



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 10-Aug-2020 | Report No: PIDISDSA29851



BASIC INFORMATION

A. Basic Project Data

Country Kyrgyz Republic	Project ID P174316	Project Name Third Village Investment Project (COVID-19 Response) Additional Financing	Parent Project ID (if any) P146970
Parent Project Name Third Village Investment Project	Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 11-Aug-2020	Estimated Board Date 18-Sep-2020
Practice Area (Lead) Social	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Community Development and Investment Agency (ARIS)

Proposed Development Objective(s) Parent

The Project Development Objectives are (a) to build local capacity for participatory development and (b) improve access to quality community infrastructure services in targeted project areas.

Components

- Capacity Building of Local Self-Governments and Communities
- Village Investments
- Project Management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	17.00
Total Financing	17.00
of which IBRD/IDA	17.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	17.00
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IDA Credit	8.50
IDA Grant	8.50

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

A. Country and Sector Context

1. The Kyrgyz Republic, a landlocked, mountainous country, is one of the poorest in the Europe and Central Asia region. It has an estimated population of more than 6.3 million and a 2019 per capita gross national income of US\$1,240. Over the past five years (2015–2019), real GDP growth in the country has averaged 4.2 percent per year. It has one of the highest COVID-19 infection rates in the region,¹ which has disrupted this positive growth trend. According to World Bank estimates, poverty rates (measured using national standards) are above that of most countries in the region (over 20 percent in 2019), and a further 65 percent of the population is assessed as vulnerable to falling into poverty. The pandemic has caused the country’s gross domestic product (GDP) to contract by up to 12 percent; inflation is expected to rise to 8.0 percent, and remittances to decline by 30 percent. Coupled with widespread job losses and increasing food prices, the poverty rate is estimated to increase to 31 percent by the end of 2020, with a large majority of the population remaining vulnerable to poverty.²

2. There are also significant gender gaps. As of 2019, among those 15 years old and older, only 44.8 percent of women participated in the formal labor market, compared to 75.7 percent of men.³ Women work predominantly in lower-paid sectors, especially the services sector. For women aged 20–34 years old in formal employment, the norm is to leave work to carry out household duties and care for young children and infants.⁴ Only 18 percent of children under the age of 7 receive a preschool education.⁵

3. In 2008, to strengthen the role of local government in the country’s development, the Kyrgyz Republic adopted an amendment to the legal framework for local governance, which assigned more political, administrative, and fiscal autonomy to local governments. Local self-governments (LSGs) now have increased responsibilities towards local populations, and there are increased opportunities for Aiyi Okmotus (AO, subdistrict

¹ World Bank. *Kyrgyz Republic: Country Program’s Adjustment in Responding to COVID19*. Washington, DC: World Bank, 2020.

² Ibid.

³ World Bank, "World Development Indicators." Washington, DC: World Bank, 2020. <http://data.worldbank.org/data-catalog/world-development-indicators>.

⁴ UN Women, *Beijing+25: National Review on Implementation of the Beijing Declaration and Platform for Action*. Bishkek, Kyrgyz Republic: UN Women, 2019.

⁵Asian Development Bank, *Kyrgyz Republic Country Gender Assessment*. Manila: Asian Development Bank, 2019.



administration) at the Aiyi Aimak (AA, or subdistrict level) to work closely with communities on local development initiatives.⁶ However, despite efforts to strengthen AOs' role in village investment, fiscal transfers to LSGs are extremely limited and these local-level authorities have not yet developed the capacity for accountable and transparent decision making and financial management. Nevertheless, LSGs carry out local development planning, and community investments form a part of Local Development Strategies (LDSs).

4. More broadly, the Government of the Kyrgyz Republic (GoKR) has long recognized the need to address the lack of services, socioeconomic exclusion, and disempowerment of communities in rural villages by making a series of investments that are responsive to differentiated local needs and opportunities across the country. Community-driven development (CDD) is thus relatively well established in the Kyrgyz Republic. For nearly a decade, the World Bank and KfW (German Bank for Reconstruction and Development) have supported a series of Village Investment Projects (VIPs) with the dual objectives of making locally relevant investment decisions and empowering communities. The Third Village Investment Project (VIP-3) (P146970), a CDD project implemented by the Community Development and Investment Agency (ARIS) with International Development Association (IDA) financing, has been active since February 2016. The project has been operating in the four oblasts (regions) in the north, Naryn, Issykul, Chui, and Talas, which comprise 266 AAs. VIP-3 was approved by the World Bank Board of Executive Directors on March 27, 2015 in the amount of US\$12.0 million (including a US\$6.6 million equivalent IDA Credit 56010, and a US\$5.4 million equivalent IDA Grant D0410; after a delay in ratification, it became effective on February 26, 2016. An institution dedicated to the delivery of CDD projects, ARIS, was established in 2003 to address the need to invest in rural communities by implementing community-based projects. It works in approximately 455 AAs in rural and peri-urban areas, where almost 70 percent of poor households live.⁷

