The World Bank
Kazakhstan Digital Acceleration For An Inclusive Economy (dare) Project (P179204)

Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 10/21/2023 | Report No: ESRSC03871

I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P179204	Investment Project Financing (IPF)	Kazakhstan DARE Project	2025

Operation Name	Kazakhstan Digital Acceleration for an Inclusive Economy (DARE) Project

Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Kazakhstan	Kazakhstan	EUROPE AND CENTRAL ASIA	Digital Development

Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Republic of Kazakhstan	Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan	14-Nov-2023	01-Oct-2024

Estimated Concept Review Date	Total Project Cost		
01-Feb-2024	136,000,000.00		

Proposed Development Objective

To support equitable access to high-quality and climate resilient broadband infrastructure in selected unserved and underserved areas of Kazakhstan.

B. Is the operation 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 Activities
[Description imported from the Concept Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The largest landlocked country in the world located at the crossroads of Europe and Asia, Kazakhstan, is a resource-rich, upper-middle-income economy that – prior to the Coronavirus (COVID-19) pandemic – demonstrated robust economic growth and poverty reduction but remained largely dependent on its natural resources and vulnerable to climate change. Despite being a landlocked country, Kazakhstan has multiple international gateways, ensuring sufficient

international capacity for current needs; however it would need to quadruple to cater to the strategic connectivity objective of 100 Mbps per household. The Government of Kazakhstan (GoKZ) has been able to achieve some progress in improving digital connectivity. It has deployed various instruments to address infrastructure gaps and ensure universal service. However, those do not address last mile connectivity needs and continuous efforts are needed to achieve the ambition of 100 Mbps per household, and sizable access, quality, and affordability challenges persist. The DARE Project will contribute to GoKZ's long-term green, resilient and inclusive development (GRID) objectives, including accelerating economic diversification underpinned by resilient and affordable digital infrastructure. The project will also finance critical regulatory reforms to promote private sector investments in the telecom sector and strengthen foundational enablers to spur growth of new digital markets, such as cloud and data infrastructure. Component 1: Resilient Digital Infrastructure. This component aims to finance the rollout of high-quality climate-resilient and low carbon digital infrastructure in villages covered under the GoKZ "250+" program and will first cater to four unserved and underserved regions of Kazakhstan (Akmola, Turkestanskaya, West Kazakhstan, and East Kazakhstan), connecting households, public institutions, businesses and mobile towers. The component will seek to leverage private capital for infrastructure investments towards deploying climate-resilient, low-carbon measures and future-proof digital connectivity infrastructure, leveraging matching grants to be provided to qualified internet service providers (ISPs) and MNOs towards two types of infrastructure projects: (1) Equitable access to digital infrastructure (US$70 million) – deploying backhaul and access networks to households, businesses and public institutions in selected areas and equipping schools in such areas with relevant IT equipment and internal wiring. Matching grants will be provided to qualified ISPs. (2) Improving 5G readiness of mobile infrastructure (US$20 million) – deploying resilient, climate-friendly, and future-proof backhaul infrastructure to underserved mobile towers that could be shared by more than one operator. Matching grants will be provided to qualified MNOs. Component 2: Enabling Environment for Digital Economy. This component aims to support telecommunications investments under Component 1 through improving Kazakhstan's regulatory environment as well as to lay the grounds for development of cloud and data infrastructure market. Component will finance technical assistance (TA) activities to improve the telecom sector's regulatory effectiveness and reduce market-entry barriers, while refining the regulatory framework to be more climate-informed. It will also aim to strengthen the data protection regulatory framework to grow Kazakhstan's data and cloud industries. Component 3: Project Management and Implementation Support. This component will finance support to the Borrower's project management and implementation of project-associated activities, including procurement, financial management (FM), monitoring and evaluation (M&E), project communications, as well as environmental and social safeguards and citizen engagement. It will cover the operating costs of the Project Implementation Unit (PIU). This component will also help strengthen the technical and functional capacity of the PIU, including the recruitment of expert consultants in key areas and the facilitation of on-the-job learning and competency transfer, including in disaster and climate risk management skills. It will also support independent audits, M&E (including collecting gender disaggregated data) and quality assurance to ensure compliance with best procurement and FM practices. Consistent with the GoKZ's strategic priorities, the proposed DARE Project is fully aligned with the World Bank Group (WBG) Country Partnership Framework (CPF) for Kazakhstan for the period FY20-25. The DARE Project supports two priority areas identified by the CPF that remain critical for the economic recovery following COVID-19: (i) promoting inclusive growth; (ii) securing sustainable, resilient, and low carbon growth. In particular, under CPF Focus Area 1 (Promoting Inclusive Growth) the proposed DARE Project underpins Objective 1 (Strengthening Environment for Private Sector Development) and Objective 3 (Strengthening Connectivity Infrastructure and Regional Services Delivery for Better Local and Regional Integration) by supporting legal and regulatory reforms leveling the playing field in telecom, while improving digital connectivity and broadband service delivery. Under Objective 7 (Preserving and Restoring Natural Capital) of CPF Focus Area 3 (Securing Sustainable, Resilient, and Low Carbon Growth), the DARE Project will enhance the resilience of the digital connectivity infrastructure.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation's environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 2,000]

