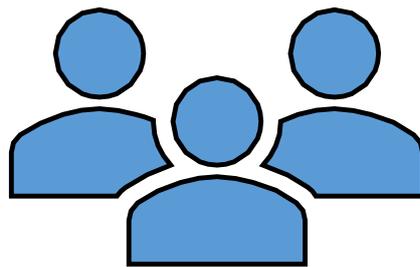


Kyrgyz Republic

Ministry of Labor and Social Development

**SOCIAL PROTECTION & JOBS DELIVERY
SYSTEMS AND EMERGENCY RESPONSE
PROJECT
(P174072)**

**STAKEHOLDER ENGAGEMENT
PLAN**



June 2020

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List of Abbreviations

ADB	–	Asian Development Bank
ALMPs	–	Active labor market programs
COVID-19	–	Coronavirus Disease 2019
DCC	–	Donor Coordination Committee
E&S	–	Environmental and Social
EBRD	–	European Bank for Reconstruction and Development
ESCP	–	Environmental and Social Commitment Plan
ESF	–	Environment and Social Framework
ESS	–	Environmental and Social Standard
ESMF	–	Environment and Social Management Framework
GDP	–	Gross Domestic Product
GIZ	–	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> (German Agency for International Development)
GM	–	Grievance Mechanism
GRC	–	Grievance Review Committee
GRS	–	Bank’s Grievance Redress Service
HDI	–	Human Development Index
HIV/AIDS	–	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICT	–	Information and Communications Technology
IsDB	–	Islamic Development Bank
KfW	–	<i>Kreditanstalt für Wiederaufbau</i> (Credit Institute for Reconstruction)
KGS	–	Kyrgyzstan Som
KPIs	–	Key Performance Indicators
LSG	–	Local Self Government
MHIF	–	Mandatory Health Insurance Fund
MoLSD	–	Ministry of Labor and Social Development
MPI	–	Multi-Dimensional Poverty Index
N/A	–	Not Applicable
NGO	–	Non-government Organization
OHS	–	Occupational Health and Safety
PFI	–	Participating Financial Intermediaries
PfR	–	Program for Results
PHCIs	–	Public Healthcare Institutions
PIU	–	Project Implementation Unit
PoE	–	Point of Entry
SC	–	Social Contract
SEP	–	Stakeholder Engagement Plan
SP	–	Social Protection
UBK	–	<i>Uy Bylogo Komok</i> (Family support)
UNDP	–	United National Development Program
UNICEF	–	United Nations International Children’s Emergency Fund
USAID	–	United States Agency for International Development
VC	–	Video Conference
WBG	–	World Bank Group
WHO	–	World Health Organization

1. INTRODUCTION

The COVID-19 pandemic has affected many countries round the world in a variety of ways. Kyrgyzstan is no exception. COVID-19 crisis has caused an economic slowdown, and the social protection system of the Kyrgyz Republic will play a critical role in assisting the poor and vulnerable. The economic consequences of the downturn caused by the COVID-19 crisis are being felt most severely by the poor and vulnerable households. The expected high rate of job loss will significantly increase the prevalence and depth of poverty. In the Kyrgyz Republic these effects are likely to be exacerbated by high rates of informality (60 percent of total employment), self-employment (35 percent of total employment) and limited coverage of social insurance. Further, the decline in remittances, (which are equivalent to 30 percent of Gross Domestic Product (GDP) and mostly received by poor households), combined with higher inflation has eroded households' purchasing power. In addition, domestic businesses reliant on the supply of external raw materials will also face supply constraints resulting in lower output and incomes. In such a context, the social protection system has a crucial role to play both in providing emergency support to vulnerable households as well as to assist businesses and households during the period of economic recovery.

Towards this, the World Bank, apart from providing financial assistance in managing COVID crisis directly, has drawn three pronged strategies: (i) strengthening social assistance to the individuals; (ii) support individuals who has lost their job as a result of the crisis; and (iii) strengthening social fund systems and policies. This project aims to mitigate the immediate impact of the COVID crisis and economic slowdown on incomes and employment of those most affected in the short run; and develop resilience, in the long run. The project has been designed based on the existing social protection policies and programs.

As the COVID-19 crisis is likely to cause a prolonged economic slowdown, and the social protection system of the Kyrgyz Republic will play a critical role in assisting the poor and vulnerable. The economic consequences of the downturn caused by the COVID-19 crisis will be felt most severely by the poor and vulnerable households. The expected high rate of job loss will significantly increase the prevalence and depth of poverty. In the Kyrgyz Republic these effects are likely to be exacerbated by high rates of informality (60 percent of total employment), self-employment (35 percent of total employment) and limited coverage of social insurance. Further, the decline in remittances, (which are equivalent to 30 percent of Gross Domestic Product (GDP) and mostly received by poor households), combined with higher inflation will erode households' purchasing power. In addition, domestic businesses reliant on the supply of external raw materials will also face supply constraints resulting in lower output and incomes. In such a context, the social protection system has a crucial role to play both in providing emergency support to vulnerable households as well as to assist businesses and households during the period of economic recovery. The social protection system thus assume significance in providing not only immediate social assistance, but also, while building on medium- and long-term investments to strengthen the country's social protection delivery system capacity to provide ongoing support to the poor and vulnerable population beyond the emergency.

The Government of the Kyrgyz Republic (GoK) has introduced measures to combat the crisis and mitigate its impacts, but additional support is required. The Government has introduced social assistance interventions to support the poor as well as segments of the population more exposed to the economic impact of the crisis. Beyond immediate health-related measures, the Government has taken several measures such as automatically extending the period of social assistance benefits for households whose term was expiring during the quarantine period as well as waiving reporting requirements; provision of food kits to supplement cash transfers to low income families with children, as well as with children and adults with disabilities; and additional measures to support large cities like Bishkek and Osh to ensure adequate supply of food and medical goods for low income families. However, given the expected poverty impact of the crisis, additional measures are needed to adequately protect the poor and vulnerable. There is also a need for this support to extend beyond the emergency response and aid households during the phase of economic recovery by providing pathways to graduate out of social assistance.

Existing programs in the country span the three pillars of the Social Protection (SP) system – Social Assistance, Labor Markets and Social Insurance, and the institutional setup is well placed to ensure effective service delivery. The priority target groups for SP include: children and families in difficult life circumstances, people with disabilities, elderly and the unemployed. The main pillars of SP include: (i) Social assistance programs and social care services, dominated by the *Uy Bulogo Komok* (or UBK) a monthly child grant for poor families; (ii) Labor market programs such as public works, vocational training, and unemployment assistance; and (iii) Social insurance programs including contributory pensions to workers, the self-employed and farmers. The Ministry of Labor and Social Development (MoLSD) oversees the implementation of both social assistance as well as labor

market programs and is therefore well placed to ensure efficient service delivery and support graduation of social assistance beneficiaries into the labor market. The Social Fund is responsible for implantation of social insurance programs.

Social Assistance. The main social assistance program in the country, a monthly grant for children in poor families (the UBK program), while well targeted, suffers from significant exclusion errors. The current system of social assistance consists of several programs including a lump-sum birth grant, cash transfer for children in poor households, categorical monthly social benefits (targeting families with disabled members), energy subsidies and compensations for vulnerable groups. UBK is the largest social assistance program, providing monthly transfers to children living in poor families whose per capita income is below the Guaranteed Minimum Income of Kyrgyzstan Som (KGS) 1000 per month per household member. The program is well targeted, with a significant proportion of beneficiaries coming from the bottom quintile. However, overall coverage remains low at 8.5 percent of the population (significantly less than the poverty rate) and exclusion errors remain high. This is in part due to limited budgetary resources dedicated to the program and a very low-income eligibility threshold¹. The government is considering alternative proposals to address this issue, including raising the eligibility threshold.

Social assistance programs have limited mechanisms to support graduation. The UBK program includes some design features to limit disincentives to work (for example by requiring jobless beneficiaries to register as unemployed) and to promote graduation through the “*social contract*” program which provides a lumpsum advance on social assistance payments to allow beneficiaries to setup small businesses. However, these measures are limited in scope and often do not address the key constraints to gainful employment. Therefore, there is an urgent need to develop policies to support graduation such as efficient job intermediation and referral services as well as to refine productive inclusion programs

Labor Markets. The Kyrgyz Republic has a large working age population but is faced with multiple challenges in labor markets including high rates of unemployment, informality and out-migration as well as large and persistent gender gaps. The country’s population is young, with close to one-third of the population being of prime working age (29-59 years). However, official unemployment remains high and steady at close to 7.2 percent. Job creation, especially in the formal sector is limited and lags behind the growth in the labor force. For example, only 6 percent of the 88,000 new jobs created in the country in 2016 were in the formal sector. This results in high rates of informal employment, characterized by low incomes and limited social insurance. Emigration rates remain high, with 15-20 percent of the population migrating to Russia. While this generates high rates of remittances, which as a proportion of GDP are amongst the highest in the world², it also leaves recipient households vulnerable to external shocks. Gender disparities in labor market outcomes are significant, with labor force participation rates of women (42 percent) lagging significantly behind that for men (75 percent). Further, the employment rates for women have been falling over time which remains a significant cause for concern. Overall, therefore, there is a critical need for policies aimed at promoting inclusive job creation to in order to absorb the productive potential of the workforce.

