

Semi-Annual Environmental and Social Safeguards Monitoring Report

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Armenia: Climate-Adaptive Food Security Enhancement Project

Prepared by the Project Implementation Team for the Ministry of Economy of the Republic of Armenia and the Asian Development Bank (ADB)

ACRONYMS AND ABBREVIATIONS

| Acronym | Full Name |
|----------------|--|
| ADB | Asian Development Bank |
| AM | Accountability Mechanism |
| AP | Affected Person |
| CAFSEP | Climate-Adaptive Food Security Enhancement Project |
| CCoP | Construction Code of Practice |
| DDR | Due Diligence Report |
| EA | Executing Agency |
| EDDR | Environmental Due Diligence Report |
| E&S | Environmental and social |
| EIA | Environmental Impact Assessment |
| EOJ | Embassy of Japan |
| ESF | Environmental and Social Framework |
| FI | Financial Intermediary |
| GAAP | Gender Assessment and Action Plan |
| GAP | Gender Action Plan |
| GRM | Grievance Redress Mechanism |
| GRC | Grievance Redress Committee |
| IDCBC | Institutional Development and Capacity Building Consultant |
| IEE | Initial Environmental Examination |
| IRI | Involuntary Resettlement Impact |
| JFPR | Japan Fund for Prosperous and Resilient Asia and the Pacific |
| JICA | Japan International Cooperation Agency |
| LHFSC | Logistics Hubs Feasibility Study Consultant |
| MOE | Ministry of Economy of the Republic of Armenia |
| MoM | Minutes of Meeting |
| M&E | Monitoring and Evaluation |
| NGO | Non-Governmental Organization |
| OHS | Occupational Health and Safety |
| PAM | Project Administration Manual |
| PIT | Project Implementation Team |
| PPE | Personal Protective Equipment |
| PV | Photovoltaic |
| RDAC | Rural Development and Agriculture Consultant |
| REA | Rapid Environmental Assessment |
| RP | Resettlement Plan |
| SDDR | Social Due Diligence Report |
| SPS | Safeguard Policy Statement (ADB, 2009) |
| TA | Technical Assistance |
| TOR | Terms of Reference |
| WFP | World Food Programme |

NOTE

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EXECUTIVE SUMMARY

The Climate-Adaptive Food Security Enhancement Project (CAFSEP) supports climate-adaptive food security in Shirak and Tavush provinces of Armenia by targeting vulnerable communities through renewable energy solutions, climate-smart agriculture, and institutional capacity development. The project is classified as Category C for both environmental impact and involuntary resettlement and remains fully compliant with the Asian Development Bank's (ADB) Safeguard Policy Statement (SPS, 2009). No significant environmental or social (E&S) risks or impacts were identified during this reporting period.

1. INTRODUCTION

1.1 Background

1. The CAFSEP is funded by the Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR), administered by the ADB, and implemented by the Ministry of Economy (MOE) of the Republic of Armenia. The total JFPR grant financing is USD 3.00 million, covering equipment, materials, consulting and non-consulting services, project management, and contingencies. The Government of Armenia contributes USD 0.53 million in taxes, duties, and in-kind support such as office space for the Project Implementation Team (PIT).
2. The project aims to strengthen food security in Armenia through the promotion of climate-resilient agricultural practices, renewable energy technologies, and institutional capacity development. Targeting Shirak and Tavush provinces, the project focuses on improving the livelihoods of vulnerable communities by supporting small-scale solar photovoltaic (PV) infrastructure, introducing sustainable agricultural models, and enhancing community-level resilience to climate change impacts.
3. This Semi-Annual Environmental Compliance and Social Safeguards Monitoring Report covers the period from July to December 2025. It documents safeguard activities and compliance monitoring conducted during this reporting period under ADB's SPS, 2009. The project is categorized as Category C for both environmental and involuntary resettlement safeguards, indicating minimal or no significant E&S impacts are anticipated.

1.2 Project Scope and Salient Features

4. The CAFSEP aims to strengthen climate resilience in agriculture for Shirak and Tavush provinces via:
 - (i) **Output 1: Climate-resilient energy solutions established and further enabled.** The output will develop renewable energy solutions for at least 10 vulnerable settlements in Shirak and Tavush provinces. The cost savings gained by transitioning from non-renewable to renewable energy will facilitate the uptake of climate-resilient agricultural practices and climate adaptation measures by municipal authorities in both provinces. The output will include: (i) installation of solar stations with small-scale solar PV capacity to reduce grid dependency; (ii) establishing the revolving funds in selected communities for accumulating savings from the energy costs; (iii) developing a list of priority investments based on community needs, municipal and MOE priorities to support gender-responsive climate change adaptation and food security, that would be financed by revolving funds.
 - (ii) **Output 2: Climate-smart agricultural technologies for food security enhanced.** The output will mainstream climate-smart agriculture at the local level through community engagements and planning. The output will include: (i) selection of approximately 230 beneficiary households for gender-responsive climate-smart interventions to support agriculture and income-generating livelihood subprojects; (ii) grant financing of supply and

installation of climate-smart agricultural equipment and small-scale value chain inputs for selected households including women; (iii) trainings and capacity building of the selected households to support climate-smart agriculture, business planning, and financial management.