Given its location between China and the Russian Federation as well as its growing economic ties with the European Union, Kazakhstan lies at the heart of trade and investment opportunities linked to Eurasian connectivity. The country has vast natural resource wealth, being one of the world's most mineral-rich nations and among the top 15 in terms of oil reserves. It has been the economic success story of Central Asia, transitioning from a lower-middle-income to an upper-middle-income status in less than two decades. The country is currently at high risk for several climate change-related risks, including river and urban floods, landslides, water scarcity, wildfires, and extreme heat, as well as other natural disaster risks, such as earthquakes. The overreliance on hydrocarbon resources has made Kazakhstan one of the largest per-capita greenhouse gas (GHG) emitters in Europe and Central Asia, placing it 21st globally for overall emission volume and 29th for gas flaring.

Key social characteristics of the country are as follows: - 60% of the population reside in rural areas; - majority of the labor force have public employment in government and the enterprises, a third are self-employed- most of whom registered as individual entrepreneurs and a sizable work in subsistence farming, fishery, and livestock production; -high percentage of self-employed and employed people in temporary jobs, especially in rural areas; - low level of youth employment; - large proportion of people of the NEET (Not in Education, Employment or Training) category, including fresh graduates; - level of income of the population remains one of the lowest in Kazakhstan; - women's role, specially, in agriculture and related enterprises as well as agriculture support/advisory measures need to be accentuated; - lack of women's organization networks which limits advocacy activities; -high share of self-employed citizens in the total number of recipients of targeted social assistance; and – low effecti

D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

[Description of Borrower's capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 2,000]

The project will be implemented by the Ministry of Digital Development, Innovation, and Aerospace Industry (MDDIAI). The Ministry has previous experience working with the World Bank. Currently, the Ministry is implementing Fostering Productive Innovation Project (FPIP) P150402 under the World Bank's Operational Policies (OPs). The overall E&S performance of the FPIP is rated satisfactory (S) according to the latest ISR. Therefore, the MDDIAI under the ongoing FPIP project has necessary E&S experiences; however, the Ministry has a weaker understanding of ESF standards.

The Project Implementation Unit (PIU) will be housed by MDDIAI and will be responsible for the overall coordination of the DARE. The head of the PIU, reporting directly to the Vice Minister of Digital Development, will also coordinate procurement and supervision of verification activities and E&S risk management performance, as well as monitoring and evaluation (M&E) and consolidation of the Project reports while serving as the main counterpart for the WB. The digital government support center was established on April 19, 2022. This center is a subordinate organization of the Ministry, and will assist in the implementation of Component 2. It will serve as a methodological and coordinating core to support

project management processes, business process reengineering, functions and services of state bodies and examination of draft regulatory legal acts for digitalization.

The project will further inquire about risks and capacity assessments during the project appraisal stage if deemed necessary. Any capacity gaps and strengthening measures will be detailed in the Environment and Social Commitment Plan (ESCP).

