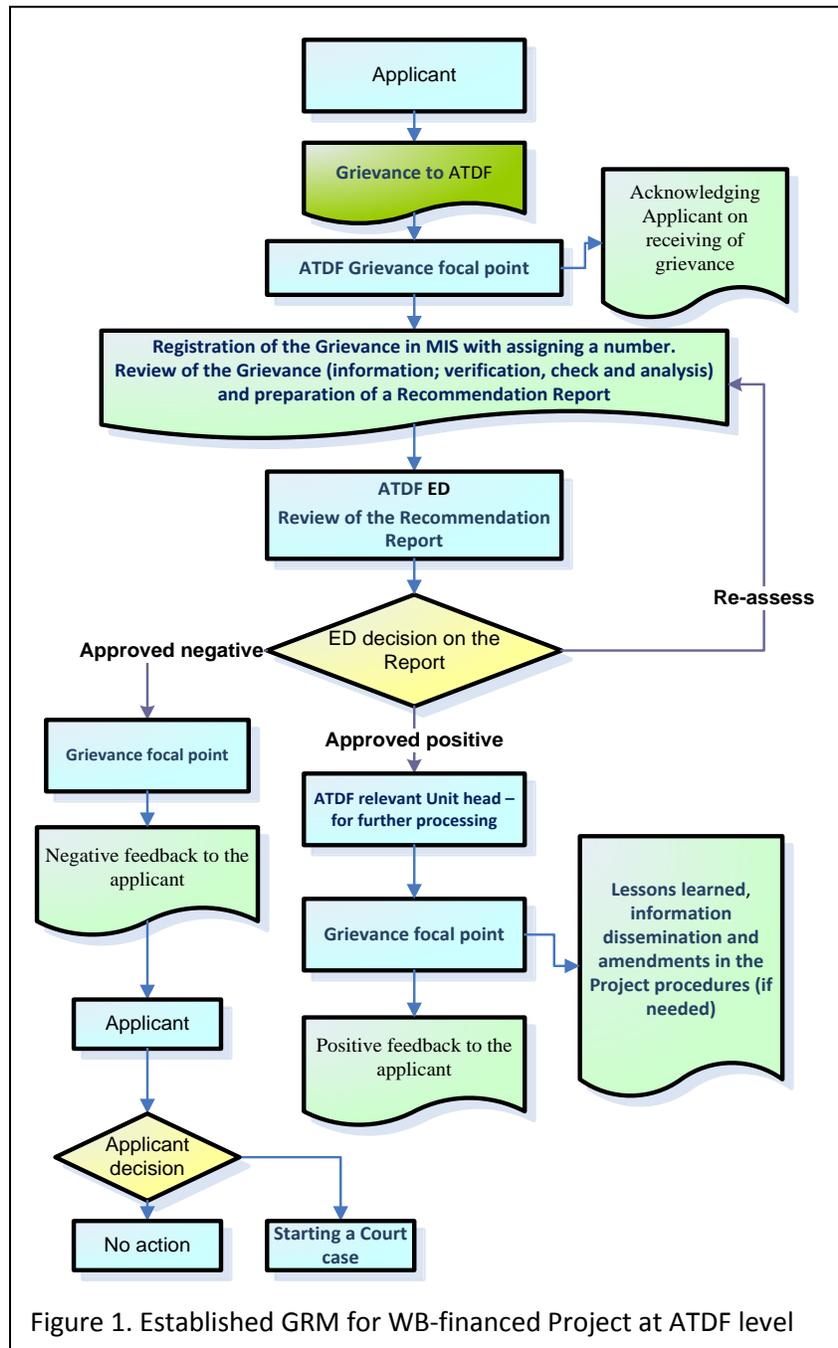
From MTAI side, the following GRM channels will be used: Mining Department as a focal point, e-mail of the Head of the Department (s.abrahamyan@mta.gov.am), telephone number (+37410 511 389), and postal e-mails (to be submitted to Yerevan, Republic Square, Governmenthouse 3). The applicant may also use official channels to submit their grievances to the Ministry, via hot-lines ((010)51-13-79, (010)51-13-09, (011)52-65-73) or writing an on-line letter via MTAI web-page (<http://mtad.am/en/write-a-letter/>). ATDF will be responsible for periodic (minimum monthly) check and consolidation of grievance redress logs and maintaining an up-to-date grievance log for the whole project. The grievance will clearly show summary of question/grievance/feedback received, date and name/contact of complainant if available, date of response, status of resolution, and next steps or pending actions. Anonymous grievances and feedback will also be recorded.