5. The COVID-19 pandemic is expected to undermine the livelihoods of the rural poor, including in the north of the country. During the two-month lockdown, in April and May, up to one million people - a third of the labor force - are estimated to have lost their jobs.⁸ The country's pandemic-containment measures, which included lockdowns and limitations on wheat exports, are expected to significantly lower incomes: almost 8 in 10 individuals in the bottom 20 percent of the income distribution are employed in highly impacted sectors (agriculture, trade, and construction). Most of the country's rural poor are in the informal sector and outside formal social safety nets, which increases the importance of community-driven mechanisms to deliver assistance, mitigate the economic impacts of the pandemic, and ensure that assistance is aligned with rural communities' priorities.

6. Epidemics tend to magnify patterns of social and spatial disadvantage. Thus the economic downturn is expected to disproportionately impact young people, women, and marginalized groups. Youth (12 percent of whom are not in employment, education, or training⁹) are likely to be hit hard by unemployment and the loss of livelihoods, with the risk of intensifying patterns of apathy and exclusion, increased distrust in government, and unrest. Women are less likely to benefit from social assistance programs, since they are more likely to engage in

⁶ LSG responsibilities include ensuring economic development through adopting development strategies, collecting local taxes, managing local budgets, managing municipal property, ensuring Operations & Maintenance of public facilities and infrastructure, and land use planning and administration.

⁷ National Statistics Committee of the Kyrgyz Republic, Integrated Households Survey, 2018.

⁸ World Bank. *Kyrgyz Republic: Country Program's Adjustment in Responding to COVID19*. Washington, DC: World Bank, 2020.

⁹ World Bank, "World Development Indicators." Washington, DC: World Bank, 2020. <http://data.worldbank.org/data-catalog/world-development-indicators>.



unpaid work or work in the informal sector. They also have fewer assets to sustain them during shocks: 80 percent of land is registered in men's names.¹⁰

7. Remittances are a critical source of income, but are projected to decline sharply due to the COVID-19 pandemic, hurting the rural poor in the target oblasts. The Kyrgyz Republic is the second most remittance-dependent country in the world: more than one-fifth of the population works in neighboring countries, mostly Russia and Kazakhstan, sending home remittances equivalent to 28 percent of GDP in 2019. Remittances are expected to drop significantly due to the economic downturn in Russia, which has seen oil prices drop sharply and has the world's third highest coronavirus caseload. This fall in remittances is expected to push migrant households into poverty and deepen poverty.

8. VIP-3 is particularly well-positioned to mitigate the economic and social impacts of COVID-19 on rural communities, including vulnerable households, given that the project uniquely covers all villages of the four regions in the north.¹¹ VIP-3's investments fill vital gaps in basic infrastructure and bring benefits to women and vulnerable groups. The project has a well-developed platform and network of AOs and Community Development Support Officers (CDSOs) to quickly deliver assistance to communities and vulnerable groups in rural areas. The project also builds the capacity of local AOs to respond to communities' needs by building their capacity to procure Microprojects (MPs) (i.e., repairing and upgrading facilities) that have been prioritized and selected by communities through a participatory process. As the project is predicated on community decision-making, it is adaptable to finance investments and activities identified by communities to address their changing needs – during and in the aftermath of the COVID-19 crisis.

9. The proposed Additional Financing (AF) will directly improve economic opportunities and enhance access to primary health care and hygiene in villages without services. It will also empower thousands of vulnerable women, youth, migrants, the elderly, and the disabled, to engage actively in project activities that help reestablish their livelihoods and make vital improvements in village infrastructure, within the higher risk context created by the COVID-19 pandemic. The AF will also sharpen the focus on climate benefits and energy efficiency, and on closing key gender gaps in access to infrastructure and livelihoods opportunities.

