



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 12/12/2019 | Report No: ESRSC01007



BASIC INFORMATION

A. Basic Project Data

| | | | |
|---|--|--------------------------|----------------------------|
| Country | Region | Project ID | Parent Project ID (if any) |
| Kazakhstan | EUROPE AND CENTRAL ASIA | P171577 | |
| Project Name | Kazakhstan Landscape Restoration Project | | |
| Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date |
| Environment, Natural Resources & the Blue Economy | Investment Project Financing | 9/21/2020 | 3/16/2021 |
| Borrower(s) | Implementing Agency(ies) | | |
| Republic of Kazakhstan | Ministry of Ecology, Geology and Natural Resources | | |

Proposed Development Objective(s)

Pilot farmer and community centered landscape restoration in targeted degraded landscapes in the Republic of Kazakhstan.

| Financing (in USD Million) | Amount |
|----------------------------|-------------|
| Total Project Cost | 4.34 |

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The Kazakhstan Landscape Restoration Project is a child project of the GEF-financed Sustainable Forest Management Impact Program on Dryland Sustainable Landscapes. Project-financed activities will be grouped into the following three components:

Component 1: Strengthening the enabling environment for farmer and community-centered sustainable management of drylands: This component will support the evolving institutional needs of the forestry sector by financing technical studies, consultations and surveys to help create an enabling environment for a new community/farmer engagement



model for the fast-growing plantations. A Forest Sector Investment Plan will be developed for the next ten years, FWC's capacities to conduct a public expenditure review for the forestry sector will be supported and technical assistance will be provided to the Ministry of Ecology, Geology and Natural Resources to advance related policies and legislation as needed. The project will also work with the existing LDN workstreams and help establish additional ones as needed to support the development of an LDN strategy and targets for Kazakhstan. This component will also ensure regional cooperation, exchange of experience and dissemination of best practices within the GEF Drylands Impact Program and with neighboring countries.

Component 2: Piloting farmer and community-centered dryland agroforestry and landscape restoration: Conducting two key activities: (a) piloting of community-centered afforestation and shelterbelt establishment around villages to protect from dust storms or along main roads for land stabilization around the degraded Aral Seabed within the Kyzylorda Region using successful planting technologies of Saxaul and other drought-resistant trees; and (b) piloting establishment of fast-growing fruit tree plantations in degraded pasturelands within pilot farms in Zhambyl Region using the farmer-centered approach.

Component 3: Project coordination and monitoring: financing the incremental operating costs of a Project Implementation Unit (PIU) within the FWC, which will coordinate the implementation of the project by managing and monitoring and evaluating the implementation of project work plans; ensure collaboration among stakeholders at national and local levels; report on progress and financial management performance to the World Bank; ensure timely external auditing of project accounts and the appropriateness of procurement and financial management tasks; and ensure adherence to and implementation of environmental and social measures as appropriate.

The proposed Landscape Restoration Project will pilot innovative techniques for afforestation and shelterbelt establishment around villages in the Kyzylorda Region to protect from dust storms or along main roads for land stabilization and will draw lessons for further replication and scale-up by the forthcoming North Aral Sea Development and Revitalization Project. It will also pilot agroforestry in a sub-set of the forthcoming Kazakhstan Sustainable Livestock Development PforRs model farms on pasturelands to increase pasture productivity in a sustainable manner, and to inform a scale up.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]
In the context of the proposed project, farmer-centered landscape restoration refers to the government's farmer-centric approach where farmers take an active and central role in the restoration of degraded lands in "model farms" though the introduction of agroforestry, while community-centered landscape restoration refers to the hiring of community members to conduct planting around villages to protect from dust storms or along main roads for land stabilization. Both approaches reflect the innovative bottom-up approach of the project. The targeted degraded landscapes will be several pilot dry-land areas in Kyzylorda Region, which contains the Kazakh portion of the degraded Aral Seabed and is the focus of the North Aral Sea Development and Revitalization Project; and pilot farms in Zhambyl Region in the south of the country, which is degraded but has extensive rangelands and is in a strategic position between Almaty and Aral Sea. The exact sites within these regions will be selected based on the criteria to be defined during project preparation, which could be based on their degree of degradation, economic potential, capacity of



local authorities/communities to carry out activities and accept new tools, the biome's diversity and land use types, and avoiding duplication with other initiatives.