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)   Moderate

A.1 Environmental Risk Rating   Moderate

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]

The Environmental Risk rating of the project is assessed as Moderate considering the proposed infrastructure development for the improvement of digital connectivity under Subcomponent 1.2 through the matching grants and the inadequate capacity of the implementing agency on ESF. While other components of the project are related to technical assistance (Subcomponent 1.1) , procurement of IT related-equipment to support improving digital transformation (Component 2), formal training activities in developing digitally skilled labor force (Component 3) and project implementation support (Component 4), and hence will have low environmental risks. Infrastructure development under Subcomponent 1.2 include laying of fiber cables for internet connectivity in selected un- and under-covered populated areas. In majority cases, the deployment of cables will be along the existing electricity poles with no civil works involved. The potential environmental risks associated with these activities are mainly OHS related and include fall from heights and electrical hazards. In rare cases, where the electrical lines are not available, the cables will be deployed through micro-trenching process over the road surface, or through civil work in the corridor along the road with limited or no open digging. In such scenario, the typical civil works include narrow digging along the existing road corridors (20 cm width to lay 10 cm duct) within the available right of way or in the public lands. The scale of the proposed civil works are small and the general construction-related impacts such as dust and noise pollution, traffic management and OHS are only temporary and can be easily managed by known mitigation measures. The potential environmental risks associated with the other components include procurement of IT-related goods that are not energy-efficient and management of e-waste.

A.2 Social Risk Rating   Moderate

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]

The Project is expected to have positive social impacts through promoting enabling of a regulatory environment in the telecom sector and expanding broader digital economy. This includes strengthening the telecom regulatory and data management framework, improving access to digital services in selected non- or under-covered populated areas, developing ICT-based tracking tools, improving Government service delivery and developing a digitally skilled labor force. The project by design will aim to avoid activities that may involve physical/economic displacement and/or loss of structures/vegetation. No temporary limitation of access to commercial, institutional establishments and

residential properties is expected, as the project will have minor works, such as the installation of underground fiber optics cabling along the roads and/or aerial cabling for digital infrastructure deployment in selected non- or under-covered populated rural areas. Key social issues relate to: (i) ensuring the Project be as much inclusive as possible and that efforts are made out to reach out to all sections of society and provide universal accessibility; (ii) data management - ensuring protection of personal data and the fundamental rights and freedoms of persons that are related to that data; and (iii) implementing meaningful and effective stakeholder engagement, public and beneficiary outreach. The project activities include the outreach and engagement mechanisms to inform a wide range of project beneficiaries, including vulnerable groups, about the project services and benefits. The project will need to ensure that: (a) citizens are fully informed of the various contours and the risks in a transparent and easily accessible environment; (b) relevant data privacy policies, standards, guidelines, and processes are appropriately put in place/ enhanced, communicated, and complied with; and (c) effective mitigation measures are implemented. Given that the project will be nationwide and comprise a variety of activities, the project's interface with stakeholders and direct beneficiaries will have to be in four broad areas: (i) information dissemination to enable fuller awareness creation about the project; (ii) responding to queries and facilitation of services; (iii) operationalizing a project specific grievance mechanism (GM); and (iv) implementing beneficiary feedback. The project could encounter moderate institutional risks, as the Implementing Agency's (IA) capacity to deliver an ESF based project is limited; therefore, capacity building training for the IA, including engaged agencies and contractors, will be required. The social risk rating is assessed as Moderate at this stage.

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 2,000]

B. Relevance of Standards and Policies at Concept Stage

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts   Relevant

[Optional Explanation - Max. character limit 1,000]

ESS1 standard is relevant, however, the environmental risk is rated as Moderate given the fact that the project activities shall not finance subprojects involving any major civil works and or other activities leading to significant risk or could pose irreversible environmental, social, and serious OHS consequences. The provision of matching grants under Subcomponent 1.2 will only facilitate the deployment of IT infrastructure by deploying backhauls and access networks to the households and public institutions in selected areas including equipping schools in such areas with relevant IT equipment and internal wiring. These activities will not involve in financing major civil works and thus will also not impose serious environmental and or significant (OHS) Occupational Health and Safety concerns. Similarly, no key environmental and social risks have been identified aside from the management of project workers, risks related to Covid-19 exposure, resource efficiency related to operationalizing a backup generator, power supply to servers and IT equipment, cloud management, and operation of data centers. However, these risks and impacts are also expected to be minimal and manageable. Cable lines, the physical infrastructure and networks are expected to be placed on available government lands and/or along the roads and/or power transmission lines using the right of way. Fiber deployment will be implemented through two means: (1) in majority through the aerial deployment along (hanging cables on) existing electricity poles without civil works involved; and (2) in rare cases through micro-trenching process