10. The World Bank Group's (WBG's) response to COVID-19 is aligned with government priorities, and includes emergency financing, policy advice, and technical assistance. The main elements of the GoKR's COVID-19 response are focused on saving lives (with increased health expenditure) and supporting the poor (with enhanced social protection and unemployment support) and private sector businesses (with liquidity support through easier access to finance). The WBG remains committed to providing a fast and flexible response to the epidemic, utilizing all of its operational and policy instruments and working in close partnership with the GoKR and other agencies.

11. WBG support for responding to the pandemic follows the COVID-19 Crisis Response Approach Paper "Saving Lives, Scaling-up Impact and Getting Back on Track."¹² The project is aligned with the paper's "Protecting Poor and Vulnerable People" pillar, which is designed to help countries protect poor and vulnerable households and communities from the economic and social shocks of the crisis, restore human capital, and promote equity and inclusion during the recovery. The project's community-level approach to aiding the recovery of the poor and vulnerable through investments in social and economic infrastructure and livelihoods TA and capacity building

¹⁰ Asian Development Bank, *Kyrgyz Republic Country Gender Assessment*. Manila: Asian Development Bank, 2019.

¹¹ The IDA-funded project supports four oblasts (266 AAs) in the north and KfW supports the three southern oblasts.

¹² World Bank. *Saving Lives, Scaling-up Impact and Getting Back on Track*. Washington, DC: World Bank, 2020.



complements the household-level social assistance provided under the Social Protection Emergency Response and Delivery Systems for Effective Risk Management project. This AF is one of a series of similar projects that build on existing instruments to help address the health sector, livelihoods, and broader development impacts of COVID-19. The project is also aligned with the WBG's Country Partnership Framework for FY2019–22 for the Kyrgyz Republic (Report No. 130399-KG, discussed by the Executive Board on November 13, 2018), which includes a strong commitment to human capital development and building resilience, particularly among vulnerable women and men, and the development of livelihoods.¹³ In line with corporate mandates, the project prioritizes citizen engagement in implementation; meets gender targets for analysis, activities, and monitoring; and contributes to global and regional commitments to support and scale up climate action and increase the climate-related share of development financing.

C. Proposed Development Objective(s)

Original PDO

The Project Development Objectives are (a) to build local capacity for participatory development and (b) improve access to quality community infrastructure services in targeted project areas.

Current PDO

The **Project Development Objective** of the parent project will not change.

Key Results

- Number of persons with access to project-built infrastructure and services.
- Percentage of sampled beneficiaries (male/female) who report that community investments funded by the project reflect their priority needs
- Percentage of sampled subprojects that result in infrastructure services of a satisfactory quality
- Percentage of sampled beneficiaries (male/female) who report that investments in social infrastructure support post-COVID-19 related needs
- Percentage of target AAs in which the Livelihoods Support Program (LSP) is implemented
- Percentage of sampled beneficiaries (male/female) who report that village investments in livelihoods facilities supported the reestablishment of livelihoods
- Percentage of sampled beneficiaries (male/female) who report that their engagement in decision making on project investments was effective
- Percentage of subproject investments that were prioritized in women's groups
- Number of women able to earn additional income as a result of project investments
- Percentage of relevant subprojects that support climate change adaptation or mitigation

¹³ Overall, crisis response in the Kyrgyz Republic has been accommodated within the scope of the Country Partnership Framework (CPF) for FY19-FY22. However, the pandemic has entailed critical adjustments for more effective emergency response, i.e. sequencing of pipeline operations by prioritizing those that may be more relevant in the current circumstances and focusing the portfolio under implementation through restructuring and Additional Financing of existing Investment Project Financing operations to support both the health and economic response to the COVID-19 crisis.



D. Project Description

12. The project will **cover the same four oblasts in the north**. The AF will intensify the support the project provides communities in the project area. A total of 222 out of 266 rural AAs in the north will be eligible to participate (i.e., all AAs except for the 44 that received grants for subprojects under the parent project).

13. Community development **activities will be focused** on livelihoods development and health-related needs, within the scope of the original project, to address the impacts of COVID-19, specifically:

- **Component 1: Capacity Building of Local Self-Governments and Communities** – will be expanded to ensure that Component 2 investments in livelihoods are supported by the capacity building needed to connect vulnerable groups to viable livelihood opportunities and to sustain their efforts. In the AF, in addition to continuing the parent project community mobilization and peer-to-peer learning activities, Component 1 will include capacity building of community members in a Livelihoods Support Program (LSP).
- **Component 2: Village Investments** – will enable communities in the target AA to prioritize social investments that enhance access to health care, or facilities that directly or indirectly support livelihoods development for vulnerable women and men.
- **Component 3: Project Management** – will be scaled-up to support Component 1 and 2 investments, and will be adapted to the post-COVID-19 requirements for greater resilience of project implementation.
- **Component 4: Contingent Emergency Response Component** – The proposed operation will include a new Contingent Emergency Response Component (CERC), which in the event of an urgent need for assistance, will enable the GoKR to reallocate project funds to respond to an eligible crisis or emergency.