The GoK has introduced multiple programs as well as the necessary legislative, regulatory and institutional framework for the implementation of active labor market programs (ALMPs), but there remain significant challenges in design and delivery. The MoLSD is responsible for overseeing programs aimed at activating the workforce. Local offices of the MoLSD are responsible for implementation at the municipality level which are responsible for registering jobseekers, organizing public works, referring jobseekers to professional training or re-training courses etc. The main ALMP’s are public works and small-scale vocational training programs which aim to activate vulnerable groups such as the low-skilled, youth and people with special needs and to promote graduation out of social assistance. However, the mix and scope of ALMPs is limited with shortage of support for self-employment and small-scale entrepreneurship development programs; limited support or absence of support with job counseling, apprenticeships, wage subsidies, support for the hard to employ, etc.

The COVID-19 crisis is likely to have significant effects on labor markets including job losses, but the existing program of unemployment allowance provides very limited assistance. Through a combination of factors

¹ The GMI is almost one-third of the poverty line

² World Bank. 2017. *Kyrgyz Republic Economic Update, Spring 2017: A Resilient Economy... on a Slow Growth Trajectory*. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/27523>
License: CC BY 3.0 IGO.”

including social distancing measures and reduced demand, the COVID-19 crisis is likely to result in significant job losses. While an unemployment allowance program does exist, the strict eligibility criteria including minimum frequency of social insurance contributions and proof of job-seeking activities combined with the low benefit levels have resulted in extremely low take-up rates. There is therefore an urgent need to develop programs to provide support and assistance to laid-off workers.

Social Insurance. The pension system is the main pillar of social insurance in the Kyrgyz Republic but faces multiple challenges. The system is comprised of a basic pension, a legacy pay-as-you-go, a notional defined contribution and a funded defined contribution component and is managed by the Social Fund. Those who do not qualify for an insurance pension receive a social pension. Overall, the system provides for close to universal coverage for the old age. However, the system suffers from the effects of the prevailing macroeconomic, fiscal and labor market conditions, as well as from systemic design issues. Though about 90% of old age population are now receiving labor pensions, only about 30% of the working age population is accruing pension rights at any given point of time, increasing the risk of poverty among the elderly in the future. At the same time, the Government is experimenting with mechanisms of expanding the labor coverage, including a pilot of unification of collection of pension contributions with taxes by the Tax Administration. Further, the cost of the pension system is very high with spending having increased dramatically from below 5 percent in 2007-2008 to about 9 percent in 2012-2013. As a result, unless reforms are implemented, the total public pension spending could increase further, posing a challenge to the financial sustainability of the pension system.

In the above backdrop, of the social protection scenario in Kyrgyzstan, the World Bank and Government of Kyrgyzstan are preparing an investment project ---Social Protection & Jobs Delivery Systems and Emergency Response Project -- to supplement and/ or complement the the three pillars of Social Protection.

The project is addressing the Environmental and Social Aspects under the the World Bank's policy as laid out in its Environment and Social Framework (ESF)³. Of the ten Environmental and Social Standards (ESS), one of them ESS 10 – relates to Stakeholder Engagement. This warrants that the implementing agencies should provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. The overall objective of this Stakeholder Engagement Plan (SEP) is to define a program for stakeholder engagement, including public information disclosure and consultation, throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project and any activities related to the project. Towards this, a Plan – Stakeholder Engagement Plan is prepared.

The following ESSs – 1, 2, 9 and 10 – are relevant for the project. As per the Environmental and Social Standard ESS 10 - Stakeholders Engagement and Information Disclosure – the implementing agencies should provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. The overall objective of this SEP is to define a program for stakeholder engagement, including public information disclosure and consultation, throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project and any activities related to the project.

³ www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards.

2. PROJECT DESCRIPTION

The project is aligned with the World Bank Group's (WBG) strategy to respond to the COVID-19 pandemic as well as WBG twin goals of eliminating extreme poverty and boosting shared prosperity, as well as with the current Country Partnership Framework. The proposed project will contribute to the achievements of the above mentioned twin goals in the Kyrgyz Republic as it would support a set of structural measures and interventions to strengthen and make more effective the country social protection systems to better support the neediest and most vulnerable to move towards graduation from social assistance. The health response to the COVID-19 pandemic is supported by an emergency response operation (Kyrgyz Republic - Emergency COVID-19 Project -P173766, approved on April 2, 2020 for US\$12.15 million). The proposed project complements this operation through a set of social protection and jobs interventions to mitigate the impact of the COVID-19 in line with the recently approved anti-crisis program. Specifically, the proposed project will contribute to Government efforts to implement measures on rendering appropriate assistance to socially vulnerable groups of the population.

The project objective is to strengthen social protection systems to mitigate emergency of and support recovery from economic impacts of the COVID-19 pandemic on poor and vulnerable populations in the Kyrgyz Republic as well as to build resilience against future shocks.

Project Description. The project will achieve its development objective on the basis of three components intended to: (i) mitigate the immediate emergency caused by the COVID-19 pandemic and affecting the income of households, (ii) support the recovery stage by providing households with income generation opportunities until economic growth and labor demand accelerate again, and (iii) promote structural interventions to strengthen the social protection delivery systems to better support the intended population in a timely manner. Overall, the proposed project will support the Government to develop a social protection system with the capacity to more efficiently and effectively cope with future crises impacting the income of poor and vulnerable households.

The proposed project will be implemented through a combination of disbursement options. Components 1 and 2 will be implemented using Performance Based Conditions while component 3 will use regular Investment Project Financing disbursements. Sub-components 1.1 and 1.2 may use retroactive financing options to reimburse expenditures the Government made since the crisis started.

Component 1: Emergency assistance to protect households' income

This Component has the objective of providing comprehensive short-term support to households and individuals whose incomes are particularly affected to the negative economic impact caused by the COVID-19 pandemic, as well as ensuring that those depending on social insurance benefits receive their payment on time. To achieve this objective, this component will use the country's existing social protection delivery system to: (i) smooth consumption of existing and new eligible beneficiaries of social assistance programs, (ii) provide temporary support to newly unemployed individuals, and (iii) ensure that eligible individuals regularly receive their social insurance benefits, especially pensions.

- 1.1. Emergency cash assistance to poor and vulnerable households
- 1.2. Temporary allowance for unemployed individuals
- 1.3. Ensuring payments of social insurance benefits
- 1.4. Contingent Early Response Component (CERC)

Component 2: Recovery support -Productive Inclusion

This component has the objective of contributing to Government efforts to implement a productive inclusion intervention for poor and jobless individuals by providing them an opportunity to be engaged in sustainable income generating activities. This productive inclusion intervention is part of the government's strategies to support the recovery phase after the short-term actions to mitigate and cope with the crisis, as well as the agenda to promote graduation from social assistance programs into permanent sustainable livelihoods. The proposed productive inclusion strategy will support beneficiaries through a combination of training, financial support and technical assistance upon approval of sound business plans to increase the probability of business survival in the medium term. This initiative will be implemented in phases. The proposed project will support the implementation of the first phase, along with its assessment to adjust the model as necessary before the Government scales it up throughout the country. The Government estimates that this initiative will support up to 20,000 beneficiaries once it is fully expanded.

The productive inclusion program will comprise a package of benefits and services for eligible beneficiaries, including: (a) orientation to potential beneficiaries on existing options (based on the local/regional market) as well as requirements in terms of skills and experience, (b) applied training for selected beneficiaries and technical assistance to prepare business plans, (c) financial support to implement the income generating activity in the form of a reimbursable financial assistance, which would be managed by commercial banks acceptable to the Bank, and (d) technical assistance during implementation. The proposed project will contribute to the first phase of the implementation of this intervention and in addition to the abovementioned activities will carry out assessments and evaluations of the first phase and, based on their findings, adjust the parameters of the intervention and propose a scaling up plan.

Component 3: Delivery systems for social assistance and social insurance

The objective of this component is improving the efficiency of the delivery systems in social assistance and social insurance. As a result of the implementation of the project, the government is expected to count with a social protection system which would (i) timely, safely and transparently transfer cash allowances to the intended group of the population, (ii) better monitor the implementation and results of the social protection system, (iii) support workers contributing to the Social Fund with sound insurance mechanisms, with robust and clear record-keeping systems, including planning for the eventuality of future layoffs or the need for temporary leave, through proper insurance mechanisms. Overall, strengthening social protection delivery systems will equip the Government of the Kyrgyz Republic to be better prepared for future economic slowdown or other risks which may negatively impact the income of the poor and vulnerable households.