- (iii) **Output 3: The Capacity of the Ministry of Economy for climate-smart agricultural planning is enhanced.** The project will address MOE's capacity and knowledge gaps to scale up investments towards supporting climate resilience. The project will take advantage of synergies with the technical assistance on Improved Decision-Making for Climate-Resilient Development in Asia and the Pacific, which aims to scale up adaptation through investment planning and implementation of bankable projects. The capacity building will be anchored on sector needs and requirements to enhance climate adaptation investment planning. The output will include mainstreaming climate adaptation in agriculture investments.
- (iv) **Implementation of technical assistance (TA 10300-ARM).** The Asian Development Bank (ADB) directly engaged the consultants for the project implementation support. The World Food Programme (WFP) Armenia was engaged through the ADB-administered TA 10300-ARM (\$150,000) to serve as the project implementation advisor to the PIT of the MOE. WFP will provide five key staff to conduct capacity building activities to strengthen PIT on community engagement, selection of sites and household beneficiaries, asset identification and procurement, gender mainstreaming, and project monitoring and evaluation.

5. The project initially identified 10 public buildings in target settlements for potential solar PV installation. Parallel to this, approximately 237 vulnerable households were shortlisted for participation in climate-smart agriculture activities, subject to safeguards screening and eligibility verification. The location maps for selected settlements within the two provinces are provided below.



Figure 1: Map showing the Shirak Province

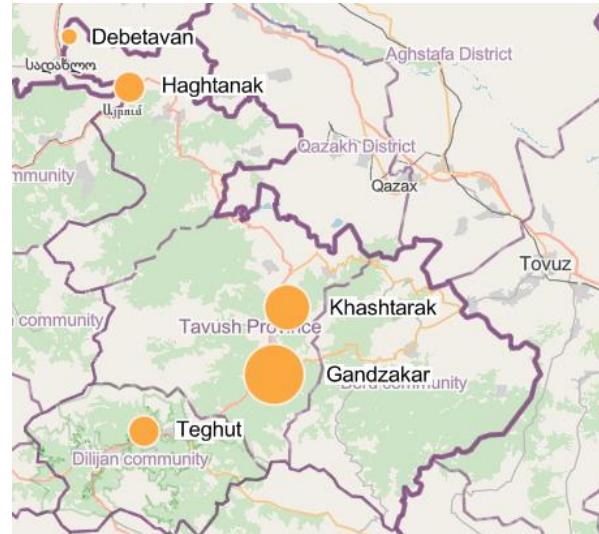


Figure 2: Map showing the Tavush Province

1.3 Overall Project Progress Status

6. During the reporting period from July to December 2025, the CAFSEP recorded substantial progress across beneficiary selection, safeguards integration, and capacity building.
7. The application form used for beneficiary selection incorporates social safeguards and vulnerability screening criteria to ensure transparent, inclusive, and safeguard-compliant targeting. Under Component 1, a total of 206 households are expected to benefit from backyard orchard establishments. Under Component 2, 31 households will be supported through in-kind income-generating projects. In total, 237 households were selected based on agreed social and vulnerability criteria, and the selection process and beneficiary lists were reviewed and verified by the PIT. The Rural Development and Agriculture Consultant (RDAC) Deliverable 2, which documents this process, has been reviewed and approved by ADB.
8. The methodology applied for needs assessment and investment model design for Components 1 and 2 formed the basis for RDAC Deliverable 3, which presents the technical specifications for the procurement of similar packages of goods and services identified during the household selection process. This report has been reviewed by the PIT and submitted to ADB for approval. Technical specifications for the procurement of climate-smart agricultural goods and services are planned to be prepared and submitted to ADB for approval at the beginning of the next reporting period. The updated Environmental Due Diligence Report (EDDR) with the Construction Code of Practice (CCoP) was provided and will be incorporated into the Terms of Reference (ToRs) prior to procurement, ensuring that all packages comply with ADB SPS (2009) and national environmental and social requirements. In December 2025, RDAC conducted capacity-building training sessions for beneficiaries in each settlement using approved training materials.
9. The Institutional Development and Capacity Building Consultant (IDCBC) inception report, with E&S safeguard requirements fully incorporated into the approach and work plan, was approved by ADB in November 2025.
10. The ToR for the installation of solar stations in 10 community buildings incorporates the updated EDDR and CCoP. The ToR has been prepared and will be submitted to the PIT and ADB. Confirmation of the technical parameters from Electric Networks of Armenia (ENA) is required prior to submission to ADB. The PIT is currently awaiting feedback from ENA. On 8 December 2025, the MoE sent an official letter to ENA requesting an update on the status of procedures related to the CAFSEP solar PV installations. In addition, seismic screenings were conducted for six buildings, and the assessment results confirmed that the structures are suitable for solar PV installation. The updated EDDR and CCoP were approved by ADB in December 2025.
11. The Logistics Hubs Feasibility Study Consultant (LHFSC) inception report was approved by ADB in September 2025, with E&S safeguard requirements integrated into the methodology for site identification, design, and feasibility assessment. The report on the identification of potential locations and the proposed scale of logistics hubs was also approved by ADB, with safeguard requirements already considered in the screening of locations and preliminary design parameters. Preparation of preliminary designs and cost estimates is ongoing and will further incorporate E&S safeguard considerations in line with ADB SPS (2009) and the Environmental and Social Framework (ESF).
12. A Grievance Redress Mechanism (GRM) was formally established, comprising clearly defined institutional responsibilities across consultants, the PIT, the MoE, and ADB. GRM access channels, including dedicated phone lines, email addresses, and printed posters, were disclosed in the selected communities. As of the end of the reporting period, no grievances had been received.

13. To enhance implementation capacity, ADB conducted safeguards-related training sessions in September–October 2025 in Tbilisi, Georgia.

14. Based on the selection of 10 buildings for solar panel installation and the needs assessment of 237 households, the E&S Safeguards Specialist updated the EDDR and CCoP, which was approved by ADB in December 2025.

1.4 Consultant and Contractor

15. All consultant recruitments were conducted in accordance with ADB procurement guidelines. The TORs for these positions included specific roles and responsibilities related to safeguard measures, ensuring their early integration into project implementation.