14. **Under Component 1 (parent project US\$2.2 million), an additional US\$2.5 million will be allocated from the AF to support community mobilization activities.**

- **This component will finance similar community mobilization activities to those under the parent project, tailoring the mobilization and capacity building to the COVID-19 context and the focus on livelihoods development.** To address vulnerabilities through this community-based response, greater emphasis will be placed on mobilization approaches and peer-to-peer learning that are inclusive of vulnerable groups (young women, marginalized young men, the elderly, and the disabled). Vulnerability mapping and procedures to ensure inclusion of those not normally reached (outreach to separate women’s groups) will be set out in the updated Project Operations Manual (POM).
- **To help vulnerable men and women to establish or reestablish their livelihoods,, the scope of the capacity building activity will be expanded to include an LSP.** The LSP will comprise technical assistance from qualified organizations to create a support system (market and needs assessment, business proposal development, training and coaching) that promotes viable businesses and ensures the sustainability of livelihoods. Qualified local economic research firms will work with target communities to identify opportunities, assess markets and communities’ capacities, and formulate value chain action plans. They will also build the capacity of communities and Community Village Investment Associations (CVIAs) to understand the potential of local livelihoods options and activities supported under the project. The assessments and value chain action plans will provide a framework for decision-making on the revitalization of existing and new enterprises, and investments in the markets, products and sectors required in a post COVID-19 environment. This integrated approach to livelihoods support will be based on best practice and experience in the Kyrgyz Republic. The



livelihoods support program will target vulnerable members of the community defined as: (i) extremely poor, (ii) disabled, (iii) unemployed elderly of working age, (iv) unemployed women, (v) members of large households (HHs), (vi) single female-headed HHs, (vii) youth-at-risk, and (viii) households susceptible to climate change risk. At least 50 percent of beneficiaries will be women.

15. **Under Component 2 (parent project US\$8.6 million), an additional US\$13.3 million will be allocated from the AF to support 222 AAs in the north with health-related and livelihoods-related investments.** To address the severe lack of economic opportunity and loss of livelihoods caused by the COVID-19 crisis and economic downturn, Component 2 investments will be geared more toward economic infrastructure/ livelihoods facilities and enhanced access to health care, than in the parent project. While the exact types of subprojects will vary to suit local opportunities, value chains that might benefit from investment in small-scale facilities include: (i) dairy production and processing, and supporting sectors such as transport services,¹⁴ (ii) crafts and garment production, (iii) digital and new service sectors (including, for instance, recycling or other environmental enterprises), and (iv) new COVID-19-response products and services. It is thus likely that these livelihoods facilities would include refrigerated storage facilities, warehouses, small-scale manufacturing or dairy processing plants, machinery workshops, craft workshops, and multi-purpose work centers. Investments in economic infrastructure/livelihoods facilities will be linked to the LSP provided under Component 1. To ensure sustainability, the selection and prioritization of livelihoods facilities SPs will follow similar procedures to those planned for the CASA1000 Community Support Project (CSP) COVID-19 AF project, balancing the need for community decision-making with the information and advice provided by market experts.

16. Community Livelihoods Business Partners (CLBPs) will apply to partner with CVIAs and AOs for the development and operationalization of these livelihoods facilities.

17. **Under Component 3, the AF will help strengthen project management (parent project US\$1.2 million)** to implement the expanded scope under Components 1 and 2. Accordingly, Component 3 will be increased by US\$1.2 million. Additional funds for increased operating costs will also be provided for project management and monitoring and evaluation, and to ensure that the AF reaches as many communities as quickly as possible.

18. **A Contingent Emergency Response Component will be added (~US\$0).** In light of the COVID-19 outbreak, this provisional zero value component is designed as a mechanism to allow for rapid access to project funds for response and recovery in the face of a crisis, based on the provisions laid out in the POM.