- 3.1: Strengthening service delivery systems of social assistance
- 3.2: Social Insurance Administration
- 3.3. Project management

3. REGULATORY FRAMEWORK

3.1 Relevant national laws and regulations

The **Constitution** of the Kyrgyz Republic guarantees social protection of its citizen. The following two sections – 9 and 53 are providing underlying condition for the social protection:

Section 9.

1. The Kyrgyz Republic is developing social programs aimed at creating decent living conditions and the free development of the individual, promoting employment.
2. The Kyrgyz Republic provides support for socially unprotected categories of citizens, a guaranteed minimum wage, and labor and health protection.
3. The Kyrgyz Republic is developing a system of social services, medical services, establishing state pensions, allowances and other guarantees of social protection.

Section 53.

1. Citizens are guaranteed social security in old age, in case of illness and disability, loss of breadwinner and in the manner prescribed by law.
2. Pensions, social assistance in accordance with the economic capabilities of the state provide a standard of living not lower than the minimum subsistence level established by law.
3. Voluntary social insurance, the creation of additional forms of social security, and charity are encouraged.
4. Social activities of the state should not take the form of state guardianship, restricting economic freedom, activity and the ability of a citizen to achieve economic well-being for himself and his family.

Social benefits and allowances.

State social support provided to children and persons not eligible for retirement benefits in the form of benefits and lump-sum allowances. In accordance with the Law of the Kyrgyz Republic dated July 28, 2017 No. 163 “on state benefits in the Kyrgyz Republic”. According to the law, the following types of state benefits are available:

- 1) a lump sum payment at the birth of each child - "balaga suyunchu";
- 2) a monthly allowance to needy citizens (families) who have children under 16 years of age - “family assistance”;
- 3) a monthly allowance to persons not eligible for retirement benefits - “social allowance”.

The allocation of state benefits is based on the following principles:

- 1) Targeting - the provision of state benefits to specific recipients, taking into account their individual characteristics and other objective reasons (age, state of health, total per capita income, absence of a breadwinner, acute need for state social support, difficult life situation);
- 2) Guarantee - the obligatory assignment of state benefits to persons entitled to it;
- 3) Openness / publicity - the creation of transparency mechanisms in the provision of state benefits and feedback tools that allow citizens to interact with public authorities and local governments;
- 4) Accountability - the creation of mechanisms for the state to respond to violations of this Law by state authorities and local authorities, their officials.

Social insurance pensions.

In accordance with the Law of the Kyrgyz Republic dated July 21, 1997 No. 57 “on state social insurance pension”, the right to social insurance pensions is provided for insured citizens of the Kyrgyz Republic, foreign citizens and stateless persons residing in the republic who make contributions to state pension social insurance on the basis and conditions stipulated by the Kyrgyz Law Republic "On state social insurance". The following types of pensions are available:

- a) by age;
- b) by disability;
- c) on the occasion of the loss of the breadwinner.

The authorities that carry out the entire cycle of state pension social insurance in the Kyrgyz Republic from registration to payment of pensions are the Social Fund and its territorial branches. Public control over the application of this Law is carried out by trade unions.

Unemployment support.

According to the Law of the Kyrgyz Republic dated August 3, 2015 No. 214 “on employment promotion”, unemployment benefits are paid to citizens recognized as official unemployed, if they have at least 12 months of work experience in the last 3 years before applying to the territorial division of Ministry of Labor and Social Development (MoLSD). Citizens of the Kyrgyz Republic in the relation to employment are guaranteed the followings:

- 1) freedom of choice of occupation, profession (specialty), type and nature of labor;
- 2) assistance in the selection of suitable work and employment through the mediation of the state employment service;
- 3) receiving free services for vocational guidance, training, retraining and advanced training in the direction of the authorized state body;
- 4) receiving a scholarship during vocational training, advanced training, retraining in the direction of the authorized state body, including during temporary disability, with the exception of learning by check for training;
- 5) obtaining advice on business activities;
- 6) participation in paid public works programs;
- 7) the payment of unemployment benefits to official unemployed, including during their temporary disability.

The social support for the unemployed citizen is funded from the republican budget through an authorized state body. The authorized state body provides the opportunity for citizens to receive services in accordance with regulatory legal acts of the Kyrgyz Republic, establishing the procedure for organizing the provision of state and municipal services.

Access to information

According to the *Law of the Kyrgyz Republic “On Access to Information Owned by the State and Self-Governing Bodies”* (2006, amended in 2017), each state agency and self-governing body is obliged to provide relevant information to citizens and legal entities within a period of two weeks (Article 10).

According to the *Law of the Kyrgyz Republic “On Guarantees and Free Access to Information”* (1997, amended in 2017), each physical and legal entity has the right to free access to information. Article 6 requires all organizations, enterprises, associations to secure access to information related to the applicant’s rights and interests. Article 12 regulates the right to file complaints.

Grievance redress

Law on Grievances (2007, amended in 2016) secures that the grievances from the Kyrgyz Republic citizens should be registered, given due consideration, and addressed in an equitable, timely and accountable manner (article 2 and 4). Every citizen has the right to apply personally or through his representative to state authorities, local authorities and their officials, who are obliged to provide a reasoned response within the time period established by law (article 4). The grievance registered with the state agency or the local government should be processed within 14 working days, it can be prolonged exceptionally for no longer than 30 days (article 8).

The legal and regulatory framework of the Kyrgyz Republic provide an adequate state support, consumer responsiveness and public accountability are well enshrined in the legal framework at different levels.

3.2 World Bank Environmental and Social Standard on Stakeholder Engagement

The World Bank’s Environmental and Social Framework (ESF) came into effect on October 1, 2018. The ESF includes Environmental and Social Standard (ESS) 10, “Stakeholder Engagement and Information Disclosure”, which recognizes “the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice”. ESS10 emphasizes that effective stakeholder engagement can significantly improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation. ESS10 applies to all projects supported by the Bank through Investment Project Financing. The Borrower will engage with stakeholders as an integral part of the project’s environmental and social assessment and project design and

implementation. According to the World Bank's ESF (June 2018), the requirements set out by ESS10 are the following:

- Borrowers will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design. The nature, scope and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.
- Borrowers will engage in meaningful consultations with all stakeholders. Borrowers will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.
- The process of stakeholder engagement will involve the following, as set out in further detail in the ESS: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.
- The Borrower will maintain and disclose as part of the environmental and social assessment, a documented record of stakeholder engagement, including a description of the stakeholders consulted, a summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not.

A Stakeholder Engagement Plan proportionate to the nature and scale of the project and its potential risks and impacts need to be developed by the Borrower. It has to be disclosed as early as possible, and before project appraisal, and the Borrower needs to seek the views of stakeholders on the SEP, including on the identification of stakeholders and the proposals for future engagement. If significant changes are made to the SEP, the Borrower has to disclose the updated SEP (World Bank, 2017: 99). According to ESS10, the Borrower should also propose and implement a grievance mechanism to receive and facilitate the resolution of concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner (World Bank, 2017: 100).

For more details on the WB Environmental and Social Standards, please follow the below links: www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards.

4. STAKEHOLDER IDENTIFICATION AND ANALYSIS

4.1 Stakeholder mapping and analysis

ESS10 recognizes two broad categories of stakeholders: “Project-affected parties” and “Other interested parties”. Nevertheless, for the purposes of effective, tailored and inclusive engagement, stakeholders of the project can be divided into the following three core categories:

- (i) Project-affected parties – persons, groups and other entities within the Project Area of Influence that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures;
- (ii) Other interested parties – individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way; and
- (iii) Vulnerable groups – persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status⁴, and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project.

4.2 Project-affected parties

Project-affected parties (PAPs) include individuals who have been affected by the introduced restrictions due to COVID-19 pandemic and economic downturn in country. These PAPs may be subject to direct impacts from the Project. Specifically, the following individuals and groups fall within this category:

- Households and individuals whose incomes negatively affected;
- Individuals and households who have been permanently or temporarily laid off;
- Unemployed;
- Informal labor;
- Remittance receiving households;
- Returning migrant workers;
- Seasonal migrants unable to travel abroad;
- Seasonal workers (domestic);
- Workers of small and medium enterprises, construction, trade and agriculture sectors;
- Workers of service sector including travel companies, travel agents, hotels, restaurants, individual service providers;
- Labor Unions.

