

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC1097

**Date ISDS Prepared/Updated:** 17-Dec-2014

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## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Kyrgyz Republic	<b>Project ID:</b>	P151102
<b>Project Name:</b>	Integrated Forest Ecosystem Management (P151102)		
<b>Task Team Leader:</b>	Nathalie Weier Johnson		
<b>Estimated Appraisal Date:</b>	02-Jun-2015	<b>Estimated Board Date:</b>	15-Sep-2015
<b>Managing Unit:</b>	GENDR	<b>Lending Instrument:</b>	Investment Project Financing
<b>GEF Focal Area:</b>	Multi-focal area		
<b>Sector(s):</b>	Public administration- Agriculture, fishing and forestry (30%), Forestry (50%), General agriculture, fishing and forestry sector (20 %)		
<b>Theme(s):</b>	Environmental policies and institutions (30%), Other environment and natural resources management (20%), Biodiversity (10%), Climate change (40%)		
<b>Financing (In USD Million)</b>			
Total Project Cost:	19.11	Total Bank Financing:	15.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			15.00
Global Environment Facility (GEF)			4.11
Total			19.11
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Development Objective(s) / Global Environmental Objective(s)

#### 1. Project Development Objective(s)

The Project Development Objective is to strengthen the institutional capacity for sustainable forest ecosystem management. The Global Environmental Objective is the same as the PDO.

## **2. Global Environmental Objective(s)**

The Project Development Objective is to strengthen the institutional capacity for sustainable forest ecosystem management.

## **C. Project Description**

The forestry sector in the Kyrgyz Republic has the potential to provide additional but more importantly more sustainable benefits to the national economy and local communities and to help address local and global challenges brought on by poverty, land degradation and climate change. The inability of government to support existing forest policies such as the National Forest Program to Support the Implementation of the Concept of the Development of the Forest Sector (2005-2015) and the current management structure of the forestry sector perpetuate a cycle of inadequate oversight and inefficiency. This is due primarily to the centralized top down nature of the management, the lack of adequate information and investment in the sector, weak capacity, and perverse incentive structures which may lead to rent seeking behavior.

The WB/GEF project will build upon the work and policy reform agenda that the government has initiated and which is currently being supported by a number of donors. The donor support however is in the most part limited to provision of technical assistance and has limited capacity for providing the necessary institutional capacity building and support and roll out of community based resource management in the wider landscape. Most importantly these reforms are being spearheaded through by the State Agency for Environmental Protection and Forestry (SAEPF) themselves.

The project aims to support an ecosystem-based approach to the improved management of the area controlled by the forest enterprises- leskhozes including forested lands, pasture, and unproductive or marginal lands. This will be done through support for institutional reform and capacity building, the introduction of participatory management planning at the leskhoz level and support for the implementation of those plans in pilot areas. The current implementation of leskhoz management plans makes it difficult for communities to access these pastures and acts as an impediment to a coordinated land management strategy.

The project will complement the on-going World Bank project “Pasture and Livestock Management Improvement Project” by strengthening the management and coordination of pasture under leskhoz control as well as through adoption of lessons learned from the implementation of the sub-component ‘Forestry Enterprise Pasture Management and Investment’ which will support the piloting of co-management arrangements between pasture user unions and the leskhozes. The technical underpinnings of the project design are informed by the PROFOR 2012 study entitled “The Development Potential of Forests in the Kyrgyz Republic” as well as preliminary case studies from pilot leskhozes which are testing the reform model. The results of the ongoing analytical study “Understanding Communities Roles in the Governance of Forests and Pastures in Kyrgyzstan” (March 2015) which is examining the institutional, legal and operational capacity development needs for integrated territorial governance, the opportunities for improved forest management, and the potential to limit land-based conflict, environmental degradation and improve local livelihoods, will also be used to elaborate and refine project design.

World Bank involvement in the forestry sector reform is seen as critical because of the expertise the Bank brings from similar experiences in other countries in the region and around the world and in

reforming state-owned enterprises and because the scale of resources needed to achieve the objectives of meaningful reform can only be provided through the proposed WB/GEF project.

The project will sponsor interventions in rural areas and support communities through the improved access and management of the natural resource base the communities depend upon. Development of participatory management plans and support for the implementation of these plans will improve the sustainable management of natural resources to protect natural resource dependent livelihoods. Through more inclusive and participatory management planning, the project will also empower the sometimes disenfranchised rural poor to engage in decisions on the development and use of resources that they are dependent upon. The process of participatory management planning will also create opportunities and incentives for the leskhoz to work in partnership with communities to reach the objectives of improving sustainable forest ecosystem management and rural livelihoods.

The project will utilize experiences and lessons learned from the recent piloted forest sector reforms to broaden and solidify the institutional frameworks that support community co-management of forest resources in Kyrgyz Republic. With regard to implementation, the project will support the development of a framework approach for adaptive management during project implementation to provide flexibility in defining needs for training, capacity building, investment and TA based on lessons learned.