19. The AF project **closing date** will extend project support to November 30, 2024.

E. Implementation

Institutional and Implementation Arrangements

20. The overall implementing arrangements will not change. The AF project will be implemented by ARIS, the same agency that has been implementing the parent project. ARIS' dedicated project team will continue to manage and implement the project. To ensure that the COVID-19 AF can be rapidly implemented, ARIS has prepared an organizational strategy that identifies blockages and puts in place staff, systems and procedures that

¹⁴ New irrigation canals will not be financed; rehabilitation of canals will be eligible for repairs that reduce losses and rectify other faults.



will enable quicker implementation. AOs will continue to collaborate with communities, to ensure that investments are part of the local development strategies, and will take up ownership of all assets at completion.

21. At the local level, communities will continue to be fully engaged in local decision-making processes. To execute the COVID-19 response, the parent project’s vehicle for community mobilization, the village-level initiative groups, will be combined at the AO level into legally-registered CVIAs to focus on AA-level livelihoods development and business partnerships, following the approach and procedures established and agreed for the CASA1000 CSP COVID-19 AF in the south of the country. The CVIAs will have representation, partnership/coordination, executive, and oversight functions, and may also be assigned to carry out fiduciary functions for subgrants when they have sufficient fiduciary capacity. The registration, composition,¹⁵ and procedures for the CVIAs will be set out in the updated POM.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will cover four out of seven regions of the country (Naryn, Issyk-Kul, Chui and Talas).

G. Environmental and Social Safeguards Specialists on the Team

John Bryant Collier, Environmental Specialist
Mohamed Ghani Razaak, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The updated Environmental and Social Management Framework (ESMF) and safeguards instruments will address all relevant environmental and social risks and include mitigation measures also related to: sexual exploitation, abuse and harassment (SEAH)/gender-based violence (GBV), labor, occupational safety and health (including as tailored to the COVID-19 context), social inclusion and stakeholder engagement.

¹⁵ As in the CSP, the head of the AO will be an active member of the CVIA in his/her respective AA, along with nominated representatives (50 percent women, 50 percent youth) from each village in the AA.



The potential environmental and social issues are associated with the small-scale investments for local communities. Effective measures have been put in place under VIP-2 and VIP-3 to address safeguards issues, and these measures were being applied and closely monitored. They are laid out in the VIP-3 Environmental Guidelines and the Resettlement Policy Framework, and will be updated for the AF project in the ESMF that guides the process of the site-specific environmental screening and risk assessment, public consultations, and the development of site-specific Environmental Management Plan (EMP)/Environmental and Social Management Plan (ESMPs). At the same time, the economic downturn associated with COVID-19 is expected to increase the human impact on the environment and reduce the effectiveness of traditional safeguard instruments. Appropriate training will be provided under the AF project to Project Implementation Unit (PIU) field staff, local level officials, and community members with additional emphasis on medical waste management, integrated pest management and the safety of natural habitats in respective sites. Under the Additional Financing, Environmental Category A activities and those using coal for power or heat generation will be excluded.

Performance Standards for Private Sector Activities OP/BP 4.03	No	NA
Natural Habitats OP/BP 4.04	Yes	Possible project sites under AF will be located within or close to protected areas, especially Issyk-Kul UNESCO biosphere territory and natural reserves in the Naryn and Talas regions. The updated ESMF will include a section on the regulations for the conservation of natural habitats and the maintenance of ecological functions in critical areas. It will also contain measures for the rehabilitation of slightly affected and previously degraded natural habitats. The AF will exclude subprojects with a significant impact on natural habitats.
Forests OP/BP 4.36	No	No forests will be impacted.
Pest Management OP 4.09	Yes	The Additional Financing project includes agricultural investments for fruit production and processing that may involve the use of pesticides. The updated ESMF