- Rural Development and Agriculture Consultant (RDAC): Contract signed on 30 April 2025.
 - Contract awarded to Consortium "Avenue Consulting Group" LLC and EREK AR STRATEGY LLC.
 - "Avenue Consulting Group" LLC contacts
 - Dr. Karen Martirosyan, Director and Shareholder
 - k.martirosyan@avenueconsulting.am
 - EREK AR STRATEGY LLC
 - Mr. Mkrtich Ayvazyan, Director
 - erekarstrategy@yahoo.com
- Institutional Development and Capacity Building Consultant (IDCBC): Contract signed on 17 June 2025.
 - Contract awarded to "CIVITTA AM" CJSC
 - Mrs. Sona Grigoryan, Chief Executive Officer
 - sona.grigoryan@civitta@com
- Logistics Hubs Feasibility Study Consultant (LHFSC): Contract signed on 15 July 2025.
 - Contract awarded to JV "Avenue Consulting Group" LLC and Armenian Branch of "Agriconsulting Europa" LLC (Armenia)
 - "Avenue Consulting Group" LLC contacts:
 - Dr. Karen Martirosyan, Director and Shareholder
 - k.martirosyan@avenueconsulting.am
 - Armenian Branch of "Agriconsulting Europa" LLC (Armenia)
 - Mr. Lorenzo Grazioli, Head of the executive body
 - L.GRAZIOLI@aesagroup.eu
- 16. During the next reporting period, the project expects to engage contractors for the procurement of goods and services, including the installation of solar panel systems in selected community buildings, in accordance with ADB procurement procedures.

2. SAFEGUARD PROVISIONS

2.1 Safeguard Provisions in Bidding Document

17. During the reporting period from July to December 2025, the CAFSEP team, in coordination with consulting firms, finalized the ToRs for goods to be provided to selected beneficiaries based on the results of needs assessment analyses, as well as the ToR for solar PV installations. These ToRs incorporate the requirements of the updated EDDR and the CCoP, in line with ADB's SPS 2009. The safeguard provisions have been embedded in the procurement documentation in preparation for tendering. Tender announcements are expected in the next reporting period.

2.2 Safeguard Provisions in the Contract Agreement

18. All contract agreements signed with consulting firms under the project include clearly defined E&S safeguard obligations. These contractual provisions ensure full compliance with ADB's SPS, 2009 and relevant national legislation. Consultant firms are contractually required to:

- Comply with ADB's SPS (2009) and applicable Armenian environmental and social regulations throughout project implementation.
- Support the PIT in screening community sites and beneficiary households for E&S risks.
- Prepare safeguard deliverables, including community scoring sheets and screening checklists, in line with the EDDR and CCoP, and Social Due Diligence Report (SDDR).
- Provide safeguards training, awareness-raising sessions, and ongoing technical mentoring to PIT staff.
- Assist in the implementation and operationalization of the GRM, and support consultation and disclosure activities.
- Monitor safeguards compliance during beneficiary selection and subsequent implementation phases.
- Submit regular reports detailing progress on safeguard-related activities.

19. These contractual requirements ensure that safeguard considerations are fully integrated during the preparatory stages of project implementation. Physical works may only proceed once E&S due diligence has been completed, documented, and approved. This approach helps maintain continuous compliance with both ADB and national safeguard standards.

3. STATUS OF ENVIRONMENTAL AND SOCIAL ASSESSMENTS

3.1. Requirements in PAM

20. According to the Project Administration Manual (PAM), CAFSEP is classified as Category C for both environmental and involuntary resettlement safeguards, reflecting the project's minimal or no adverse environmental and social (E&S) impacts.

21. As outlined in PAM Section VI (Safeguards), the project does not require the preparation of an Environmental Impact Assessment (EIA), Initial Environmental Examination (IEE), or Resettlement Plan (RP), as it has been confirmed as Category C for both environmental and involuntary resettlement impacts. The Environmental Due Diligence Report (EDDR) with the Construction Code of Practice (CCoP) and the Social Due Diligence Report (SDDR) have been prepared and disclosed on the ADB website. In line with the PAM, Rapid Environmental

Assessment (REA) and Involuntary Resettlement Impact (IRI) screening were conducted for the 10 selected community buildings for solar PV installation and for 237 beneficiary households prior to any procurement or physical works, using application forms incorporating environmental and social criteria in accordance with the approved EDDR and SDDR. Of the 10 buildings, six existing structures required seismic screening; these assessments were carried out by licensed specialists and confirmed that the buildings are structurally suitable for the proposed installations. Safeguard requirements have been fully integrated into the ToRs and upcoming procurement packages.

22. The PIT E&S Safeguards Specialist updated the EDDR with the CCoP, which was reviewed and approved by ADB.

23. ADB and the PIT reviewed and cleared the completed screening checklists prior to the commencement of any civil works, including the installation of solar PV systems. This due diligence process confirmed that the project continues to meet its Category C classification and that no significant environmental or involuntary resettlement impacts were triggered.

24. The PIT, with support from technical consultants, is responsible for ensuring that all safeguard requirements specified in the PAM are fulfilled prior to the implementation of any civil works.

25. Following initial screening, RDAC conducted site visits and interviews with preselected households to validate submitted information and assess readiness for project participation. Verification included review of land ownership certificates, identity documents, consent for land use, and physical inspection of plots and orchards. GPS coordinates and photographic records of land plots were collected, and project input locations were mapped to ensure traceability and safeguards compliance. These procedures confirmed that all selected households meet the requirements of the TOR, EDDR, and SDDR, consistent with the project's Category C classification.