over the road surface, or through civil work in the corridor along the road with limited or no open digging (fiber is embedded into the soil by special machine). No involuntary land acquisition, economic displacement, loss of structures and crops/ornamental vegetation, temporary limitation of access to commercial and institutional establishments and residential properties are expected. It is quite likely that some/ several subgroups of the society may get excluded from the project due to: (i) poor quality of internet services disconnecting youth and children from distance learning (ii) techno-economic aspects rendering access difficult to the rural and remote habitations; (iii) social and economic vulnerability, such as women and youth as well as senior citizens; and (iv) the small scale of local enterprises, particularly in rural and remote areas. Beneficiaries who are excluded or lack adequate access to public services can significantly undermine sustainable development. Public e-Services, accessible and inclusive public service delivery, can be instrumental in mitigating the adverse effects of exclusion and improving the livelihoods of the vulnerable. E-inclusion, in this perspective, is instrumental in promoting sustainable social development for excluded people by bringing them into the mainstream of society through stakeholder/citizen engagement. Some project activities, including matching grants for rural broadbands, IT education grants and trainings can result in unequal access and exclusion of IT service providers and socially vulnerable groups to project services and benefits. The project will make efforts to reach out to all sections in the society about the project's benefits and will ensure that wide range of project beneficiaries are informed of project opportunities and eligibility criteria. One of the key social risks relates to meaningful and effective stakeholder engagement, public and beneficiary outreach. A core part of the project design will focus on establishing an effective Stakeholder Engagement platform, transparent sharing of information in timely, clear, and accessible manner and format, and an inclusive process of participation and consultation for all project affected people and other interested parties. For this, the Borrower will prepare, consult upon and disclose a Stakeholder Engagement Plan (SEP) in a participatory manner, which includes a grievance mechanism to address complaints about environmental and social issues in the project. One of the key challenges of the project will be fostering an enabling environment for improved efficiency of public data management, sharing and processing as well as supporting selected social systems and services. Creating a conducive legal and regulatory environment, including by enhancing trust in digital transactions through adequate data protection, coupled with investments in more accessible and affordable digital infrastructure, could lead to an increased uptake of broadband and digital services. Given the ever-emanating technology advances, the project needs to recognize that protecting data is of paramount importance. However, data protection entails high complexity. Safeguard measures related to this are rather new and will require in-depth analytical assessments. The project will need to ensure that: (a) citizens are fully informed of the various contours and risks in a transparent and easily accessible environment; and (b) relevant data privacy policies, standards, guidelines, and processes are appropriately put in place/ enhanced, communicated, and complied with, and effective mitigation measures are implemented. Data protection safeguards will be embedded in the project design and the team will work closely with the government to strengthen data protection legal and regulatory framework under Component 2. The policies or standards need to be ethically consistent and socially acceptable deriving from a transparent, consultative processes involving all stakeholders to be described in the SEP. To effectively mitigate any foreseeable environmental and social risks, the project will adopt a framework approach, and an Environmental and Social Management Framework (ESMF) shall be prepared. The ESMF will guide the preparation of standard ESMPs for subprojects. Given the nature of the DARE project, four standard ESMPs shall be prepared: one standard ESMP for typical subprojects, a standard ESMP for underground cables, one standard ESMP for IT connectivity for selected schools, and a standard ESMP for aerial fiber optic cable deployment activities. The Project will be implemented in accordance with the applicable requirements of ESS 2, in a manner acceptable to the Association, including through, inter alia, implementing adequate occupational health and safety measures, setting out grievance arrangements for project workers, and incorporating labor requirements into the Occupational Health

and Safety (OHS) specifications of the procurement documents and contracts with contractors and sub-contractors. The Client will prepare Labor Management Procedures (LMP) for the project which lays out the systems to be put in place to ensure that labor and working conditions. The LMP will include OHS procedures that meet the requirements of World Bank ESS2, as well as description of working terms and conditions, nondiscrimination and equal opportunity, workers' organizations, workforce protections, and a worker's grievance mechanism. The Client will prepare an Environmental and Social Commitment Plan (ESCP). It will set out the activities to be carried out during project implementation and could be adjusted during the project cycle in line with the evolution of environmental and social risks and impacts.