		will include a section on what pesticides are allowed and when a site-specific Integrated Pest Management (IPM) is required as part of the site-specific EMPs/ESMPs.
Physical Cultural Resources OP/BP 4.11	No	This policy has not been triggered. However, as a precaution, the project team will conduct regular screenings (as part of the Environmental Assessment (EA) process) to identify potential physical cultural resources in project-affected areas. In case the EA screenings identify new physical and cultural resources in project-affected sites, the project team will require the PIU to adopt measures for avoiding or mitigating negative impacts.
Indigenous Peoples OP/BP 4.10	No	Indigenous Peoples' as per OP 4.10 are not present in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	Under Component 2, the project will finance grants for community level investments such as first aid points, kindergartens, community centers, sports facilities, and bridges. The investments will be identified during project implementation based on community demand. Component 2 activities may result in the involuntary acquisition of land and other resettlement impacts detailed in OP 4.12. However such impacts are expected to be minor. Community-level investments with resettlement costs exceeding 1 percent of the sub-project amount will be excluded from the project. A Resettlement Policy Framework has been prepared in the unlikely event that community projects require involuntary land acquisition, impact on assets, or cause negative impact on economic resources. The small-scale subprojects (SPs) supported by the parent project did not involve any resettlement or land acquisition.
Safety of Dams OP/BP 4.37	No	NA
Projects on International Waterways OP/BP 7.50	Yes	As in the parent project, Component 2 will finance activities that may involve the rehabilitation of rural water supply and irrigation infrastructure. Some of these may draw water from or discharge into international waterways or their tributaries. Such international waterways include the Chui, Talas and Naryn rivers. For these reasons, OP 7.50 has been triggered. However, the proposed activities proposed are very limited and localized, and involve minor additions, renovation, and rehabilitation of existing schemes at the community level.



The criteria for selecting subprojects will exclude those that propose rehabilitation or works on new (as opposed to existing) irrigation or water systems which may involve the use or potential pollution of international waterways.

The scope of investments in activities that may use or risk polluting water from international waterways stays the same under the AF as the parent project, since any livelihood investments in irrigation or water supply will be limited to the rehabilitation or improvement of existing schemes. Therefore this AF falls under the exception to the notification requirement which was approved for the original project in February 2015.

Projects in Disputed Areas OP/BP 7.60	No	NA
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KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The Additional Financing (AF) project will engage communities in the development of social and economic infrastructure in order to enhance services, livelihoods and inclusion in target Aiyl Aimaks (AAs) in selected northern oblasts. Subprojects (SPs) to be supported under the project are expected to be small-scale activities that are planned and implemented based on local needs, and the priorities and choices voiced by local communities. The AF project will target the most vulnerable and poor households to help them cope up with the economic hardships created by COVID-19. No large scale, significant, or irreversible impacts are expected. Any SP that would cause large-scale resettlement or significant adverse social or environmental impacts would not be funded under the project.

The AF project will include small activities associated with supporting first aid points (FAP) - as is the case for the parent project. The AF will not include treatment of COVID-19 patients or the adaption of existing facilities for quarantine. Nor will the AF involve the purchase of medical supplies. Even though the AF does not aim to provide any health emergency equipment or facilities for health agencies, it may provide personal protective equipment (PPE) if requested or support proper medical waste management (MWM)at FAPs. There will be a screening process for identifying the need and type of personal protective equipment (PPE) and MWM plans, if required. Overall, there are no activities that are expected to result in risks related to the spread of COVID-19 among health care workers or the community at large; however, site-specific EMPs/ESMPs will consider the set of preventive measures.

Most of the small civil works (retrofitting or new construction) are expected to have moderate environmental risks associated with dust and noise, waste generation, as well as operational health and safety. Improper restoration of construction sites after the works completion also imposes a risk and needs to be handled throughout the project. Any



renovation or new construction of heating systems will use an alternative to coal-based boilers.

The original project was assigned environmental category “B” based on the OP 4.01 Environmental Assessment. The assigned category remains unchanged for the AF. The environmental risks are expected to be site-specific, moderate, and short-lived, with a low to moderate probability and severity of harm, and could be easily mitigated. The site-specific environmental management and safety measures to be prepared following the project ESMF should be included in the bidding documents and draft contracts.

The project may include agricultural investments for fruit production and processing, which requires measures to prevent the use of harmful and restricted pesticides and chemicals while growing and processing fruits. The project ESMF will be updated in this respect with a chapter describing the process of preparing the IPM sections in relevant site-specific EMP/ESMPs.