3.2. Status of safeguard requirement implementation

26. Based on the consulting firms' contractual deliverables summarized in Table 1 below, this section highlights the status of implementation of safeguard requirements under CAFSEP.

Table 1: Status of safeguard requirement implementation under the CAFSEP

| No. | Deliverable | Milestone (counted from the first day after contract signing) | Status of safeguard requirement implementation |
|---|---|--|--|
| Rural Development and Agriculture Consultant (Contract signed on 30 April 2025) | | | |
| 1 | Inception report | 1 month | Approved (Safeguard requirements incorporated) |
| 2 | Report with the details of selection and the list of selected (a) 200 households for backyard orchard establishment, and (b) 30 households for grant financing of income-generating projects in the 10 vulnerable communities | 3 months | Approved (Selection of 237 households conducted in accordance with ADB safeguard requirements) |
| 3 | Technical specifications for the procurement of similar packages of goods and services identified during the selection of households | Within 4 months after submission of the Inception report | Approved (Updated EDDR with CCoP provided for inclusion in tender documents) |
| 4 | Report with details on the conduction of at least 2 trainings and the development of training modules/materials | 9 months | Ongoing (In December 2025, 237 households received training) |
| 5 | Midterm report on previous work | 11 months | Pending |
| 6 | Report with details on the conduction of at least 2 trainings and the development of training modules/materials | 17 months | Pending |
| 7 | Draft final report | 19 months | Pending |
| 8 | Final report | 20 months | Pending |
| Institutional Development and Capacity Building Consultant (Contract signed on 17 June 2025) | | | |
| 1 | Inception report with proposed methodology for conducting the assignment | 2 months | Approved |

| | | | |
|--|---|--|---|
| 2 | Quarterly Report on Armenia's renewable energy potential in rural areas and recommendations on developing the most promising renewable energy projects | 3 months | Approved |
| 3 | Quarterly Report on the development of ToRs for the installation of solar station in each community and developing solar panel installation guides and training, as well as on the analysis of the current government strategies and priorities | 6 months | Ongoing (The ToR for solar installations in 10 communities incorporates the updated EDDR and CCoP and is pending submission to ADB, subject to confirmation of technical parameters from ENA. Seismic screenings were conducted for six buildings and confirmed their structural suitability. Training guides were prepared and submitted to the MoE for review.) |
| 4 | Quarterly Report on Review of the climate financing opportunities and agricultural logistics | 9 months | Ongoing |
| 5 | Quarterly Report on Review of the current food security situation and government strategies and interventions | 12 months | Pending |
| 6 | Midterm report | 12 months | Pending |
| 7 | Quarterly Report on Recommendations and support on climate-adaptation and food security planning, Support on developing investment projects, Support on developing logistics hubs | 15 months | Pending |
| 8 | Draft final report | 18 months | Pending |
| 9 | Final report | 20 days (after the Client accepts the Draft final report) | Pending |
| Logistics Hubs Feasibility Study Consultant (Contract signed on 17 June 2025) | | | |
| 1 | Inception report | 1 month | Approved |

| | | | |
|---|--|-----------|--|
| | | | (Safeguard requirements incorporated) |
| 2 | Report on the identification of potential locations and a proposal for the scale (size, capacity, etc.) of potential logistics hubs. | 3 months | Approved (Safeguard requirements incorporated) |
| 3 | Report on the preparation of preliminary designs and cost estimates for logistics hubs based on the proposed scale | 6 months | Ongoing |
| 4 | Midterm report on previous work, including the preliminary financing plan(s) and economic analysis of each hub | 12 months | Pending |
| 5 | Draft Final Feasibility Study Report | 16 months | Pending |
| 6 | Final Feasibility Study Report | 18 months | Pending |

27. All safeguard requirements under CAFSEP are being implemented in accordance with the PAM, ADB's SPS 2009, and national regulations. Consultant deliverables completed to date have systematically integrated E&S safeguards, including beneficiary screening, site assessments, seismic screening, and incorporation of the EDDR, CCoP, and SDDR into technical documentation and ToRs. No safeguard non-compliance or category changes have been identified. Pending deliverables are progressing as scheduled, and safeguard provisions will continue to be applied and monitored throughout subsequent implementation phases.

4. INSTITUTIONAL ARRANGEMENT

4.1. Safeguard Unit and Staffing in the Project

28. The PIT was fully established within the MoE, with the recruitment of key staff including the PIT Director, Procurement Specialist, Financial Manager, Disbursement Specialist, M&E and Gender Specialist, Office Manager/Translator, and the E&S Safeguards Specialist. The safeguards unit functions within PIT's structure, reporting directly to the PIT Director.

29. For ADB safeguards compliance, the following personnel are responsible:

- Ruzanna Voskanyan, PIT E&S Safeguards Specialist (Email: ruzanna.voskanyan@mineconomy.am) is responsible for reviewing project sites for E&S safeguards eligibility; ensuring the preparation and implementation of REA/IRI checklists; including the CCoP in bidding documents and contracts; conducting safeguards monitoring; preparing and disclosing safeguard reports and due diligence documentation; organizing public consultations; ensuring necessary clearances and permits; facilitating the GRM process; and ensuring full compliance with ADB's SPS, 2009 and national regulations.
- Eduard Anastasyan, PIT M&E and Gender Specialist (Email: eduard.anastasyan@mineconomy.am), is responsible for gender mainstreaming, monitoring implementation of the Gender Assessment Action Plan (GAAP), and ensuring the inclusion of gender-sensitive indicators and beneficiary participation across project activities.

- From the RDAC firm, Lilit Petrosyan is the focal person for environmental and social safeguards (Email: projectrdac@gmail.com).