4.3 Other Interested Parties

The projects’ stakeholders also include parties other than the directly affected communities, including:

- Ministry of Labor and Social Development/PIU;
- Ministry of Labor and Social Development its rayon and city offices;
- Social Fund and its rayon and city offices;
- Participating Financial Intermediaries (PFI)
- Mandatory Health Insurance Fund (MHIF) under the Government of the Kyrgyz Republic;
- Traditional media and journalists;
- Civil society groups and NGOs on oblast, national and local levels that pursue environmental and socio-economic interests and may become partners of the project;
- Social media platforms;
- Implementing agencies for the WB-funded projects working in the Kyrgyz Republic;
- Other national and international health organizations (Red Crescent Society, WHO, Global Fund, Aga Khan Health Services);
- Other donor organizations (ADB, EBRD, IsDB, KfW, USAID, UNICEF, UNDP and GIZ);
- Businesses with international links; and
- Public at large.

⁴ Vulnerable status may stem from an individual’s or group’s race, national, ethnic or social origin, color, gender, language, religion, political or other opinion, property, age, culture, literacy, sickness, physical or mental disability, poverty or economic disadvantage, and dependence on unique natural resources.

4.4 Disadvantaged / vulnerable individuals or groups

It is particularly important to understand whether project impacts may disproportionately fall on disadvantaged or vulnerable individuals or groups, who often do not have a voice to express their concerns or understand the impacts of a project. The vulnerability may stem from person's origin, gender, age, health condition, economic deficiency and financial insecurity, disadvantaged status in the community (e.g. unemployed youth), dependence on other individuals or natural resources, etc. Engagement with the vulnerable groups and individuals often requires the application of specific measures and assistance aimed at the facilitation of their participation in the project-related decision making so that their awareness of and input to the overall process are commensurate to those of the other stakeholders. Within the Project, the vulnerable or disadvantaged groups may include and are not limited to the following:

- Poor households and individuals;
- Elderly, pre-retirement;
- People with disabilities;
- Single parents with underage children;
- Women-headed households;
- Residents in mountainous and border areas;
- Unemployed youth;
- Unskilled people;
- Migrant workers;
- People under domestic violence risk;
- Unemployed persons released from places of detention

Disadvantaged and vulnerable PAPs will be further confirmed and consulted through dedicated means, as appropriate. Description of the methods of engagement that will be undertaken by the project is provided in the following sections.

4.5 Stakeholder Segmentation/ Prioritization

The identified project stakeholders were segregated by their areas of influence. The stakeholders of high and substantial significance are described in the table below.

Table 1. Stakeholder segmentation

Stakeholder	Level	Description	Area of influence	Interest	Influence
Ministry of Finance	National	The Ministry of Finance is state body engaged in elaboration of state policy in the budgetary, and tax.	Provide oversight and control of disbursement of project funds to the implementing agency. Monitor compliance of financial reporting of project funds by the implementing agency.	High	High
Ministry of Labor and Social Development	National	The Ministry of Labor and Social Development is the central agency responsible for the implementation of social assistance and labor programs in the Kyrgyz Republic	Provide administrative oversight and coordination for project; Lead in stakeholder engagement and consultations; Lead in complaints and grievance redress.	High	High
Social Fund	National	The Social Fund is a Ministry-level institution responsible for the administration of social insurance programs and benefits in the country.	The Social Fund will be responsible for implementing components 1.3 and 3.2. The Social Fund will work together with the MoLSD in stakeholder engagement activities and maintenance of grievance	High	High

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			mechanism related to components 1.3 and 3.2.		
Rayon ⁵ /city offices of MoLSD and Social Fund	Oblast	Administering and processing for the payment of state benefits and allowances within the rayon.	Responsible for oversight and coordination of activities implemented within the rayon.	Moderate	High
Oblast administration	Oblast	Responsible for managing local budget and economic development of the respective oblast.	Provide support and coordination in stakeholder engagement and grievance redress within oblast.	Moderate	Moderate
Rayon/city administration	Local - rayon	Responsible for managing local budget and economic development of the respective rayon/city.	Provide support and coordination in stakeholder engagement and grievance redress within rayon/city.	Moderate	Moderate
Ayil Okmoty	Local	Ayil Okmoty – executive body of Local Self Government (LSG).	Provide support in identifying beneficiaries.	High	High
Ayil Kenesh	Local	Ayil Kenesh – representative body of LSG.	Provide support in identifying beneficiaries.	High	High
Participating Financial Intermediaries	National	Commercial banks providing financial/ banking services.	Responsible for disbursement of the financial assistance and arrangements for repayment.	Moderate	High
Civil society organizations (SCOs)	National	Oversee transparency, fairness and inclusion of project interventions.	Safeguarding policy and referral pathway strengthen guidance counselors.	High	Substantial
Labor Unions	National	Securing improvement in pay, benefits, working conditions, or social and political status.	Represent workers, protect the rights of workers.	High	Substantial
Project-affected parties ⁶ such as: • Informal workers; • Migrant workers; • Partially and fully laid off employees; and others.	Local	Individuals who have lost their job/income as a result of the crisis.	Financial and technical assistance.	High	Low
Disadvantaged and vulnerable individuals or groups ⁷ .	Local	Individuals/groups who disproportionately impacted as a result of the COVID-19 crisis.	Special and differential assistance.	High	Low

⁵ Rayon – administrative subdivision of oblast in the Kyrgyz Republic

⁶ Project-affected parties have been elaborated in above section 4.2.

⁷ Disadvantaged and vulnerable individuals or groups have been elaborated in above section 4.4.

5. STAKEHOLDER ENGAGEMENT PROGRAM

The project interventions are countrywide; therefore, the project team needs to be strategic in designing the SEP. The project stakeholder engagement activities need to be streamed horizontally and vertically (Figure 1). The horizontal stream implies an engagement with stakeholders on a national level. Activities on the horizontal level are assumed to improve awareness and coordination of efforts in the social protection system of the country. Whereas, vertical stream implies the application of cascading mode which will allow the project to establish the communication with project-affected parties. Furthermore, the cascading approach will be applicable for capacity building at each project engagement level (rayon and ayil okmoty). Stakeholder engagement activities need to provide specific stakeholder groups with relevant information and opportunities to voice their views on topics that matter to them. The table below presents the stakeholder engagement activities envisaged under the project.

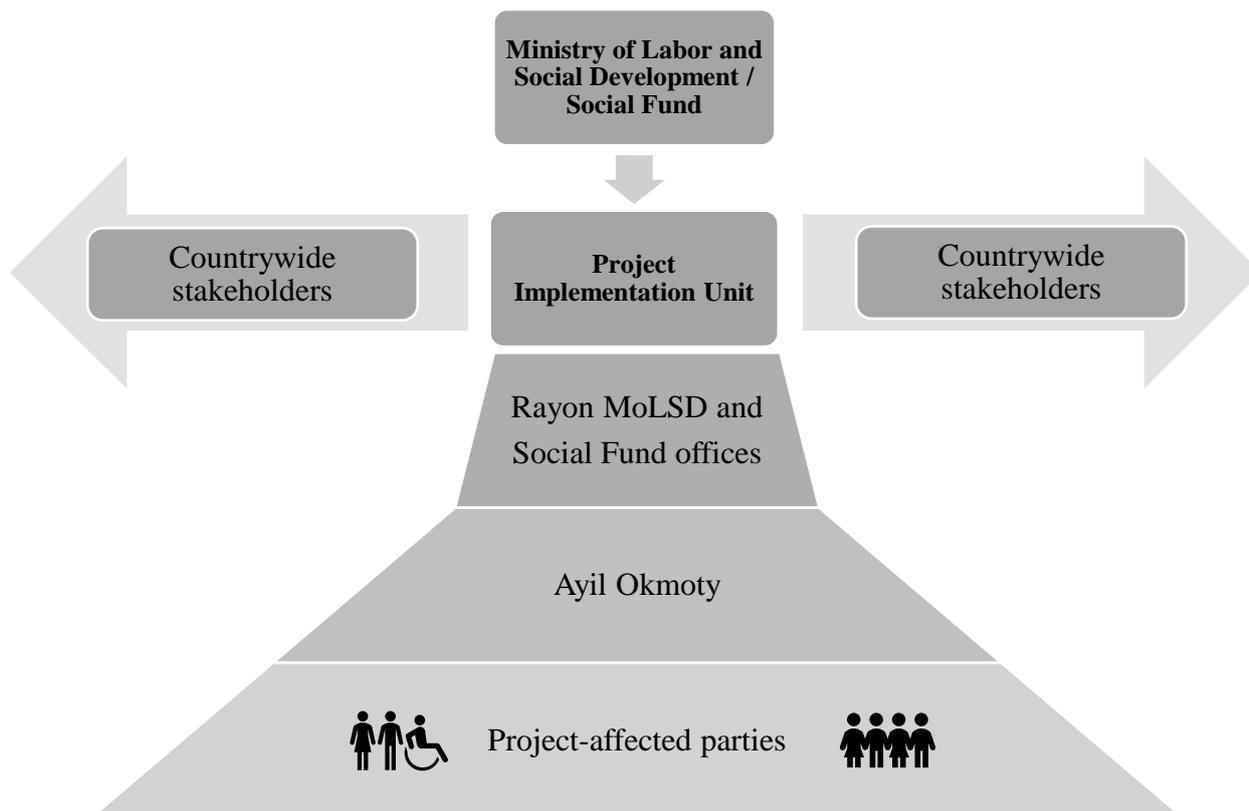


Figure 1. Schematic visualization of stakeholder engagement process.