The pilot sites will be used to be able to inform other World Bank project under preparation in the Aral Sea and in the Livestock sector. These areas have undergone widespread conversions from natural steppe and fallow land to agricultural and industrial use since the 1950s with high pressure on conifer and saxaul forests. This has led to a reduced quality of forestry stock and land productivity and as much as a 30-60 percent decrease in soil fertility from wind and water erosion, and severe dust storms that have covered up to nine million hectares in some years. The shrinking of the Aral Sea is considered one of the most dramatic examples of a natural area destroyed by human activities: for almost 30 years the use of water for irrigation of the cotton mono-culture and heavy application of insecticides, pesticides, herbicides and defoliant have brought not only ecological, economic and social insecurity to the resident population, but also created a critical situation for human health. Pastures have been degraded due to overgrazing and inefficient pasture management. In the same pilot area, the project will work on both forest and pasture land, using an integrated landscape approach.

As of now, there is limited information on social baseline of communities to be affected, and ESA process to be conducted during preparation will assess socioeconomic conditions of project locations and social baseline of local communities.

D. 2. Borrower's Institutional Capacity

The implementing agency for the project is the Ministry of Ecology, Geology, and Natural Resources, which will use an existing Project Implementation Unit (PIU) at the Forest and Wildlife Committee (FWC) as the executing agency. During project preparation, the PIU will be assessed to ensure adequate environment and social staffing for implementing the ESF requirements under the proposed project. The PIU's experience with capacity building will also be reviewed and recommendations, if necessary, for expanding this capacity will be made.

The Ministry is newly established and responsible for the targeted land restoration pilots and programs. As this is the Bank's first project with the new Ministry, they are expected to have limited capacity to apply Bank's ESF and to prepare the environmental and social risk management measures and instrument like ESMPs. Borrower's capacity to manage the risks will be specifically assessed during the project preparation to determine capacity gaps and developed through project specific training on ESF and on other environmental and social management aspects including those related to landscape restoration as well as any small-scale construction (renovation) works that may be required. Specific capacity building measures such as training needs will be identified and listed in the ESCP.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Moderate

The Environment Risk Rating is Moderate. The project will involve pilot initiatives for landscape restoration, reforestation, and pasture management in the now dry Aral Sea Bed and in Southern Kazakhstan. No large, significant, or irreversible adverse environmental impacts are foreseen, in fact, positive environmental benefits are fundamental to the project development objective and outcomes. These include reduced desertification, salt and dust control, reforestation of degraded lands, improved conservation and sustainable use of biodiversity in selected

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ecosystems, and reduced use of potentially harmful pesticides. The Project financed activities, including pilot initiatives, will be screened, based on the Environmental and Social Management Framework (ESMF) to be prepared for the project prior to project appraisal. The ESMF will outline the guiding principles of environmental screening, assessment, review, management, and monitoring procedures for the landscape restoration, reforestation, and pasture management activities. The ESMF will also provide a check-list for determining if and when site-specific Environmental and Social Impact Assessments (ESIA)/Environmental and Social Management Plans (ESMP) might be required for proposed pilot activities. When required, those ESIA/ESMPs will be prepared, consulted on, and disclosed - they will also be reviewed by the Bank during regular implementation support missions.

The reforestation is expected to utilize native species of pine, saxaul, tamarix, poplar, willow, aspen and other. The sustainable pasture management activities will focus on multi-species approach to pasture management that encourages increased carbon sequestration. The landscape planning and management activities (including fire management strategies) will address natural habitat considerations in both the site-specific and landscape context. Pilot activity designs will examine the cumulative impacts of proposed activities.