The project has three components:

#### COMPONENT I: Forest Sector Institutional Reform:

Institutional reform and capacity building will be required at the national, local and community level. To implement and develop the new approaches required for the different models of leskhoz and community participation, substantial support will be required to develop the framework and to build capacity at all levels of government as well as within all stakeholder groups. The project will provide technical assistance and capacity building at the national level to support the development of the policy, legal, regulatory and institutional framework, based on the lessons learned through the implementation of the pilot activities. This support will be undertaken in a consultative and participatory manner, to ensure that all relevant stakeholders' views and opinions are considered and to develop ownership and support for the way forward.

As part of the development of community based resource management in the participating leskhoz, the project will support the preparation of new Participatory Management Plans. These management plans will be based on participatory rural appraisal and technical input with respect to available natural resources and sustainable levels of production. These plans will include all resources (i.e. forest timber and non-timber products such as walnuts, pistachios, mushrooms, hunting, and pasture carrying capacity, provision of water, tourism opportunities, carbon sequestration, etc.) and will identify the needs and inputs required to implement the plan (i.e. to utilize areas of summer grazing where there is a need for investment in water points, overnight shelter, etc.). These participatory management plans will be developed with the involvement of relevant stakeholders (e.g. local users, user associations, leskhoz staff, local government, as well as the relevant technical departments within the SAEPF). These plans will identify sustainable economic diversification options based on the ecological and economic potential. Management planning will be based on integrated ecosystem approaches to manage multiple objectives of ecological services including biodiversity, tree cover and sustainable economic use.

This component will also provide the technical assistance and capacity building required to support the technical development of the National Forest Inventory, Participatory Management Planning process within the Forestry Departments, and for the establishment, operation and maintenance of the Forest Management Information System (FMIS). Technical assistance will be provided to users of the FMIS including the Forestry Departments, the leskhoz, local and regional governments, and local users and user association. The SAEPF will be given specific support in developing a sound monitoring framework for the ongoing development of the sector.

At the local level, support will be provided for community mobilization to commence the formation of user associations (if required – in some leskhoz areas, there may already be a Pasture Users Union which has the capacity and the desire to participate in the development and implementation of participatory management plans) and in generating the enthusiasm for participation in the new processes. This will also involve working with the relevant local authorities and the leskhoz management. Support will also be provided to work with local participants and the Department of Forest and Hunting Inventory and Planning to develop the participatory management plans.

Technical assistance will also be provided directly to the users associations and also individual applicants for the grants. This assistance will help the applicants prepare business plans and to make assessment of the financial, and economic viability and the overall environmental sustainability.

#### COMPONENT II: Strategic Investments and Piloting of Sustainable Management Approaches:

This component will support the implementation of the leskhoz Participatory Management Plans, and other strategic investments critical for the reform. Depending on the investment needs, different grant models will be developed and criteria prepared for application, review and award of grants. For example if investment is needed for common or shared resources (such as water points or overnight shelters to encourage the use of currently underutilized summer pastures, silvo-pastoral systems in specific areas, forest improvement activities, plantation forests with short rotation for biomass production, construction of check dams etc.) user associations could apply for a grant to make these investments for the community as a whole. It is envisaged that the Participatory Management Plans will define opportunities for public/private partnerships and where possible and appropriate the outsourcing of some of the current leskhoz responsibilities (such as seedling production) to the private sector will be proposed. Some grants may be better suited for individual or household applications in areas such as: sustainable timber management including investment in the value chain, nursery/seedlings production, agroforestry, production and processing of nuts/fruits, eco-tourism, etc. Eligibility criteria will be developed to encourage the active participation of the poorer sectors of the community with special attention given to the inclusion of women.

Ecological and environmental diversification activities including climate smart agriculture and low carbon pasture management will include emphasis on the potential leverage/attraction of private financing or other financing sources and long-term enterprise sustainability.

#### COMPONENT III: Information and Monitoring and Evaluation:

Better and more accessible information at the national and local level on baseline resources, tenure, supply and demand, poverty, etc. will be required to support the development and implementation of new leskhoz management plans. Baseline information, maps, surveys, will all be funded under this component. This component will include an update of the National Forest Inventory (NFI) which

was partially completed in 2009 by FAO. This partial update did not include the use of new remote sensing or interpretation but relied on old forest boundary definitions with some new field sampling. This sub-component will provide new satellite imagery to define the extent of forest and pasture resources under the management of the SFEs. The relatively new FAO sample data will be used in conjunction with limited new ground-truthing. The methodology for modern statistically sound sample based NFI will be established, and the capacity built within the Department of Forest and Hunting Inventory and Planning to continue the update of the NFI on an ongoing basis and post project. As part of project monitoring and for the continued improvement of the NFI, a second set of images will be procured and interpreted in the project's final year.