4.2. Record of Safeguard Unit/Desk Meetings

30. During the reporting period from July to December 2025, several meetings were held to coordinate environmental and social (E&S) safeguard activities under CAFSEP. These included consultations among ADB, the PIT, WFP, the MoE, and the consulting firms (RDAC, IDCBC, and LHFSC). Discussions focused on safeguard screening of community buildings and households, review of consultant deliverables, integration of EDDR with CCoP, and SDDR into project documentation, coordination on solar PV installations, seismic screening, and planning of capacity-building activities. A summary of key safeguard-related meetings is provided below.

Table 2: Record of Safeguard Unit/Desk Meetings (July–December 2025)

| Date | Participants | Purpose / Agenda | Remarks |
|-------------------------|------------------------------|--|-----------------------------------|
| 16, 21, 22 July 2025 | PIT, ADB, RDAC, IDCBC, LHFSC | ADB mission review | Discussed implementation approach |
| 17 and 18 July 2025 | PIT, ADB, IDCBC | Field visit to Shirak and Tavush Provinces with community representatives to review project requirements and jointly inspect selected public buildings for solar PV installation | Site visits conducted |
| 15–17 September 2025 | PIT, RDAC | Field verification visits in Tavush Province to review safeguard compliance of beneficiaries selected from 237 household packages | Safeguard compliance confirmed |
| 22-24 September 2025 | PIT, RDAC | Field verification visits in Shirak Province to review safeguard compliance of beneficiaries selected from 237 household packages | Safeguard compliance confirmed |
| 15 and 22 December 2025 | PIT, RDAC | Review of completed beneficiary training | Completed |

31. No safeguard issues, incidents, or non-compliance were identified during the reporting period. All activities were implemented in accordance with the PAM, ADB's SPS, 2009, and applicable national requirements.

4.3. Safeguards Training for Environment and Social Safeguard Staff

32. To enhance implementation capacity, ADB conducted safeguards-related training sessions in September–October 2025 in Tbilisi, Georgia, including participation in the ADB Environmental Safeguards Conference and the Environmental and Social Framework (ESF) Orientation. These sessions focused on the application of ADB's safeguard policies and project-level E&S requirements.

33. In addition, in accordance with the ToR, the RDAC implemented three out of four planned training modules during the fourth reporting phase, namely:

- Agricultural Practices (theoretical component) and

- (ii) Financial Literacy for Component 1 beneficiaries, and
- (iii) Business Planning and Marketing for Component 2 beneficiaries.

34. The fourth module foreseen under the ToR Agricultural Practices (practical/field-based component) is scheduled for delivery in the next reporting period.

35. In total, 816 beneficiaries participated in the completed sessions, ensuring broad outreach.

5. STATUS OF GRANT COVENANT

36. All safeguard-related grant covenants outlined in the Financing Agreement have been fully complied with during the reporting period. Environmental and involuntary resettlement impact assessments have been integrated into the household and community-level screening process. A functioning GRM has been established and publicly disclosed. Safeguards monitoring and reporting have been carried out in compliance with ADB's SPS 2009 requirements.

Table 3: Status of Grant Covenant

| Covenant | Compliance Status |
|--|-------------------|
| Safeguard categorization confirmed (Cat. C) | Compliant |
| PIT safeguard staffing maintained | Compliant |
| GRM is established and functioning | Compliant |
| E&S Safeguards monitoring report | Ongoing |

6. GOVERNMENT CLEARANCE

37. No physical construction activities were undertaken during the reporting period. Accordingly, government clearances related to spoil disposal, installation of solar PV systems, or associated infrastructure were not required at this stage. All necessary permits and approvals will be obtained prior to the commencement of any civil works. The Project Implementation Team (PIT) will ensure timely coordination with relevant national and local authorities to comply with all applicable regulatory requirements at each project site.

7. Public Participation and Consultation

38. During the reporting period, no public consultations were conducted.

8. GRIEVANCE REDRESS MECHANISM

8.1. GRM Established

39. The GRM has been fully established with a multi-tier structure involving the contractor (upon mobilization), PIT, MOE, and ADB. Responsibilities are clearly defined and documented.

40. Consultation during the construction period is a requirement under the ADB SPS, 2009. Key requirements include:

- i) Communicating with the public to provide information and conduct consultations about the project; and

ii) Establishing a GRM, to be implemented by the Contractor, which will allow affected persons to raise concerns related to the project's activities.

41. The Contractor shall be responsible for adopting the GRM requirements and for installing project informational boards that contain relevant details on how affected persons can access and use the mechanism. When necessary, the Contractor shall also participate in the GRM process by providing information on project requirements or addressing negative impacts arising during the construction phase.

42. A GRM, inspired by the problem-solving approach of ADB guidelines and policies, has been developed to facilitate continuous communication with affected persons throughout project implementation. The mechanism enables the receipt and resolution of concerns, complaints, and suggestions related to the project's environmental, social, and resettlement performance.

43. The GRM is designed to ensure that the Project's implementing parties address grievances in accordance with the following core principles:

- i. Prompt, timely, and effective resolution of affected persons' concerns and complaints;
- ii. A simple, transparent, and easily understood procedure; and
- iii. Accessibility to all segments of the affected population at no cost and without fear of retribution.

44. Various parties may be involved in addressing grievances, including the Affected Persons (APs), the Contractor, the local community, the PIT, the Executing Agency (EA), the Court, and/or the ADB. The grievance redress mechanism will be presented in detail to the public.

45. Affected persons were informed about the GRM during initial public consultations and participation activities, and this information will also be reinforced during subsequent consultations. Details about the GRM, including its existence and the steps that APs may take to submit suggestions or complaints, were also disclosed during community consultations, prior to the start of any project activities.