ESS10 - Stakeholder Engagement and Information Disclosure   Relevant

[Optional Explanation - Max. character limit 1,000]

The project has a highly diverse and heterogeneous stakeholder profile across the length and breadth of the country – executive and policy making authorities, regulating bodies, implementing agencies, internet providers and telecom operators, electricity distribution system operators, energy transmission systems operators, social services delivery administrators, drugs tracking information system administrators, civil servants' training institutions, in-service educator training institutions, public sector agencies and consultants (IT and infrastructure design engineers), contractors, residents of Kazakhstan (urban and rural), project affected people, NGOs and Civil Society Organizations. The project's spread of activities is , correspondingly, quite diverse – involving sectors like the economy, health, education, energy, communication etc. For convenience, stakeholders can be classified into four groups – direct beneficiaries/affected people (internet providers, social public institutions, residents, digitally unskilled labor force and other vulnerable subgroups); enablers (ministries/agencies who make policies and strategies); service providers such as regulating bodies, state funds, holdings, health care and educational institutes, contractors, consultants etc.; and other interested parties – NGOs, associations, networks. Given that the proposed project will be nationwide and comprise a variety of activities and various actors/ agencies, the project's interface with the stakeholders, in general, and the direct beneficiaries will have to be under the overall realm of the Citizen Engagement. This will have to cover four broad areas: (i) information dissemination to enable fuller awareness creation about the project activities; (ii) responding to queries and facilitation of services; (iii) grievance mechanism (GM); and (iv) beneficiary feedback. The project SEP will identify different stakeholders and provide an approach towards reaching each of the subgroups. It will also identify impediments, if any, to reaching out to stakeholders as well as reflecting/ building the capacity of the client in engaging with stakeholders. The project will take special measures to ensure that disadvantaged and vulnerable groups have equal opportunity to access information, provide feedback, or submit grievances. The client will also develop and put in place a project-specific Grievance Mechanism (GM) to enable stakeholders to air their concerns/ comments/ suggestions, if any, on environmental and social issues in the project.

ESS2 - Labor and Working Conditions   Relevant

[Optional Explanation - Max. character limit 1,000]

This ESS is relevant to the proposed project. The project is expected to employ direct and contracted 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 codes, the latter by mutually agreed contracts. Contracted 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. The project proposes some small-scale infrastructure

deployment activities in selected rural areas in accessing the underutilized fiber optic infrastructure owned by the electricity sector operators in urban areas under Component 1. The expectation is that most of the labor will be locally hired except for a few skilled workers. So, the labor influx problem is not envisaged. Kazakhstan prohibits the deployment of child labor, so no child labor risks and impacts are anticipated. The client will prepare an LMP which will set out details on terms, and conditions of employment, nondiscrimination, and equal opportunities, and worker's organizations. The ESMF will include Environmental, Health and Safety (EHS) aspects, including guidance on OHS and necessary provisions on e-waste management in standard ESMPs to be prepared for typical subprojects . The ESMPs will include EHS checklists, codes of conduct; safety training, measures to secure universal access for disabled people etc. Matching grant contracts will incorporate social and environmental mitigation measures based on the WBG EHS Guidelines and the ESMF. All contracts to be signed under the project will include standard Codes of Conduct with measures to address Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks. The project will also establish a locally based Grievance Mechanism (GM) for project workers.

ESS3 - Resource Efficiency and Pollution Prevention and Management   Relevant

[Optional Explanation - Max. character limit 1,000]

This standard is relevant due to potentiality of financing civil works under component 1.2 of the project. However, the project does not expect to finance any major civil works or other activity which use or produce any chemical products, or development and emissions of hazardous and non-hazardous chemical pollutants. But it is understood that under component 1.2 the project may include procurement of energy-efficient IT equipment and accessories. Meanwhile, negligible IT-related products, E-wastes may be generated during the project implementation and completion stage.