The proposed project does not involve any major civil works, though some small-scale repairs or upgrades on existing facilities may be required. At this point in project design, it is not clear where exactly the proposed pilot initiatives and landscape management activities will take place. Expected environmental risks include temporary minor impact (dust, minor soil loss) can be expected from planting activities, and small scale restoration of existing facilities. While none of the pilot activities are expected to be carried out within protected areas or critical habitats, the ESMF will contain guidelines and selection criteria to ensure such areas are not negatively affected.

Social Risk Rating

Substantial

Social risk is rated as Substantial at this stage given limited information on the exact location and extent/scale of potential social impacts of "model farms". The risk may be reassessed at the appraisal stage once activities and impacts are better defined. The project will be implemented in several pilot areas in Kyzylorda Region within the Aral Sea Basin and in Zhambyl Region in the south of the country where both agriculture land and State forests exist, allowing the piloting of PPP in "model farms". The sites within these regions will be selected during project preparation based on their degree of degradation, economic potential, capacity of local authorities/communities to carry out activities and accept new tools, the biome's diversity and land use types. Issues of social inclusion, especially vulnerable and disadvantaged groups and the dependence of their livelihoods from selected agriculture lands and State forests will be assessed through social and environmental assessment (ESA), and considered in the project design to ensure that stakeholders have equal access to project benefits.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The environment risk is rated as moderate whereas suggested social risk is substantial; therefore, the overall ESF risk level is substantial, due to mainly potential access restrictions to agriculture land and State forests (that needs to be assessed further) as well as the easily mitigable, short-term environmental effects of project activities. While there



are no anticipated negative long-term environmental or social effects, the risk will be reassessed at appraisal once landscape restoration, reforestation, and pasture management, activities are better defined.

Towards addressing the risks, following instruments will need to be prepared, consulted on, and approved by the Bank prior to appraisal: (i) Environment and Social Management Framework (ESMF); (ii) Stakeholder Engagement Plan (SEP); and (iii) Labor Management Procedures (LMP).

During implementation, the Project will also undertake a Gender Gap Analysis to assess gender issues in the forestry sector and provide recommendations for any necessary mitigation.

The client will prepare and disclose an ESMF since the project is financing small and medium scale pilot activities, most of which will not be identified until implementation begins. The ESMF will cover applicable national environmental and social legislation and regulations as well as the relevant World Bank’s Environment and Social Standards and the World Bank Group’s Environmental Health and Safety Guidelines. Where the ESF differs from national legislation and regulations, the stricter standards will take precedence. The ESMF structure will include sections dealing with each of the relevant ESSes; integrating the ESF principles into the proposed capacity building program; guidelines and criteria prohibiting proposed pilot activities in proximity to protected areas or critical natural habitats; selection criteria that preclude pilot activities that might require resettlement or disruption of livelihoods; checklists for determining where and when site specific Environment and Social Impact Assessments (ESIAs)/Management Plans (ESMPs) might be necessary; and generic ESMP checklists for the small-scale activities including both landscape restoration, reforestation, and pasture management as well as construction and rehabilitation at existing facilities.

Expected risks, which are expected to be easily mitigable, include dust and minor soil loss during planting, use of pesticides for nurseries or during planting, possible encroachment on critical natural habitats, issues related to small-scale construction/rehabilitation of existing facilities (dust and waste disposal etc.).

Most of the social risks and impacts are related to potential access restriction to both agriculture and State forests as a result of piloting of "model farms" in Kyzylorda Region within the Aral Sea Basin and in Zhambyl Region in the south of the country. Strategy to mitigate these potential risks will be developed as part of the ESA process during preparation, and will likely be addressed in the ESMF. Any such access restriction is not expected to result in negative livelihood impacts. Pilot activities will take place on these "model farms", which have been established by the Government of Kazakhstan to pilot innovation and provide a venue for training and extension on successful pilots.