A forest management information system (FMIS), will be established in the Department of Forest and Hunting Inventory and Planning to store, analyze, retrieve and report on the data that will be generated during the implementation of the national forest inventory, the preparation of management plans and the monitoring of the management plan implementation (and other relevant sector indicators). This system will be developed to facilitate the monitoring of management plan implementation based on various physical, ecological, economic and social indicators. The proposed system will include a web-based portal which will allow for various levels of access (with password protection for confidential information) to facilitate greater transparency and online submission of data, and reporting by users and leskhozoes. The system will be modular and would include: remote sensing of land cover and land use data, on-line reporting of economic activities, financial and administrative data, forest inventory data, biodiversity data, and online reporting of forest law enforcement activities. The FMIS will support the generation of summary statistics and reports on critical indicators at local, national, and international levels.

Given the fluid and progressive nature of the proposed support for reform in the forestry sector, the monitoring and evaluation elements of this project are particularly critical. The M&E framework for the project will be designed to closely monitor and track lessons learned, both failures and successes so these can be incorporated into the project implementation plans. The monitoring and evaluation of the on-going piloting process will be crucial to defining and agreeing on how best to deploy the resources available under the Credit and GEF Grant.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

As the participating leskhozoes will be determined through the course of project implementation, specific project location and salient physical characteristics relevant to the safeguards analysis are yet to be determined.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

Current Borrower's Institutional Capacity in this area is limited and as part of the project, targeted support will be provided to the PIU on capacity building for Safeguard Policies.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Asli Gurkan (GSURR)

Rustam Arstanov (GENDR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment	Yes	The project will support activities in lands managed



OP/BP 4.01		<p>by the Forest Enterprises (i.e. no natural forests) with the intention of improving the environmental management of these areas. Any tree planting undertaken will avoid the use of invasive non-native species, as well as monoculture establishment.</p> <p>Due to the unknown nature of the grant activities/ subprojects under Component 2, the Environmental and Social Management Framework (ESMF) will be developed by the borrower to define the procedures for environmental screening and the development of the grant/ site specific environmental impact assessment studies (EIAs) and the site specific Environmental Management Plans (EMPs). The environmental assessment conducted will cover both environmental and social risks of the project including potential tensions between forests and pasture communities, assessing different scenarios, opportunities and risks of community-based forest management, as well as gender-specific roles and impacts, if any, of proposed forest management measures.</p> <p>Should activities under Component 3 include the rehabilitation of the facilities of SAEPF and other institutions Environmental Management Plans and checklists will be developed by the borrower.</p>
Natural Habitats OP/BP 4.04	Yes	While the project will specifically limit/prohibit activities in natural habitat areas, the team is triggering this OP to ensure that the ESMF includes actions and safeguards in case there are natural habitats that will be impacted by project interventions.
Forests OP/BP 4.36	Yes	This project is aimed at the improvement of public and private forest management practices. All forest blocks/concessions covered by this project are already under management plans under implementation.
Pest Management OP 4.09	Yes	Due to the possibility of establishment and support to nurseries, this OP is being triggered.
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/ BP 4.12	Yes	The project support is aimed at the improvement of public and private forest management practices as

		<p>well as supporting community-based natural resource management approaches. There is a possibility that as a result of the participatory management planning exercise, some short term and maybe permanent changes to access of pastures, forests and other lands might be proposed and supported under the project.</p> <p>“Seed fund” under the Project Component 2 will provide seed grants to forest enterprise ecological and environmental diversification activities. These may include sustainable timber management including value chain, nursery/seedlings, agroforestry, silvo-pastoral systems, plantation forests with short rotation for biomass production, nuts/fruits and processing, livestock/pasture, eco-tourism, payments for environmental services as determined by assessments and community co-managed enterprise process. Thus the project aims at bringing changes in the management, protection, or utilization of forest resources. Community or small-scale harvesting forest projects by small-scale landholders or local communities requires adherence to forest management standards consistent with World Bank requirements for a forest certification system or must adhere to a time-bound action plan to achieve such standards. Any tree planting undertaken will avoid the use of invasive non-native species, as well as monoculture establishment.</p>
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 01-Jun-2015

**B. Time frame for launching and completing the safeguard-related studies that may be needed.**

**The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

A framework for the ESMF will be prepared by June 1st, 2015 and will be applied to any LesKhozoes identified to be included in the project's activities.

### IV. APPROVALS

Task Team Leader:	Name: Nathalie Weier Johnson
<b><i>Approved By:</i></b>	

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

Regional Safeguards Coordinator:	Name: Agnes I. Kiss (RSA)	Date: 18-Dec-2014
Practice Manager/ Manager:	Name: Kulsum Ahmed (PMGR)	Date: 18-Dec-2014