Project sites located within or close to protected areas, especially Issyk-Kul UNESCO biosphere territory and natural reserves in Naryn and Talas regions trigger the OP 4.04 on Natural Habitats. The updated ESMF will include a section on the regulations for related to the conservation of natural habitats and the maintenance of ecological functions in critical areas.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Project activities will not have long term negative impacts on the environment and social sphere. The majority of construction works are expected to involve the rehabilitation of existing facilities; thus, the number of subprojects involving land acquisition or temporary/permanent loss of access to land will be minimal. The project will aim to avoid, minimize, and mitigate impacts from involuntary land acquisition and temporary/permanent loss of access to land.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The project will seek to avoid the involuntary acquisition of land and subsequent impacts as detailed in OP 4.12. Where the involuntary acquisition of land cannot be avoided, the project will seek to minimize the impacts by adopting changes in technical designs of subprojects such as shifts in alignment, reductions of site footprints, etc.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

ARIS, the implementing agency for the parent project, will continue to be responsible for the project's day-to-day management. The PIU at ARIS has been adequately staffed including with environment and social safeguards specialists to conduct due diligence and prepare and implement mitigation plans in a timely manner. An ESMF including mitigation measures for most types of construction works is followed by the site-specific ESMPs prepared for each SP, if relevant. The EMP checklist-type format is used to implement specific mitigation and compliance measures of low-risk SPs. The implementation of the ESMPs similar to the parent project will be monitored by project staff, community safeguards volunteers and local government officials. The procedures to be followed are consistent with OP 4.01 and Government of Kyrgyz Republic national requirements and will ensure compliance with safeguards procedures and issues. The project supervision missions noted that the PIU has extensive experience in preparing ESMPs, which have been of good quality and have adequately addressed site-specific risks and impacts.

The implementing agency is updating the ESMF and Resettlement Policy Framework (RPF) with consideration of the AF project and experience gained in the parent project. The environmental and social assessment process included ARIS'



internal review of the experience of the parent project, a set of consultations with Bank safeguard specialists, and workshops with key stakeholders. Specific issues to be addressed in the updated ESMF include 1) a section on Pest Management that details what pesticides are allowed and when a site-specific IPM is required as part of the site-specific Environmental and Social Impact Assessments /ESMPs; 2) a section on Medical Waste Management (MWM) and hygiene requirements for SPs related to the COVID-19 response; 3) regulations to address the risks for natural habitats; 4) labor management procedures at the project and SP levels; and 5) detailed guidelines for environmental monitoring of civil works. The updated ESMF and RPF will be disclosed on or before 30 days post project effectiveness.

The updated ESMF will be compliant with the World Bank Group Environmental Health and Safety Guidelines and World Health Organization COVID-19 Occupational Health and Safety Guidelines. It will also describe the process of the environmental and social screening of the individual SPs, specific requirements for construction contractors and the involvement of the community in the consultation process. Screening under the revised ESMF will exclude Environment Category A SPs. SPs that use coal for power or heat generation will be also excluded.

ARIS is implementing the ESMF effectively in the original project and it is considered an integral part of the project operations manual (POM). The POM prepared under the original project will be also applied to the AF, and is being revised by the implementing agency with consideration of the AF. Site-specific ESMPs based on the overall ESMF should become an integral part of the bidding documentation for construction contractors and should be referred to in the draft contracts, including contractual measures in case of non-compliance with safeguards requirements.

The Borrower has prepared a Resettlement Policy Framework (RPF) to guide the preparation of site-specific Resettlement Action Plans (RAPs) as necessary. A framework approach adopted for the parent project will be retained, as the SP sites will not be known until project implementation is underway. The RPF will be updated to reflect changes set in the AF. No resettlement or land acquisition has taken place in any of the SPs under the parent project.

The Borrower has experience working on World Bank projects. The PIU has recruited an experienced safeguard specialist for VIP-3, who is responsible for both social and environmental issues. If relevant, the project will hire a MWM consultant on a temporary basis to assist the environment and social safeguards specialists on specific cases. The Borrower also has staff working on social mobilization - who will be able to support consultations during implementation - and has recently recruited a gender specialist. The VIP-3 design includes Community Development and Support Officers in addition to the regional community development officers who will receive training on environmental, social, health, and safety issues on a regular basis. Together with the Bank, the Borrower will explore opportunities for training project staff and consultants on safeguards during the course of project implementation.

ARIS has carried out a preliminary stakeholder analysis identifying stakeholders and village communities. A POM will be prepared outlining citizen/stakeholder engagement process/plan that the project will follow during implementation. Beneficiary dialogues have been held during preparation with women, youth, low-income families, and businessmen and women. Social accountability mechanisms ensure community engagement in monitoring and semi-annual checks .

ARIS has a functioning grievance redress mechanism (GRM) for the project to capture the concerns of broad stakeholders (established as a part of ARIS' Beneficiary Feedback Mechanism (BFM)). The updated ESMF, RPF and the POM include the enhanced methodologies for receiving and resolving grievances by establishing dedicated community platforms in the areas covered under the AFs. The GRM (BFM) also includes separate codes to record grievances/complaints to ensure beneficiaries' concerns and priorities are properly addressed in subproject activities.