Communicating GRM to the Project Stakeholders

GRM information will be communicated to the stakeholders during focus group discussions, public consultation meetings, roundtable discussions, etc. All Project-related printed materials such as brochures, booklets, posters, will also present information on GRM including contact information to submit grievances.

In addition, the grievance and feedback mechanisms will be easily accessible on the ATDF website. This webpage includes a special section/page for supporting the submission of feedback and grievances to ATDF. It will provide detailed information on the Project-related GRM and procedures, the name of the Grievance Focal Point, his/her contacts (e-mail, telephone number, postal address, responsibilities, etc.).

Grievance Resolution



The ATDF Grievance Focal Point will register the submitted grievance in the Grievance Log and review within 7 (seven) calendar days, including the information verification, cross-checking, and analysis, and follow-up with the applicant as needed. As necessary, the Grievance Focal Point will involve the other relevant units' specialists in this activity. Based on the conducted review, the Grievance Focal Point will prepare his/her Recommendation Report to the ATDF Executive Director. Complaints that can be resolved through / at the level of the ATDF Grievance Focal Point will no longer be passed on to the ATDF Executive Director.

If the ATDF GFP reports that the grievance is reasonable and can be addressed at the ATDF level, the ATDF Executive Director reviews the case and within 7 (seven) calendar days forwards it to the relevant ATDF specialist instructing him/her to

proceed with the applications in officially assigned manner. The assigned specialist re-accepts the application and undertakes the essential measures to resolve the issue in accordance with the procedures of the corresponding Component.

If the ATDF GFP reports that the case is not justified and/or cannot be resolved at the ATDF level, the ATDF Executive Director reviews the case and within 7 (seven) calendar days makes a decision to:

- Re-consider the case by the GFP with involvement of ATDF, and possibly independent, specialists (specifying the shortcomings of the previous review); the Applicant can also be invited to ATDF to meet the specialists and to provide additional information/ justifications;
- or
- Approve the negative report and instruct the ATDF GFP to notify the Applicant on the negative decision. The ATDF GFP notifies the Applicant immediately, providing detailed explanations on the negative response/decision's reasons.

Receiving the negative result of the grievance review the Applicant is free to undertake one of the following decisions: a) accept the ATDF's decision as it is and stop the grievance, or b) request for a meeting with the Executive Director to provide his/her justifications; or c) open a Court Case on the issue in accordance with the RA Legislation.

If needed, the complaints received by ATDF will be shared and consulted with the MTAI. Stakeholders will also have the option to contact MTAI directly to communicate their grievance if they are unable to, or do not wish to, go through the ATDF grievance/feedback focal point. Mining Department within MTAI will be responsible to receive, register and address the grievances received at the ministry level. Similar mechanism of grievance resolution will be applied in case the grievances are received by the Ministry.

Grievance Log: It is important that all complaints are recorded in writing and maintained in a database. Complaints received should be assigned a number that will help the ATDF assigned specialist to track progress via the database. The database should at least contain relevant information on the date of submission, sphere of issue, responsible party, deadline for the problem solving and feedback (positive or negative).

WB's Grievance Redress Service: Stakeholders may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Information on how to submit complaints to the WB's GRS is available at <http://www.worldbank.org/GRS>.