The studies and capacity building financed under Component 1 will be prepared in line with the ESF to ensure recommendations for future activities are sustainable, and environmentally and socially sound.

Documentation and information available and reviewed as part of E&S screening are as follows:

1. Kazakhstan: Country Economic Memorandum, June 2013. World Bank.
2. Implementation Completion Report for Forest Protection & Reforestation Project (P078207); December 2015. World Bank
3. "Draft Kazakhstan: Country Partnership Framework. October 2019, World Bank.

Areas where "Use of Borrower Framework" is being considered:

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The World Bank ESF applies to this project. The Borrower Framework is not being used because of the newness of the Ministry and unfamiliarity with the ESF.

ESS10 Stakeholder Engagement and Information Disclosure

Stakeholder Engagement includes the following: (i) stakeholder identification and analysis; (ii) planning for stakeholder engagement; (iii) grievance mechanism; (iv) consultations on ESMF, LMPs and (v) continuous interface with and reporting to the stakeholders. Individuals and groups likely to directly benefit are expected to be identified during project preparation and then further defined once specific pilot activities are agreed upon. Beneficiaries include: farmers, livestock producers, foresters, scientists, and research institutions. Other interested parties include local communities, NGOs, and government agencies. Given the diverse stakeholder profile and that their expectations and orientation as well as capacity to interface with the project are different, a Stakeholder Engagement Plan (SEP) will need to be developed. This will enable the project to identify different stakeholders and provide an approach towards engaging with them throughout the project's life. The SEP will also identify impediments, if any, at reaching out to stakeholders as well as reflect/build capacity of the client in engaging with stakeholders. A draft of the SEP acceptable to the World Bank will be prepared by the client, disclosed publicly as early as possible and begin implementation during the project preparation itself. The SEP will be updated as preparation advances. The client will also develop and put in place a Grievance Redress Mechanism (GRM) to enable stakeholders to air their concerns/ comments/ suggestions, if any. The SEP will also detail procedures for consulting and disclosing all ESF instruments prepared for the project (ESMF, LMP, SEP, etc.).

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

Project could encompass the following categories of workers: direct workers, contracted workers, community workers, and primary supply workers. Direct workers could be either government civil servants or those deployed as 'technical consultants' by the project. The former will be governed by a set of civil services code, the latter by mutually agreed contracts. Workers within rural communities will be involved in the pilot project activities, and ESA will look into whether such workers may meet criteria of community workers as per ESS2, and if so, this will be reflected in labor management procedure (LMP). Primary supply workers also need to be identified. And contract workers will be employed as deemed appropriate by contractors, sub-contractors, and other intermediaries, details of which will be known as and when activities' implementation begins. Risk of child/ forced labor is considered to be limited. The client will prepare LMP which will set out details for preparing the labor management plans. Provisions will be made to train and hire as many as possible from local communities where the activities are taking place. The ESMF will include sections on Environment Health and Safety (EHS) based on the World Bank Group EHS Guidelines (EHS checklists for expected types of works, codes of conduct; safety training, procedures for dealing with and disposing of hazardous materials like asbestos and lead based paint, etc.). All project workers will be expected to adhere to standard Codes of Conduct that address measures to prevent Gender Based Violence/Sexual Exploitation and Abuse (GBN/SEA).

ESS3 Resource Efficiency and Pollution Prevention and Management



The ESMF will include sections on resource efficiency and Pollution Prevention and Management, particularly dealing with pesticide management, and the handling and disposal of construction waste, including potential asbestos in buildings being rehabilitated. Assessment of risks and impacts and proposed mitigation measures related to relevant requirements of ESS 3, including pesticide use and a pesticide management plan; water use; air pollution; and hazardous materials management and procedures for handling and disposing of hazardous waste will be included within scope of the ESMF and site specific ESMPs as relevant.