5.1 Summary of stakeholder engagement done during project preparation

The speed and urgency with which this project has been developed to meet the growing threat of COVID-19 in the country (combined with State of Emergency and the government restrictions on gatherings of people) has limited the project's ability to develop a complete SEP before this project is approved by the World Bank. This initial SEP has been developed and disclosed prior to project appraisal as the starting point of an iterative process, to develop a more comprehensive stakeholder engagement strategy and plan. It will be updated during early implementation and then periodically as necessary by the MoLSD and Social Fund. The local offices will conduct further consultations with the public and project affected stakeholders. An action plan for further consultations is currently being prepared and relevant budget is earmarked.

The World Bank team, including Country Management Unit representatives of the World Bank office in Bishkek, held a series of on-line meetings with the Government aimed at discussing the impact of the pandemic to the social sectors and economy and how the World Bank can help government in responding to the pandemic. The government sought the World Bank assistance in coping with the pandemic i.e. strengthening the public health sector preparedness and the social safety net response to the crisis. After these initial meetings the World Bank team had follow up meetings with the Ministry of Finance, MoLSD and Social Fund, to discuss the scope of the operation. The World Bank and Government preparation teams received regular updates about the conclusions of the donor coordination meetings regarding the pandemic.

Key issues/ observations learnt from the initial limited consultations are as follows:

Major sources of income in Kyrgyzstan, especially for the poor and rural people are: (i) Wages and employment earnings; (ii) Remittances; (iii) pensions; (iv) social assistance; and (v) agriculture incomes.
Selling of agricultural products is one of the important sources of incomes, especially for the rural poor which is disrupted due to Covid situation.
Labor income accounts for 70% of income in poor households, and 68% of income in all households.
Remittances are a widespread source of income for households, especially in the South regions. With Covid, this has been affected a lot as a number of laborers are out of work and returned to homeland
Reduction in labor incomes will put pressure on consumption of households, especially the most vulnerable.
Covid crisis has resulted in Increased prices on wheat and wheat flour which hurts the poor very much.
An increase of food prices will/ has reduced purchasing power of households shrinking their consumption.
The poor will experience significantly lower labor incomes due to closure of trade, construction, other services and overall slowdown of economic activities.
Sudden losses in incomes has strong impacts on poor and vulnerable households
Supply chain disruptions leading to lower output and incomes
Impacts felt most severely by poor and vulnerable HHs as well as those engaged in informal and self-employment due to limited social insurance
Social protection in Kyrgyzstan covers a broad range of risks, receives a significant proportion of government funding. However, provision is unevenly distributed; expenditure on social insurance is approximately five times higher than spending on social assistance, while social services and labour market policies for vulnerable workers are extremely small.
Many gaps in social protection coverage exist, particularly for the urban poor, young people and the significant numbers of workers employed abroad.
The sustainability of the pension system is being eroded as increases in the number of beneficiaries outpace growth in the contributor base. This reflects rapid growth in the rate of informal employment in recent years, as well as high levels of emigration and declining female labour force participation.
Social assistance is reaching very few poor households, with those in urban areas almost completely excluded from the UBK
Kyrgyzstan suffers from a double burden of disease. Infectious diseases, such as tuberculosis (TB) and (increasingly) HIV/AIDS, are a persistent problem but the burden of non-communicable diseases has become an even greater challenge. Inequalities in health outcomes exist, with health care not equally accessible to all segments of the population
Poverty is more prevalent among households that include people with disabilities, which reflects partly the additional associated cost and partly low levels of labour-force participation among people with disabilities.
Overall, Social Protection provisions, apart from increasing fiscal space, needs a careful re-structuring.

5.2 Project stakeholder needs and methods, tools and techniques for stakeholder engagement – Guidelines under Covid Situation.

With the outbreak and spread of COVID-19, people have been mandated by national or local law, to exercise social distancing, and specifically to avoid public gatherings to prevent and reduce the risk of the virus transmission. Kyrgyz Republic has taken various restrictive measures, some imposing strict restrictions on public gatherings, meetings and people’s movement. At the same time, the general public has become increasingly aware and concerned about the risks of transmission, particularly through social interactions at large gatherings.

Adoption of below listed recommendations will be subject to the evolving coronavirus situation in Kyrgyz Republic, and restrictions put in place by governments. The PIU will:

- Review the country COVID-19 spread situation in the project area, and the restrictions put in place by the government to contain virus spread;
- Assess the associated potential risks of virus transmission in conducting various engagement activities;

- Avoid public gatherings (taking into account national restrictions), including public hearings, workshops and community meetings, and minimize direct interaction between project agencies and beneficiaries / affected people;
- If smaller meetings are permitted, conduct consultations in small-group sessions while observing the principle of social distancing. If not permitted, make all reasonable efforts to conduct meetings through online channels, including webex, zoom and skype meetings;
- Be sure that all PIU members articulate and express their understandings on social behavior and good hygiene practices, and that any stakeholder engagement events, if conducted, be preceded with the procedure of articulating such hygienic practices.
- Diversify means of communication and rely more on social media and online channels. Where possible and appropriate, create dedicated online platforms and chatgroups appropriate for the purpose, based on the type and category of stakeholders;
- Employ traditional channels of communications (TV, newspaper, radio, dedicated phone-lines, public announcements and mail) when stakeholders do not have access to online channels or do not use them frequently. Such channels can also be highly effective in conveying relevant information to stakeholders, and allow them to provide their feedback and suggestions;
- Employ online communication tools to design virtual workshops in situations where large meetings and workshops are essential, given the preparatory stage of the project. Webex, Skype, and in low ICT capacity situations, audio meetings, can be effective tools to design virtual workshops. The format of such workshops could include the following steps:
 - *Virtual registration of participants*: Participants can register online through a dedicated platform.
 - *Distribution of workshop materials to participants, including agenda, project documents, presentations, questionnaires and discussion topics*: These can be distributed online to participants.
 - *Review of distributed information materials*: Participants are given a scheduled duration for this, prior to scheduling a discussion on the information provided.
 - *Discussion, feedback collection and sharing*:
 - ✓ Participants can be organized and assigned to different topic groups, teams or virtual “tables” provided they agree to this.
 - ✓ Group, team and table discussions can be organized through social media means, such as webex, skype or zoom, or through written feedback in the form of an electronic questionnaire or feedback forms that can be emailed back.
 - *Conclusion and summary*: The chair of the workshop will summarize the virtual workshop discussion, formulate conclusions and share electronically with all participants.
- In situations where online interaction is challenging, information can be disseminated through digital platform (where available) like Facebook, Twitter, WhatsApp groups, Project weblinks/ websites, and traditional means of communications (TV, newspaper, radio, phone calls and mails with clear description of mechanisms for providing feedback via mail and / or dedicated telephone lines. All channels of communication need to clearly specify how stakeholders can provide their feedback and suggestions.
- In situations where it is determined that meaningful consultations that are critical to the conduct of a specific project activity cannot be conducted in spite of all reasonable efforts on the part of the client supported by the Bank, the project team will discuss whether the proposed project activities can be postponed by a few weeks in view of the virus spread risks. This would depend on the COVID-19 situation in the country, and the government policy requirements to contain the virus spread.

In line with the above precautionary approach, different engagement methods are proposed and cover different needs of the stakeholders as below.

5.3 Stakeholder engagement plan

A plan has been drafted towards engaging stakeholders at different levels (national and local). The Table 2 below presents the stakeholder engagement activities envisaged under the project. The plan will be updated as part of the respective Communication Strategy and once eligibility criteria for assistance will be clearly defined to be disseminated and consulted with stakeholders. Consequently, this SEP will be updated to outline how the above points on COVID-19 restrictions and recommendations will be implemented for the different areas to be funded by the Project.

5.4 Proposed strategy to incorporate the view of vulnerable groups

The project, with the help of local community representatives, will carry out targeted stakeholder engagement with vulnerable groups to understand concerns/needs in terms of accessing information and services and other challenges they face at home, at workplaces and in their communities. The details of strategies that will be adopted to effectively engage and communicate to vulnerable group will be considered during project implementation.