46. Additionally, the steps for filing grievances should be published on the Ministry of Economy's website to enhance accessibility.

47. The Contractor is responsible for adopting the GRM and installing informational boards at construction sites, providing clear instructions on how to access and use the mechanism.

48. The following section outlines the procedural steps for filing a complaint related to the project, including environmental, social, and other relevant concerns:

Step 1. An Affected Person (AP) may initially raise their suggestion, concern, or complaint with the Contractor's designated grievance staff, such as the Contractor Project Manager or the Contractor's social or environmental specialist. Every effort will be made to resolve the complaint promptly and locally at this first tier of the Project's overall GRM.

49. The grievance mechanism established by the Contractor shall include the following provisions:

- a. The Contractor shall provide clear and accessible contact information (including field office location, operating hours, names and roles of responsible personnel, phone numbers, and email/mailing addresses) through posters and project informational boards displayed at the site.
- b. APs may approach the Contractor's representative on-site and/or record their suggestion or complaint in a grievance register maintained by the Contractor at the settlement level. The format

and content of the grievance record will follow a template outlined in the Contractor's logbook, developed in coordination with the PIT.

c. Upon receiving a grievance, the Contractor shall immediately investigate and implement appropriate mitigation measures. A formal written response will be provided to the AP within 15 calendar days, with a copy submitted to the PIT. The Contractor shall document all complaints and suggestions in their monthly report, which will be updated to reflect the current status and resolution of each case.

50. If the AP is not satisfied with the Contractor's response or if no response is received within the specified timeframe, the complaint may be escalated. The AP may submit the complaint to the Administrative Community, the Project Manager, or directly to the PIT within one month.

51. All submitted complaints will be categorized as either E&S/resettlement-related. Those related to safeguard issues will be handled by the PIT's E&S Safeguards Specialist. The PIT is responsible for responding to the complaint within 30 calendar days.

Step 2. If the Project Manager's response does not satisfactorily address the complaint, the Affected Person (AP) has the right to escalate the issue further. The AP may submit the complaint to the PIT, the MOE, and/or the ADB Accountability Mechanism (AM). During the construction stage, the complaint handling process at the PIT level will follow the same procedures established during the pre-construction phase.

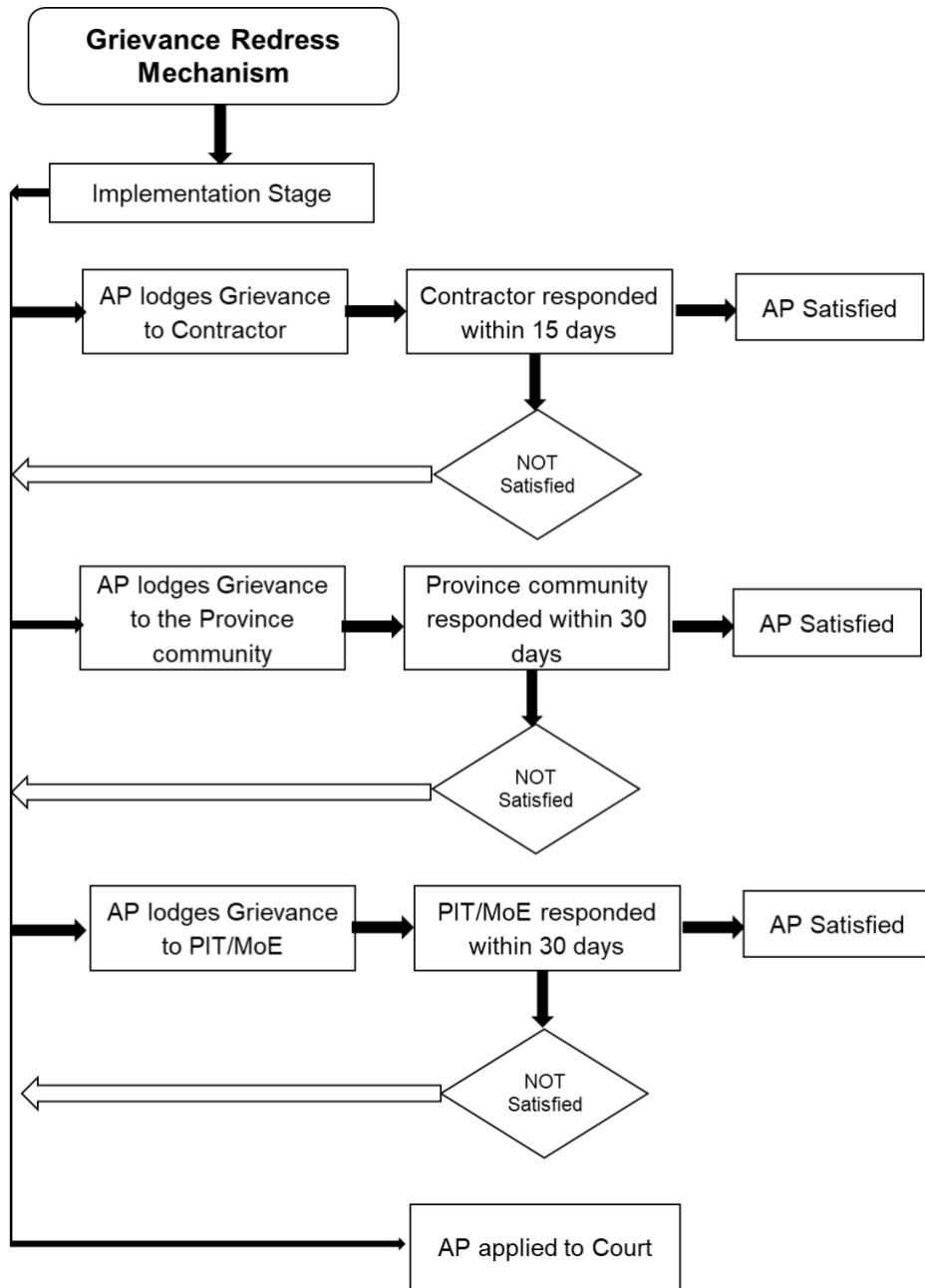
52. The Contractor is responsible for ensuring that all relevant contact information for these entities is clearly posted on project informational boards and in public notices. As the initial point of contact, the Contractor will provide necessary explanations and assistance to the AP in filing complaints with the appropriate authorities. This support may include facilitating personal meetings with the AP, if required.