ESS4 Community Health and Safety

Though relevant, community health and safety may not be critical, as the local communities will be in the forefront of implementing the pilot activities. The ESMF will include assessment of work-related health risks; works and road safety; HIV/AIDS and sexually transmitted diseases; excessive noise and dust levels, site safety awareness and access restrictions; and labor influx.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The team clarified that the project will not cause any physical displacement, livelihoods or economic displacement impacts.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The proposed pilot activities in landscape restoration, reforestation, and pasture management are likely to involve sustainable use of natural resources that may include innovative pasture management, forestry, and orchard development. It may also support investment in rehabilitation of existing degraded forests and woodlands to restore protective cover and to make these and other forests more productive. The project will not finance activities that involve any conversion or degradation of critical natural habitats. The project will also not finance industry-scale commercial harvesting operations. Any harvesting of trees by local communities or other local entities supported by the project would adhere to a time-bound action plan for achieving a standard of forest management developed with the meaningful participation of locally affected communities, consistent with the principles and criteria of responsible forest management.

As the specific locations of pilot activities are not yet known, the ESMF will contain criteria prohibiting them in or near protected areas or critical natural habitats. The ESMF will contain check-lists and guidance to help the client deal with issues related to ESS 6 for the different types activities being piloted. Additionally, ESMF criteria will include requirements for detailed mapping and, where necessary, identification of species and habitats.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Based on the screening against ESS 7, this ESS is not considered relevant to the project.



ESS8 Cultural Heritage

While it is highly unlikely that the project will result in any chance finds, Southern Kazakhstan is home to several bronze age sites; therefore, the ESMF will include a section on protection of Cultural Heritage including "chance find" procedures to be followed for proposed pilot activities.

ESS9 Financial Intermediaries

This standard is not currently relevant as no financial intermediaries are party to the project implementation modality.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

There are no co-financiers.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

Prior to appraisal, the client will prepare, to a level acceptable to the World Bank, and disclose the following documents:

1. Prepare an Environment and Social Management Framework (ESMF) acceptable to the Bank that includes relevant Environment and Social Standards as well as information on Kazakhstan's unique flora, fauna, and cultural heritage;
2. Prepare a Stakeholder Engagement Plan (SEP) and start implementing as early as possible during the preparation.
3. Prepare a Labor Management Procedure for deploying labor in the project.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

1. Environment and social screening of pilot activities based on the ESMF;
2. Preparation of site specific ESIA/ESMPs, when and where required;

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- 3. Continued stakeholder engagement throughout project implementation and beyond project closure; and
- 4. Adoption and implementation of the LMP.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

04-May-2020

IV. CONTACT POINTS

World Bank

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|----------|----------------|--------|--|
| Contact: | Paola Agostini | Title: | Lead Natural Resources Management Specialist |
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| | | | |
|---------------|--------------|--------|-------------------------|
| Telephone No: | 5220+37620 / | Email: | pagostini@worldbank.org |
|---------------|--------------|--------|-------------------------|

| | | | |
|----------|----------------------|--------|--------------------------|
| Contact: | Vladislava I. Nemova | Title: | Environmental Specialist |
|----------|----------------------|--------|--------------------------|

| | | | |
|---------------|-------------|--------|-----------------------|
| Telephone No: | 5738+2080 / | Email: | vnemova@worldbank.org |
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Borrower/Client/Recipient

Borrower: Republic of Kazakhstan

Implementing Agency(ies)

Implementing Agency: Ministry of Ecology, Geology and Natural Resources

V. FOR MORE INFORMATION CONTACT

The World Bank
 1818 H Street, NW
 Washington, D.C. 20433
 Telephone: (202) 473-1000
 Web: <http://www.worldbank.org/projects>

VI. APPROVAL

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|-------------------------------|--|
| Task Team Leader(s): | Paola Agostini, Vladislava I. Nemova |
| Practice Manager (ENR/Social) | Kevin A Tomlinson Recommended on 10-Dec-2019 at 09:38:41 EST |
| Safeguards Advisor ESSA | Surhid P. Gautam (SAESSA) Cleared on 12-Dec-2019 at 14:13:32 EST |

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