5.5 Proposed strategy for information disclosure

In terms of methodology, it will be important that the different activities are inclusive and culturally sensitive, thereby ensuring that the vulnerable groups outlined above will have the chance to participate in the Project benefits. This can include household-outreach and information boards at the rayon, city, village and ayil okmoty level, the usage of different languages (e.g. Kyrgyz, Russian, Uzbek), the use of verbal communication (audio and video clips, pictures, booklets etc.) instead of direct verbal contacts. The project will thereby have to adapt to different requirements. While country-wide awareness campaigns will be established, specific communication around borders, train/bus stations and international airports, as well as quarantine centers and laboratories will have to be timed according to need and be adjusted to the specific local circumstance.

5.6 Reporting back to stakeholders

Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the stakeholder engagement plan and grievance mechanism.

Table 2. Planned stakeholder engagement activities—Steered by PIU

Subgroup	With whom	Channels of Engagement	Venue	Frequency	Information to disclose / consult	Purpose
Ministry of Finance	Other stakeholders	Official internal and external communications	—	Regularly	Project progress, budget and financing including postings on MoF website.	Sharing of information, reviews, clearance and seeking support.
	MoLSD and Social Fund	Written requests via official letters and emails	Virtual, visits, official meetings	As needed	Progress reports, official requests, and letters.	To keep informed the Financial Guarantee of the GoK.
Ministry of Labor and Social Development	Other stakeholders	Official internal and external communications	—	Regularly	Monitoring, progress reports, face-to-face meetings, virtual and off-line.	Sharing of information, reviews, clearance and seeking support.
Social Fund	Other stakeholders	Official internal and external communications	—	Regularly	Monitoring, progress reports, face-to-face meetings, virtual and off-line.	Sharing of information, reviews, clearance and seeking support.
Project Implementation Unit	All stakeholders	Stakeholder awareness and consultations campaigns	Internal or external event venues	Annual	Public/community meetings, seminars, face-to-face meetings with all project stakeholders.	To keep informed about the project achievements.
	Regional offices of MoLSD and Social Fund	Operational meetings	Meeting hall of the Ministry	Quarterly	Monitoring reports, face-to-face meetings with regional employment departments.	To implement the project components.
	All stakeholders	GRM	PIU office	Regularly	The website, telephone, email, social media, leaflets, ads, posters, brochures, hand-outs.	To ensure beneficiaries are informed about the project level GRM.
Participating Financial Intermediaries	All stakeholders	Stakeholder awareness	Virtual, visits, official meetings	Regularly	The website, telephone, email, social media, leaflets, ads, posters, brochures, hand-outs.	To keep informed about the project benefits.
	All stakeholders	Corporate website	Virtual	Quarterly	Environmental and Social Management System	To manage environmental and social risks.
	All stakeholders	Corporate website, beneficiary consultation campaigns	Virtual, PFI and community premises	Quarterly	Eligibility criteria for assistance and benefits	To manage exclusion/inclusion errors,
	Project-affected parties, beneficiaries	Beneficiary consultations and outreach campaigns, information desks	PFI offices	Regularly	Face-to-face meetings with beneficiaries. Leaflets, Posters, brochures, hand-outs.	To increase awareness and provide consultations.
			GRM	Regularly	Face-to-face meetings, virtual and off-line.	To ensure beneficiaries are informed about the project level GRM.
District/city offices of MoLSD and Social Fund	Ayil Okmoty and Project-affected parties	Beneficiaries consultations and outreach campaigns	District/city offices of MoLSD/Social Fund and community premises	Quarterly	Public/community meetings, face-to-face community meetings with ayil okmoty representatives and beneficiaries. Participatory	To ensure inclusion of poor and vulnerable PAPs and beneficiaries.

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					beneficiaries needs assessment and subproject prioritization. PIU field reports on needs assessment and subproject prioritization.	
	Project-affected parties, beneficiaries	Information desks	The front office at District/city offices of MoLSD and Social Fund	Regularly	Face-to-face meetings with beneficiaries. Leaflets, Posters, brochures, hand-outs.	To increase awareness and provide consultations.
	Project-affected parties, beneficiaries	GRM	District/city offices of MoLSD and Social Fund	Regularly	Face-to-face meetings, virtual and off-line.	To ensure beneficiaries are informed about the project level GRM.
Ayil Okmoty committee	Project-affected parties, beneficiaries	Public forums campaigns	Ayil Okmoty office and community premises	Quarterly	Face-to-face community meetings, Participatory beneficiary needs assessment and subproject prioritization. PIU field reports on needs assessment and subproject prioritization.	To ensure inclusion of poor and vulnerable PAPs and beneficiaries.
	Project-affected parties, beneficiaries	GRM	Village premises	Regularly	Telephone, social media, leaflets, ads, brochures, hand-outs.	To ensure beneficiaries are informed about the project level GRM.

Given the on-going social distancing policy of the Government, stakeholder engagement will be conducted primarily through virtual means and disclosure of documents. Project webpage will be created by the PIU where all future project related environmental and social monitoring reports and all other project information will be made available. Details about the project grievance mechanism will also be posted on the website. An electronic grievance submission form will also be made available on the website. The PIU will update website regularly. Face to face meetings and consultations will be held only after the government rules on restrictions on social gatherings are eased and lifted, following the World Bank’s Technical Note: Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings (March 20, 2020).

6. RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT ACTIVITIES

6.1 Implementation arrangements

The PIU under the Ministry of Labor and Social Development will shoulder full responsibility for engaging with the stakeholders. Social Development Specialist recruited from the market will steer the SEP in the PIU. As this is countrywide project other key entities like rayon and city offices will also play a major role. At the sub-national level each rayon offices of the MoLSD will identify one person will act as a nodal person for SEP. However, the entire rayon office will be involved in engaging with the stakeholders. More detail about implementation arrangement will be described in the SEP to be updated in the early phase of project implementation.

6.2 Roles and responsibilities

The MoLSD will be responsible for carrying out stakeholder engagement activities, while working closely together with other entities, such as local government units, media outlets, health workers, etc. The stakeholder engagement activities will be documented through quarterly progress reports, to be shared with the World Bank. The nature of the project requires a partnership and coordination mechanisms between national, oblast and rayon stakeholders.

Table 3. Responsibilities of key actors/stakeholders in SEP Implementation

Actor	Stakeholder Responsibilities
PIU with support of MoLSD and Social Fund	<ul style="list-style-type: none"> • Planning and implementation of the SEP; • Leading stakeholder engagement activities; • Management and resolution of grievances; • Coordination/supervision of contractors (if any) on Environmental and Social Commitment Plan (ESCP) and SEP activities; • Monitoring of and reporting on social performance to Government and the World Bank.
PFI	<ul style="list-style-type: none"> • Citizen engagement activities; • Separate citizen engagement activities for women; • Establish a special window for ‘women’ beneficiaries; • Consultations with stakeholders on ESMS; • Disclosure of the ESMS.
Rayon/city MoLSD and Social Fund offices	<ul style="list-style-type: none"> • Inform PIU of any issues related to their engagement with stakeholders; • Provide report on all complaints to the PIU Grievance Mechanism Focal Point; • Transmit and resolve complaints caused by the project interventions in close collaboration with and as directed by PIU and by participating in the local Grievance Resolution Committee; • Disclose and implement various plans (e.g. SEP, Labor Management Plan, etc.). • Monitor Project compliance with Kyrgyz Republic legislation; • Participate in the implementation of assigned activities in the ESCP and SEP; • Provide report on all complaints to the PIU GM Focal Point; • Participate in the local Grievance Resolution Committee • Make available the disclosed ESCP, SEP documents and GM procedures.
Project-affected parties	<ul style="list-style-type: none"> • Invited to engage and ask questions about the Project at Project Meetings and through discussions with rayon/city focal points where it is of interest or of relevance to them; • Lodge their grievances using the Grievance Mechanism defined in the SEP; • Help the Project to define mitigation measures;
Other project stakeholders	<ul style="list-style-type: none"> • Engage with PIU regarding project design; • Raise concerns to help the project to be inclusive.
Participating Financial Institutions	<ul style="list-style-type: none"> • Conduct Stakeholder Engagements as agreed with PIU • Prepare, share and disclose SE reports.

6.3 Information disclosure

The current MoLSD website (<https://mlsp.gov.kg/>) is being used to disclose project documents, including those on social performance in Kyrgyz, Russian and English. MoLSD will create a webpage on the Project on its existing website. All future project-related social monitoring reports listed in the above sections will be disclosed on this webpage. Project updates will also be posted on the homepage of MoLSD’s website. An easy-to-understand guide to the terminology used in the social reports or documents will also be provided on the website. All information brochures/fliers will be posted on the website. Details about the Project Grievance Mechanism will be posted on the website. An electronic grievance submission form will also be made available on MoLSD’s website. Contact details of the Social Specialist and headquarters and all MoLSD office relevant persons at the rayon levels will also be made available on the website. MoLSD will update and maintain the website regularly (at least on monthly basis). Further, MoLSD will update Facebook page (<https://www.facebook.com/Эмгек-жана-социалдык-өнүгүү-министрлиги-270039493696936>) on the project information for PAPs and other stakeholders.