53. Ultimately, the AP retains the right to seek redress through legal channels, including the courts. However, every effort will be made to resolve grievances at the Contractor and PIT levels. If resolution is not achieved, the MOE will attempt to address the complaint before legal escalation becomes necessary.

54. If, after exhausting all levels of the GRM, the AP remains unsatisfied, they may submit their complaint directly to the ADB. It is important to emphasize that all complaints, regardless of the outcome, will be fully documented and made available for review, monitoring, and evaluation.

55. It is also important to note that any person may access the court system independently at any stage, regardless of the GRM process.

Grievance Redress Mechanism Flow-Chart



56. All complaints, regardless of their outcome or resolution, will be properly documented by both the Contractor and the PIT and made available for review, monitoring, and evaluation purposes.

8.2. Information Dissemination

57. GRM information has been publicly disclosed in all participating communities through visual posters, community consultation sessions, and informational materials distributed during field visits.

58. Public consultations were conducted before the implementation phase of the project. Appropriate awareness-raising measures were taken to ensure the meaningful participation of all relevant stakeholders, including women, vulnerable groups, and local authorities.

8.3. Status of Grievance

59. No grievances have been received as of the end of this reporting period.

9. SAFEGUARDS MONITORING RESULTS AND FINDINGS

60. During the reporting period (July - December 2025), CAFSEP maintained full compliance with the ADB's SPS 2009, consistent with its Category C classification for both environmental and involuntary resettlement safeguards. As no civil works were undertaken during this phase, the safeguards monitoring activities focused on screening procedures, institutional arrangements, stakeholder engagement, and early implementation of grievance redress mechanisms.

61. E&S safeguard monitoring findings are summarized in the tables below:

- Table 4: Environmental Safeguards Monitoring – Findings Matrix summarizes the key environmental safeguard parameters, benchmarks, implementation status, and observations as of June 2025.
- Table 5: Social Safeguards Monitoring – Findings Matrix presents the social safeguards progress, including screening, consultations, grievance redress, and vulnerability inclusion.

62. Site-specific mitigation measures were developed in accordance with the approved EDDR and CCoP prior to the commencement of any physical works. Screening of the 10 selected community buildings and 237 beneficiary households was completed using environmental and social criteria in line with the approved EDDR and SDDR.

63. Safeguard provisions, including occupational health and safety, waste management, and community safety measures, have been incorporated into the relevant ToRs and will form part of the contractual obligations for contractors prior to the installation of solar PV systems.

Table 4. Environmental Safeguards Monitoring (July-December 2025)

| Monitoring Parameter | Intended Outcome / Benchmark | Actual Status (as of December 2025) | Remarks / Gaps |
|--|--|---|--|
| Environmental Categorization | Project classified as Category C (minimal or no adverse environmental impact) | Category C confirmed | Compliant |
| Environmental Screening | Completion of ADB safeguard requirements prior to procurement | Screening conducted for 10 selected community buildings for solar PV installation and for 237 households by RDAC using application forms incorporating environmental criteria, in accordance with the approved EDDR | Compliant |
| EIA / IEE / EMP Requirement | Not required for Category C projects; EDDR with CCoP required | Updated EDDR with CCoP approved by ADB and included in bidding documents | Compliant |
| Community Consultations | At least one round of consultations in each target province | Conducted in 10 settlements across Shirak and Tavush provinces (June 2025) | Compliant |
| Government Environmental Clearance | Secure relevant clearances (e.g., spoil disposal) prior to physical works | Not required during the reporting period, as no construction activities were undertaken | Will be initiated prior to the commencement of works |
| Integration in Procurement and ToRs | Safeguard roles and CCoP embedded in bidding documents | Safeguard conditions and CCoP requirements included in the consultant ToRs | Compliant |
| Field Visits and Site Verification | Environmental due diligence and initial screening at target sites | Joint field visits conducted in March–April 2025 with PIT, WFP, and consultants | Compliant |
| Training on Environmental Safeguards | PIT E&S Safeguards Specialist trained on ADB SPS (2009) and safeguard procedures | Training conducted for PIT staff in January 2025 | Compliant |
| Institutional Safeguards Arrangements | PIT E&S Safeguards Specialist appointed and operational | PIT E&S Safeguards Specialist in place and provided training support to RDAC | Compliant |

| | | | |
|--|--|--|-----------|
| Grievance Redress Mechanism (GRM) | Established, accessible, and functional | GRM established and publicly disclosed; no environmental complaints received | Compliant |
| Mitigation Measures | Site-specific measures developed as per EDDR and CCoP prior to solar PV installation; screening of 10 buildings and 237 households using E&S criteria based on EDDR and SDDR | Site-specific mitigation measures developed in accordance with the EDDR and CCoP; screenings of 10 buildings and 237 households completed using E&S criteria in line with the approved EDDR and SDDR | Compliant |
| Accidents / Incidents | Maintain a zero-incident record | No environmental incidents or accidents recorded during the reporting period | Compliant |