The Court Level: The Applicants are free at any moment to open a Court Case (in accordance with the RA Legislation) related to the decisions of ATDF. Opening a Court Case means stopping all the activities regarding the grievance within the Project GRM system. Once the case is opened, only decisions made by the Court are becoming obligatory both for the Applicant and the ATDF.

6. Monitoring and Reporting on the SEP

This Stakeholder Engagement Plan will be periodically reviewed, updated and improved in order to ensure that the information presented herein is consistent and is the most recent, as well as to ensure that the identified methods of stakeholder engagement are efficient and

appropriate to the existing situation and context. The SEP will be updated to reflect any major changes to the project related activities and to its schedule, if any.

The activities performed under this SEP are subject to monitoring and evaluation (M&E). The all stakeholder engagement activities will be tracked and documented, the progress and results of the stakeholder engagement activities will be reflected in the progress report to be prepared under the grant project. The internal monitoring of the stakeholder engagement activities will be carried out by ATDF M&E specialist. Feedback and grievances received through the Program grievance mechanism will be filed and included in annual reports. Summaries and internal reports will reflect up to date information on stakeholder engagement within a reporting period (e.g. monthly, quarterly, or annually), as follows:

- Information on stakeholder engagement activities, including consultation meetings, round table discussions, forums, etc., reporting number of participants, number of press materials published/broadcasted in the local, regional, and national media, etc.
- Information on the operation of the online portals, including information on the documents disclosed, number of visits to the web-sites, number of received feedback, etc.
- GRM-related information, including number and the nature of complaints and requests received, number of addressed grievances, average time of grievance resolution, etc.

Where appropriate, information on involvement of representatives of the vulnerable groups and gender-segregated data will be collected and presented.

7. Resources and Responsibilities for SEP implementation

Management functions and responsibilities

ATDF will implement the project with the close involvement of MTAI. Deputy Minister of MTAI along with the Mining Department will be a focal point engaged in the implementation of this Project. The International Bank for Reconstruction and Development has agreed to provide financing through the EGPS Trust Fund. ATDF and MTAI each have responsibilities to implement the SEP, as detailed in the SEP activities table (Table 2) above, and to comply with the timelines specified in that document. MTAI will have overall responsibility to update, adopt, and implement Stakeholder Engagement Plan (SEP), including various engagement mechanisms, their tentative timelines, roles and responsibilities, and resources allocated for implementing the SEP activities.

Armenian Territorial Development Fund (ATDF) will be the implementing agency for the project. ATDF will be responsible to implement particular activities under Stakeholder Engagement Plan as defined on Table 2. Armenian Territorial Development Fund has a broad experience in working with World Bank-financed projects which also included different

stakeholder engagement activities in general. The Institutional Support Unit (ISU) within the Fund, comprising Community Outreach, Promotion (COPG) Training and TA Coordination (TTACG), Social and Environment Group will be directly engaged in the Project implementation activities.

ATDF will hire a Consultant team to support the organization and carrying out of stakeholder engagement activities along with other activities related to the development of the mineral sector policy. ATDF will ensure that the consultant team has sufficient and relevant expertise in designing, implementing, and documenting stakeholder consultation including preparing clear and accessible information materials, organizing all types of events detailed in SEP, recording and documenting outcomes of the consultation process, and preparing a detailed report of stakeholder engagement activities to accompany the Policy document. The stakeholder engagement activities will be documented through quarterly progress reports, to be shared with the World Bank.

Resources

The stakeholder engagement activities described in this document are a core part of the Project implementation. They will be included under the separate budget line as a part of the consulting firm's budget. According to the preliminary estimations, approximately 30.000\$ of the Grant Budget will be allocated for the stakeholder engagement activities. The activities to be funded under stakeholder engagement will include organization of focus group discussions/townhall meetings (compensation for moderators, renting halls, transportation, coffee-brakes, incentives to be delivered to the participants, etc.), development of printed materials (information leaflets, printing of draft policy paper to be accessible in the key locations as hard copy files, etc.), organization of round table discussions (renting halls, transportation, coffee-brakes, etc.). This requirements will be properly indicated in the TOR of Consultant Company and will be included in the estimated budget of the Consultant.