6.4 Estimated Budget

A tentative budget for implementing the stakeholder engagement plan over five years is reflected in Table 4. The stakeholder engagement activities featured above cover a variety of social issues, which may be part of other project documents, so it is possible that they have also been budgeted in other plans. However, the table below summarizes all the stakeholder engagement activities in one place for better coordination and monitoring. MoLSD will review this plan every six months to determine if any changes to stakeholder classification or engagement are required. If so, the plan will be updated, and a new revision distributed. The budget will be revised accordingly.

Table 4. Stakeholder Engagement Plan – Estimated Budget (4 years)

Stakeholder Engagement Activities	Unit Cost, (USD)	Q-ty	Total cost (USD)
Social Development Specialist at PIU (4 years x USD 500 per month)	500	48 months	24,000
Travel expenses of staff (cost per year)	5,000	Per year	20,000
Information desk (PIU-1, rayon-40) = 41	100	41 desks	4100
Communication materials (leaflets, posters, PR kits including design)			30,000
Project press conferences	1000	4 times	4,000
Trainings for PIU, city and rayon offices			10,000
Hotlines for GM / GM boxes (PIU and in each oblast and rayon offices)			15,000
Website and MIS/GM data base			20,000
Subtotal			127,100
Contingency			2,900
Total			130,000

7. GRIEVANCE MECHANISM

7.1 Description of Grievance Mechanism

The main objective of a Grievance Mechanism (GM) is to assist to resolve complaints and grievances in a timely, effective and efficient manner that satisfies all parties involved. Specifically, it provides a transparent and credible process for fair, effective and lasting outcomes. It also builds trust and cooperation as an integral component of broader community consultation that facilitates corrective actions. Specifically, the GM:

- Provides affected people with avenues for making a complaint or resolving any dispute that may arise during the course of the implementation of projects;
- Ensures that appropriate and mutually acceptable redress actions are identified and implemented to the satisfaction of complainants; and
- Avoids the need to resort to judicial proceedings.

The PIU will set up a project specific GM to address all citizen complaints and requests related to the project. Day-to-day implementation of the GM and reporting to the World Bank will be the responsibility of the PIU. The new Social Development Specialist will be the key nodal officers for GM in the PIU. Project would encourage receiving complaints by a variety of channels, including anonymous complaints, at different levels – details in section 7.2 and 7.3. The system and requirements (including staffing) for the grievance redress chain of action – from registration, sorting and processing, and acknowledgement and follow-up, to verification and action, and finally feedback – are incorporated in the GM. To ensure management oversight of grievance handling, the Internal Audit Unit will be responsible for monitoring the overall process, including verification that agreed resolutions are implemented.

7.2 Grievance resolution process

Information about the GM will be publicized as part of the Public/community communication (e.g. through websites, social media). Brochures and posters will be displayed in public places such as in MoLSD and Social Fund key institutes involved in project activities, government (including rayon and city) offices, project offices, village and Ayil Okmoty⁸ notice boards, etc. Information about the GM will also be posted online on the MoLSD and Social Fund website. The overall process for the GM will be comprised of six steps, as shown on Figure 3 and described below.

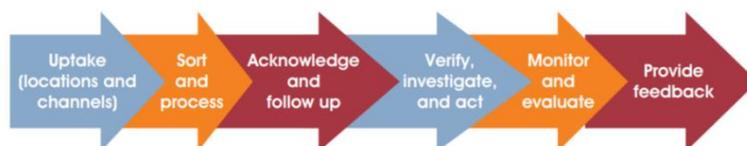


Figure 2. Feedback and GM Process⁹

- **Step 1: Uptake.** Project stakeholders will be able to provide feedback and report complaints through several channels: contacting PIU by mail, telephone, email, social media, sms and telegram messaging.
- **Step 2: Sorting and processing.** Complaints and feedbacks will be compiled by the Social Development Specialists at PIU and recorded in a register. These are assigned to the respective individuals / agencies to address. They are expected to discuss/ deliberate with the complainant and arrive at a resolution, within 15 days of receipt.
- **Step 3: Acknowledgement and follow-up.** Within seven (7) days of the date a complaint is submitted, the responsible person/ agency will communicate with the complainant and provide information on the likely course of action and the anticipated timeframe for resolution of the complaint. If complaints are not resolved within 15 days, the responsible person will provide an update about the status of the complaint/question to the complainant and again provide an estimate of how long it will take to resolve the issue.
- **Step 4: Verification, investigation and action.** This step involves gathering information about the grievance to determine the facts surrounding the issue and verifying the complaint's validity, and then developing a proposed resolution, which could include changes of decisions concerning eligibility for

⁸ Ayil Okmoty - village administration – Local Self Government Body

⁹ Source: Agarwal, Sanjay and David Post. 2009. Feedback Matters: Designing Effective Grievance Redress Mechanisms for Bank-Financed Projects – Part I. SDV. World Bank.

mitigation, assistance, changes in the program itself, other actions, or no actions. Depending on the nature of the complaint, the process can include site visits, document reviews, a meeting with the complainant (if known and willing to engage), and meetings with others (both those associated with the project and outside) who may have knowledge or can otherwise help resolve the issue. It is expected that many or most grievances would be resolved at this stage. All activities taken during this and the other steps will be fully documented, and any resolution logged in the register.

- **Step 5: Monitoring and evaluation.** Monitoring refers to the process of tracking grievances and assessing the progress that has been toward resolution. The PIU will be responsible for consolidating, monitoring, and reporting on complaints, enquiries and other feedback that have been received, resolved, or pending. This will be accomplished by maintaining the grievance register and records of all steps taken to resolve grievances or otherwise respond to feedback and questions.
- **Step 6: Providing Feedback.** This step involves informing those to submit complaints, feedback, and questions about how issues were resolved, or providing answers to questions. Whenever possible, complainants should be informed of the proposed resolution in person (communicating by telephone or other means).

If the complainant is not satisfied with the resolution, he or she will be informed of further options, which would include pursuing remedies through the World Bank, as described below, or through avenues afforded by the Kyrgyz Republic legal system. On a monthly basis, the PIU will report to the implementing agencies (MoLSD and Social Fund) on grievances resolved since the previous report and on grievances that remain unresolved, with an explanation as to steps to be taken to resolve grievances that have not been resolved within 30 days. Data on grievances and/or original grievance logs will be made available to World Bank missions on request, and summaries of grievances and resolutions will be included in periodic reports to the World Bank.

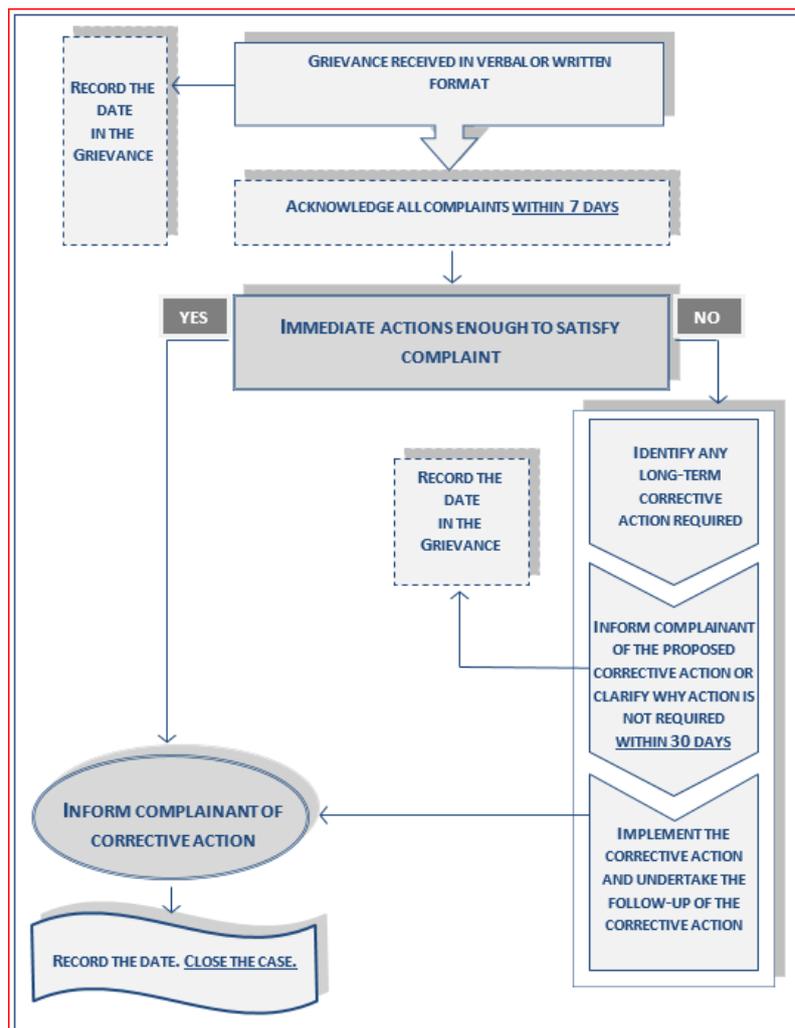


Figure 3. Grievance resolution process for this project.