Table 5. Social Safeguards Monitoring (July–December 2025)

| Monitoring Parameter | Intended Outcome / Benchmark | Actual Status (as of December 2025) | Remarks / Gaps |
|--|---|--|----------------|
| Safeguard Categorization | Project classified as Category C (no IR/IP impacts) | Category C confirmed | Compliant |
| Social Safeguards Screening | Completion of IRI checklists prior to procurement | Screening of 237 households conducted using environmental and social criteria based on the approved SDDR | Compliant |
| Land Acquisition / Displacement | None | None reported | Compliant |
| Community Consultations | At least one round of consultations in each target province | Conducted in 10 settlements across Shirak and Tavush provinces | Compliant |
| Grievance Redress Mechanism (GRM) | Established, accessible, and functional | GRM established and publicly disclosed; no complaints received | Compliant |

| | | | |
|---|--|--|--|
| Gender and Social Inclusion (monitored by PIT M&E Gender Specialist) | Ensure inclusion of women and vulnerable groups in beneficiary selection | Gender-responsive criteria integrated into household application forms; beneficiary selection completed accordingly by the RDAC team | Gender monitoring coordinated by PIT M&E Gender Specialist in collaboration with the E&S Safeguards Specialist |
| Training on Social Safeguards | PIT and consultants trained on ADB SPS (2009) and safeguard procedures | Training conducted for PIT staff | Compliant |
| Institutional Safeguards Arrangements | PIT E&S Safeguards Specialist appointed and operational | PIT E&S Safeguards Specialist in place and provided training support to RDAC | Compliant |
| Information Disclosure | Safeguard information shared with stakeholders | Information disseminated through meetings, posters, and consultations | Compliant |
| Community Feedback Incorporated | Stakeholder views reflected in screening and design | Community comments documented in Minutes of Meetings (MoMs) and reviewed by project teams | Compliant |

64. These monitoring results demonstrate strong alignment with project commitments and ADB safeguard requirements during the preparatory stage. Screening processes for the 10 selected community buildings (REA/IRI) and 237 beneficiary households (based on application form criteria) were completed prior to procurement and any civil works. Mitigation measures will be developed in accordance with the screening outcomes and incorporated into the relevant ToRs and implementation procedures.

65. Safeguards monitoring further confirmed that the beneficiary selection and needs assessment processes were conducted in a transparent and verifiable manner. Screening covered land ownership, eligibility compliance, and potential environmental or involuntary resettlement risks, supported by household documentation, site inspections, GPS mapping, and photographic records. No cases of land acquisition, displacement, or use of environmentally sensitive areas were identified. The final beneficiary database and full household documentation packages were submitted to the PIT for recordkeeping and future monitoring.

10. IMPLEMENTATION OF MITIGATION MEASURES

66. No construction-related mitigation measures were implemented during the reporting period, as no physical works were undertaken. However, all preparatory safeguard actions required prior to implementation were completed in line with ADB's SPS (2009).

67. Site-specific screening was conducted for the 10 selected community buildings and 237 beneficiary households using environmental and social criteria in accordance with the approved EDDR and SDDR. These screenings confirmed the project's Category C classification and identified any potential risks requiring mitigation during future implementation.

68. Based on the screening and field verification results, site-specific mitigation measures were defined in line with the EDDR and CCoP. These measures will be integrated into the ToRs, bidding documents, and contractual obligations prior to the commencement of any civil works or installation activities.

69. The CCoP will serve as the primary reference for environmental management, occupational health and safety, waste management, and community safety requirements during the installation of solar PV systems and any associated works. To ensure readiness, safeguard provisions have already been embedded in the consultant ToRs, and safeguards training has been conducted for PIT staff and consultants.

11. ACCIDENT REPORT

70. No environmental accidents or incidents were reported during the monitoring period. A grievance log and monitoring mechanism have been established and maintained by the PIT to ensure that any future incidents or complaints are promptly documented, addressed, and monitored in accordance with ADB procedures.

12. ISSUES AND CHALLENGES

71. There were no major safeguards-related issues or cases of non-compliance during the reporting period. Continued coordination with local authorities, consultants, and beneficiary households will be required during the next reporting period to support procurement and contractor mobilization and to ensure consistent application of the EDDR and CCoP during implementation.

13. RECOMMENDATION AND FOLLOW-UP ACTION PLAN

72. It is recommended to continue safeguards training and capacity-building activities for both the PIT and consultant staff to ensure effective implementation. Stakeholder engagement should remain ongoing, and the GRM should be maintained in a functional and accessible manner for all project beneficiaries and affected persons. As implementation progresses, safeguards compliance should be closely monitored, with particular attention to the application of site-specific mitigation measures.

14. CONCLUSION

73. The project remains fully compliant with ADB's environmental and social (E&S) safeguard requirements under the Safeguard Policy Statement (SPS, 2009). During the reporting period (July–December 2025), no civil works were initiated.

74. The environmental and involuntary resettlement categorization of Category C remains valid, with no significant impacts identified to date.

75. The ToRs, incorporating the updated EDDR and CCoP, have been finalized for all 10 selected community buildings, and screening of the 237 selected households has been completed. Procurement activities will be undertaken in the next reporting period. The project will continue safeguards training, ensure the ongoing functionality of GRM, and strengthen field-level documentation and monitoring to maintain full safeguards compliance throughout implementation.

76. CAFSEP continues to comply fully with ADB's SPS 2009. E&S screening of all selected sites and households has been completed, site-specific mitigation measures have been defined in the EDDR and CCoP, and safeguards requirements are embedded in procurement documentation. No grievances, incidents, or cases of non-compliance were recorded during the reporting period.