ESS4 - Community Health and Safety   Relevant

[Optional Explanation - Max. character limit 1,000]

Though relevant, community health and safety may not be critical, as the project beneficiaries will be informed and consulted on the activities planned and to be implemented during the project. The project is expected to have small scale activities on infrastructure deployment in selected un- and under-covered populated rural areas under Subcomponent 1.2. The Project will ensure that proponents of and contractors for sub-projects are responsive to the preferences and needs of community members, including women and vulnerable groups. The ESMF will include assessment of community health and safety risks; HIV/AIDS and sexually transmitted diseases; site safety awareness and access restrictions; and SEA/SH risks. There is no potential risk of project staff exposure to COVID-19 since no labor-intensive works are planned under the project activities. The project will exercise appropriate precautions for COVID-19 prevention and control its spread during the project implementation stage. There are potential SEA/SH risks related to digital skills training activities planned under Component 3. There could be risks of sexual favor in selection or connection with employers or sexual harassment in the classrooms. All the contractors are expected to sign a code of conduct and conduct SEA/SH instructions to ensure their workers adhere to measures to prevent SEA/SH risks at the workplaces and in regards to the community members. The LMP and ESCP will include appropriate actions and capacity building activities to manage SEA/SH risks at workplaces.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement   Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

ESS5 is not relevant at this stage. Its relevancy will be reassessed prior to appraisal. The project by design will avoid land acquisition that may involve physical/economic displacement and/or loss of land and physical structures/vegetation. Moreover, at this stage, the scope and specifications of the matching grants under Subcomponent 1.2 are not known in details, but the Project is deploying backhauls and access networks to the households and public institutions in selected areas and equipping schools in such areas with relevant IT equipment and internal wiring. It is assumed that the project will involve some minor level of underground fiber optics cabling and also aerial cabling for digital infrastructure deployment will be financed. However, it will be narrow (20 cm width to lay 10 cm duct) and primarily installed in the public pathway, which does not involve any land acquisition.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources   Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

ESS6 is not relevant. The project is not anticipated to have activities with an impact on biodiversity or living natural resources. The project activities will be carried out within the existing right of way of roads and power lines. However, the ESMF includes specific measures to avoid or minimize these negative impacts.

ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities   Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

The standard is not relevant because no Indigenous Peoples, as defined in ESS 7, are known to reside in Kazakhstan.

ESS8 - Cultural Heritage   Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

Although no impacts on cultural heritage are anticipated, the project ESMF will incorporate "chance finds" procedures in the ESMF in case physical cultural resources are encountered during construction. At this stage, ESS 8 is not relevant.

ESS9 - Financial Intermediaries   Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

The standard is not relevant because no Financial Intermediaries are involved in the project activities.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways   No

OP 7.60 Operations in Disputed Areas   No

B.3 Other Salient Features

Use of Borrower Framework   No

[Optional explanation – Max. character limit 1,000]

No Borrower Framework is being considered.

Use of Common Approach   No

[Optional Explanation including list of possible financing partners – Max. character limit 1,000]

There are no anticipated co-financiers.

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Concept Stage PID – Max. character limit 5,000]

The Environmental and Social Risks Rating is "Moderate" at this concept stage due to the project scope and financing activities. The DARE project will not support subprojects with major civil works; however, some activities under Component-1.2 include small matching grants to qualified Internet Service Providers for deploying backhaul and access networks to households and public institutions. Internet cables shall be installed along existing electricity poles with no or minor civil works if required. The potential environmental risks associated with these activities are mainly OHS-related and include falls from heights and electrical hazards. Similarly, component-2 intends to support social systems and services, improving the efficiency of public data processing, sharing, and management. Likewise, component 3 will include activities to enhance digital skills. Potential environmental risks associated with the other components include procurement of e-related goods that are not energy-efficient, and minor e-waste generation is foreseen only after its decommissioning.

The main social issues and risks associated with the Project relate to (i) ensuring that the project is as inclusive as possible and efforts are made to reach out to all sections of society and to provide universal accessibility; (ii) data management, ensuring the protection of personal data and the fundamental rights and freedoms of persons that are related to that data; and (iii) implementing meaningful and effective stakeholder engagement and public and beneficiary outreach. The project is rated low for SEA/SH risks at this stage and will be re-assessed during the appraisal stage. The expectation is that most of the labor will be locally hired, so labor influx is not envisaged. The project recognizes the following standards as relevant: ESS 1, ESS 2, ESS 3, ESS 4, and ESS 10.

To address E&S risks, the client shall prepare and disclose (i) ESMF, (ii) SEP, and (iii) LMP prior to the project appraisal. These will be living documents that can be revised or updated during implementation as found necessary. The E&S commitment plan (ESCP) will include appropriate actions with time-bound commitments related to implementation of these documents and other institutional arrangements.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by Appraisal?

[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 3,000]

ESMF, SEP and LMP

III. CONTACT POINT

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