Grievance Logs will include at least the following information:

- Individual reference number
- Name of the person submitting the complaint, question, or other feedback, address and/or contact information (unless the complaint has been submitted anonymously)
- Details of the complaint, feedback, or question/her location and details of his / her complaint.
- Date of the complaint.
- Name of person assigned to deal with the complaint (acknowledge to the complainant, investigate, propose resolutions, etc.)
- Details of proposed resolution, including person(s) who will be responsible for authorizing and implementing any corrective actions that are part of the proposed resolution
- Date when proposed resolution was communicated to the complainant (unless anonymous)
- Date when the complainant acknowledged, in writing if possible, being informed of the proposed resolution
- Details of whether the complainant was satisfied with the resolution, and whether the complaint can be closed out
- Date when the resolution is implemented (if any).

The MoLSD and Social Fund will offer its city, inter district and rayon channels. The PIU will enable (i) inter district, (ii) city and rayon level offices and (iii) community (Ayil Okmoty) level as GM focal points. By this arrangement, the project will be able to address effectively and efficiently all grievances raised at grassroot level – households, which will have countrywide scattered pattern including those in remote areas. To manage the project GM, it will include three successive tiers of extra-judicial grievance review and resolution:

- The first tier will be the Ayil Okmoty (GRC1) viz., local self-governments at the grassroots, who are responsible for helping members of the community and other social work (conflict resolution, overall community upkeep, etc.). They have the primary responsibility for identifying the households and/or individuals requiring social assistance. Unresolved grievances will be elevated to GRC2.
- The second tier will be a Grievance Resolution Committee (GRC2) at the Rayon Level, that includes representatives of rayon and city level offices and of the complainant’s village and/or Ayil Okmoty. The GRC2 will deal with issues that could not be resolved in the first tier. Unresolved grievances will be elevated to GRC3.
- The third tier will be a Grievance Redress Commission (GRC3) under leadership of PIU and includes one or more senior city, inter district and rayon level office managers and one Ayil Okmoty and/or village leaders. GRC3 will resolve issues that could not be resolved by GRC2. The GRC3 will deal with issues elevated by the GRC2.

If complaints are not satisfied at the resolution of the third phase, or at any stage, they can seek legal remedies through court.

Table 5. Grievance Redress and Feedback Mechanism

To whom is the complaint filed	Form of submission	Complaint management procedure	Time for consideration of complaints
<p>THE FIRST LEVEL <u>Office of Ayil Okmoty</u> Address: Tel.: Fax: E-mail address: Officer responsible for maintaining the GRM Log:</p>	<p>Verbal, written, in electronic format</p>	<p>1. Ayil Akmoty register complaint/ proposal in the Log for registration of complaints and proposals; 2. Maintain and monitor the process of reviewing and responding to complaints; 3. Monthly they are reporting in writing to the PIU, to the GRM officer on the status of work with complaints.</p>	<p>3days</p>

To whom is the complaint filed	Form of submission	Complaint management procedure	Time for consideration of complaints
THE SECOND LEVEL GRC2 at Rayon Level MoLSD rayon level office: Address: Tel: Fax: E-mail address: Officer responsible for maintaining the GRM Log:	Written and electronic form	1. The MoLSD rayon level office registers a complaint in the Log for complaints and proposals; 2. Maintain and monitor the process of reviewing and meeting the complaints; 3. Consideration of the complaint may require additional verification of the issue, including collection of additional documents. 3. Report on a monthly basis in written to the PIU (depending on the nature of the issue) on the status of work with complaints.	5 days 15 days
THE THIRD LEVEL GRC 3 Project Implementation Unit: Address: Tel.: Fax: E-mail address: Responsible officer for maintaining the GRM Log:	Written and electronic form	1. A complaint is registered in the Log for registration of complaints and proposals. 2. In case of validity of the complaint, consultations with the complainant are conducted and corrective measures are developed; 3. Consideration of the complaint may require additional verification of the issue, including collection of additional documents. 4. The GRM data is collected, summarized and reflected in quarterly reports to MoLSD and Social Fund.	7 days 15 days

7.3 Monitoring and reporting on grievances

The PIU will be responsible for:

- Analyzing the qualitative data on the number, substance and status of complaints and uploading them into the project databases established by PIU;
- Monitoring outstanding issues and proposing measures to resolve them;
- Preparing quarterly reports on GM to be shared with the WB.

Quarterly reports to be submitted to the WB shall include section related to GM which provides updated information on the following:

- Status of GM implementation (procedures, training, public awareness campaigns, budgeting etc.);
- Qualitative data on number of received grievances (applications, suggestions, complaints, requests, positive feedback), highlighting number of resolved grievances;
- Quantitative data on the type of grievances and responses, issues provided and grievances that remain unresolved;
- Level of satisfaction by the measures (response) taken;
- Any correction measures taken.

7.4 Grievance uptake channels

A grievance can be submitted through the following channels:

Table 5. Channels for accessing information and submitting grievances¹⁰

Description	Contact details
Address:	215 Tynystanov St, Bishkek, Kyrgyzstan
Website link:	https://mlsp.gov.kg/
Online feedback:	https://mlsp.gov.kg/obratnaya-svyaz-2/
E-mail:	msd@mlsp.kg
WhatsApp platform:	0990603030
Telephone:	+996 (312) 66 01 07
Fax:	+996 (312) 66-57-24
Hotline:	#1966
Grievance Redress Committee – 1 st tier	Ayl Okmotu Committee office of the respective rayon
Grievance Redress Committee – 2 nd tier	Rayon level office of the respective rayon
Grievance Redress Committee – 3 rd tier	Project Implementation Unit
Anonymous complaints are also entertained by any of the above channels	

Information on the Project and future stakeholder engagement programs will be available on the Project’s website and will be posted on information boards in the villages crossed by the line. Information can also be obtained from MoLSD and Social Fund in Bishkek. Six-monthly E&S reports that document the implementation of the SEP will be disclosed on the Project website and made available in the rayon and city offices.

7.5 World Bank Grievance Redress System

Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may also complaints directly to the Bank through the Bank’s Grievance Redress Service (GRS) (<http://projects-beta.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>). A complaint may be submitted in English, Kyrgyz or Russian, although additional processing time will be needed for complaints that are not in English. A complaint can be submitted to the Bank GRS through the following channels:

- By email: grievances@worldbank.org
- By fax: +1.202.614.7313
- By mail: The World Bank, Grievance Redress Service, MSN MC10-1018, 1818 H Street Northwest, Washington, DC 20433, USA.
- Through the World Bank Country Office in Bishkek: 214 Moskovskaya St., Bishkek, 720010, Kyrgyz Republic, niosipenko@worldbank.org, +996 312 625-262.

The complaint must clearly state the adverse impact(s) allegedly caused or likely to be caused by the Bank-supported project. This should be supported by available documentation and correspondence to the extent possible. The complainant may also indicate the desired outcome of the complaint. Finally, the complaint should identify the complainant(s) or assigned representative/s and provide contact details. Complaints submitted via the GRS are promptly reviewed to allow quick attention to project-related concerns.

In addition, project-affected communities and individuals may submit complaints to the World Bank’s independent Inspection Panel, which will then determine whether harm occurred, or could occur, as a result of the World Bank’s non-compliance with its policies and procedures. Complaints may be submitted to the Inspection Panel at any time after concerns have been brought directly to the World Bank’s attention, and after Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

¹⁰ Contact details will be updated as soon as the PIU will be established

8. REPORTING

The Stakeholder Engagement Plan will be periodically revised and updated as necessary in the course of project implementation in order to ensure that the information presented herein is consistent and is the most recent, and that the identified methods of engagement remain appropriate and effective in relation to the project context and specific phases of the development. Any major changes to the project related activities and to its schedule will be duly reflected in the SEP. Quarterly summaries and internal reports on public grievances, enquiries and related incidents, together with the status of implementation of associated corrective/preventative actions will be collated by responsible staff and referred to the senior management of the project. The quarterly summaries will provide a mechanism for assessing both the number and the nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner. Information on public engagement activities undertaken by the Project during the year may be conveyed to the stakeholders in two possible ways:

- Publication of a standalone annual report on project's interaction with the stakeholders.
- A number of Key Performance Indicators (KPIs) will also be monitored by the project on a regular basis.

Further details will be outlined in the updated SEP, to be prepared within 1 month of project effectiveness, based on the details of the Communication Strategy to be developed during the project implementation.