In addition to the updated ESMF and RPF, a Stakeholder Engagement Plan (SEP) will be prepared. Once these instruments have been consulted on and are acceptable to the Bank, they will be disclosed by the client on the ARIS website and on the World Bank website before any AF activities start. Efforts will be made to ensure meaningful consultation despite the challenges resulting from the COVID-19 pandemic, will be based on appropriate information, and consider the specific challenges associated with public meetings in the COVID-19 context. The GRM for the parent project is also being updated to track and respond to specific feedback, complaints and concerns related to COVID-19, SEA/SH/GBV and construction-related issues.

As this emergency Additional Financing is responding to the COVID-19 pandemic, the Bank has granted a waiver for it to be prepared and implemented, like the Parent Project, under the World Bank's Safeguard Policies rather than the World Bank's Environment and Social Framework.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The project is highly participatory and demand-driven. The village communities in AAs in the northern oblasts of Chui, Naryn, Issyk-Kul, and Talas, which this project targets, are its key stakeholders and beneficiaries. Other stakeholders include local government authorities and local council members, non-governmental organizations and civil society organizations representing or working on issues related to communities and local development, public/private healthcare workers, local businessmen and women, contractors, and national level ministries providing technical or recurrent support to infrastructure constructed/rehabilitated under the project. ARIS has carried out a preliminary stakeholder analysis identifying stakeholders and village communities. A POM will be prepared outlining citizen/stakeholder engagement process/plan that the project will follow during implementation.

Under the parent project, it was agreed that resettlement compensation would be financed out of project funds in response to concerns raised by poorer municipalities that they may not have the needed funding for resettlement compensation. Resettlement compensation payments have not been necessary in the parent project, and will no longer be eligible from project funds. The finalized safeguards documents for the parent project were disclosed in Infoshop and in country on December 17, 2014.

A Stakeholder Engagement Plan (SEP) will be prepared based upon meaningful consultation and disclosure of appropriate information, considering the specific challenges associated with public meetings as a result of COVID-19. The specific activities that the project will undertake to promote meaningful consultations and participation of project affected persons (PAP) and other stakeholders in project design and implementation will be specified in the SEP. The SEP will include a summary of virtual consultations carried out, key issues raised, and actions proposed to address issues, if any. The project will also explore various options for engaging stakeholders in this challenging environment, and will draw guidance on the types of communication and stakeholder engagement from the WHO's COVID-19 Strategic Preparedness and Response Plan Operational Planning Guidelines To Support Country Preparedness and Response (2020). The SEP will be disclosed on the ARIS website and on the World Bank website before commencement of any AF activities. The parent project's GRM will also be updated to track and respond to specific feedback, complaints and concerns related to COVID-19, SEA/SH/GBV and construction-related issues.



B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

The review of this Safeguards has been Deferred.

Comments

As the AF is being prepared as an emergency project, OP 10 Paragraph 12 applies, meaning that the updated ESMF, acceptable to the Bank, will be finalized, consulted on, and disclosed prior to commencement of any activities. This process is on-going and is expected to be complete shortly after Appraisal.

Resettlement Action Plan/Framework/Policy Process

The review of this Safeguards has been Deferred.

Comments

As the AF is being prepared as an emergency project, OP 10 Paragraph 12 applies, meaning that the updated RPF, acceptable to the Bank, will be finalized, consulted on, and disclosed prior to commencement of any activities. This process is on-going and is expected to be complete shortly after Appraisal.

Pest Management Plan

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

Pest management issues will be included in the updated ESMF rather than a separate Pest Management Plan.

The review of this Safeguards has been Deferred.

Comments

As the AF is being prepared as an emergency project, OP 10 Paragraph 12 applies, meaning that the updated ESMF, which will include a Pest Management Section, acceptable to the Bank, will be finalized, consulted on, and disclosed prior to commencement of any activities. This process is on-going and is expected to be complete shortly after Appraisal.

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?



Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

No

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

NA

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?

Yes

Is a separate PMP required?

No

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

NA

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

No

Is physical displacement/relocation expected?

No

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

No

OP 7.50 - Projects on International Waterways

Have the other riparians been notified of the project?

No

If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?



Yes

Has the RVP approved such an exception?

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

No

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

No

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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APPROVAL

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