Focal points from the MTAI and ATDF will be assigned to coordinate and ensure efficient and operative implementation of Project-related activities. Designated staff within MTAI and ATDF will be responsible for implementation, monitoring and reporting of the activities described as per this SEP. As these staff members from MTAI and ATDF receive reimbursements from the state budget or other loan project (in case of ATDF) and implementation of stakeholder engagement activates are core part of their job responsibilities, no additional reimbursement lines will be designated for coordination of stakeholder engagement activities under this SEP.

A more detailed account of these actions will be prepared as part of the update of this SEP, which is expected to take place within 30 days after the project approval date. The SEP will be continuously updated throughout the project implementation period, as required.

8. SEP implementation RISKS

General Risks

Stakeholders' engagement is essential for this project and based on the current situation risks related to that are moderate. The mineral sector is one of the challenging sectors in Armenia and all key stakeholders are keen to see Mineral Sector Policy. Accordingly, proper engagement of the key stakeholders and establishment of constructive dialogue atmosphere is extremely important for Project success.

The general risks associated with the SEP implementation may be due to insufficient information and involvement of all stakeholder groups, especially vulnerable groups, possible non-constructive proposals of stakeholder groups, and/or reluctance of policy actors to incorporate given feedback. To reduce such risks, the implementing agencies (ATDF and MTAI) will seek for early involvement and consultations with a broad range of stakeholders to be able to provide with full information and duly address their concerns and precautions in a timely manner, implement tailored measures to reach vulnerable groups and gather their feedback, establish a platform where stakeholder feedback and the way in which it has been taken into consideration will be disclosed.

ATDF and MTAI will collaborate closely with the EITI Multi-stakeholder group which already includes a range of public, private, and civil society actors and build on it as a mechanism for ongoing engagement and dialogue on the mining sector. Activities conducted as part of this SEP will aim to establish or confirm a longer term mechanism for stakeholder engagement and dialogue via which all affected groups and interested parties will be able to engage in the process of policy implementation.

COVID-19 Considerations

The key approaches and mechanism of the implementation of SEP is highly dependent on COVID-19 situation in the country and the established regime of quarantine. COVID-19 outbreak in the country started in March 2020 and dramatically changed the situation enforcing social distancing, isolation and lock down. With the evolving situation, the Government has taken measures to impose strict restrictions on public gatherings, meetings and in some cases people's movement. The general public has also become increasingly concerned about the risks of transmission, particularly through social interactions. Currently, the Government is gradually opening up the economy, however, the situation is highly unstable and unpredictable.

Given the preliminary timeframe of the Project, the consultations will be held at the end of 2020. If the future situation requires, alternative ways may need to be adopted to manage consultations and stakeholder engagement in accordance with the established regime of quarantine to prevent the virus transmission. These alternate approaches that will be practiced for stakeholder engagement may include having consultations in small groups if smaller meetings are permitted, else making reasonable efforts to conduct meetings through online channels (e.g. webex, zoom, skype etc.), diversifying means of communication and relying more

on social media, chat groups, dedicated online platforms, mobile apps (e.g. Facebook, Twitter, WhatsApp groups, project weblinks/websites etc.). Accordingly, the format of some of the activities enlisted in this SEP which assume face to face contact (e.g. focus group discussions, round table discussions, etc.) may be transferred to “virtual” platforms through broad usage of ICTs and internet resources.

Disclosure and Consultations on SEP Document

The SEP will be disclosed, disseminated to key stakeholder groups, and consulted in country. Feedback received on the SEP will be incorporated and recorded in the final SEP version. SEP will be disclosed and publicly available throughout implementation of the Project.