

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA1078

Date ISDS Prepared/Updated: 16-Nov-2014

Date ISDS Approved/Disclosed: 24-Nov-2014

I. BASIC INFORMATION

1. Basic Project Data

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|--|--|------------------------------|------------------------------|
| Country: | Kazakhstan | Project ID: | P147705 |
| Project Name: | SME Competitiveness Project (P147705) | | |
| Task Team Leader: | Qahir Dhanani | | |
| Estimated Appraisal Date: | 18-Nov-2014 | Estimated Board Date: | 29-Jan-2015 |
| Managing Unit: | GTCDR | Lending Instrument: | Investment Project Financing |
| Sector(s): | Vocational training (15%), General industry and trade sector (85%) | | |
| Theme(s): | Micro, Small and Medium Enterprise support (60%), Other Private Sector Development (40%) | | |
| Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)? | | | No |
| Financing (In USD Million) | | | |
| Total Project Cost: | 46.00 | Total Bank Financing: | 40.00 |
| Financing Gap: | 0.00 | | |
| Financing Source | | | Amount |
| Borrower | | | 6.00 |
| International Bank for Reconstruction and Development | | | 40.00 |
| Total | | | 46.00 |
| Environmental Category: | F - Financial Intermediary Assessment | | |
| Is this a Repeater project? | No | | |

2. Project Development Objective(s)

The project development objective is to enhance the competitiveness and capacity of targeted small and medium sized enterprises in Kazakhstan.

3. Project Description

Component 1. SME Capacity Building (US\$ 15 million): Strengthen government SME support

programs by enhancing quality and introducing international standards to increase SME competitiveness and enable them greater access to other programs.

Component 2. SME Linkages in Competitive Sectors (US\$ 20 million)

Component 2.1 Supplier Development Program: Program to increase supply-chain linkages between SMEs and Large firms in Kazakhstan through facilitation of linkages; focused technical assistance to SMEs; establishment of Supplier Development Office.

Component 2.2 Competitive Sectors: Support the development of non-extractive sectors in and around priority geographic areas through institutional capacity strengthening.

Component 2.3 Factoring Strategic Assessment: Strategic assessment for supply chain financing (SCF) program to improve access to and terms of credit for SMEs

Component 3. Impact Evaluations & Monitoring (US\$ 8 million): Deploy rigorous impact evaluations and M&E tools to gain evidence for policy, program design and transparency; citizen engagement through PPDs and a strengthened SME Call Center

Component 4. Project Management (US\$ 3 million): Operation of the project by a team of resident local and international technical and fiduciary specialists

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

The project will operate throughout Kazakhstan and will finance SMEs. For the purpose of this project, SMEs are defined as firms with fewer than 250 employees. All private SMEs (private ownership more than 50 percent), irrespective of their sector, will be eligible for participation as sub-beneficiaries.

5. Environmental and Social Safeguards Specialists

Lola Ibragimova (GSURR)

Natasa Vetma (GENDR)

| 6. Safeguard Policies | Triggered? | Explanation (Optional) |
|---|-------------------|---|
| Environmental Assessment OP/ BP 4.01 | No | |
| Natural Habitats OP/BP 4.04 | No | |
| Forests OP/BP 4.36 | No | |
| Pest Management OP 4.09 | No | |
| Physical Cultural Resources OP/ BP 4.11 | No | |
| Indigenous Peoples OP/BP 4.10 | No | |
| Involuntary Resettlement OP/BP | No | The project would not trigger OP 4.12. No |

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| 4.12 | | potential beneficiaries can participate in the project if they would need land acquisition for the activities to be supported under this project. Rehabilitation and reconstruction (which could involve demolition of no longer suitable structure and construction of a new one) of existing buildings within the same footprint would be permissible. |
| 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 | |

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

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| 1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: |
| Safeguards policies are not triggered for this project. |
| 2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: |
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| 3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. |
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| 4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. |
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| 5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. |
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B. Disclosure Requirements

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| If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP. |
| If in-country disclosure of any of the above documents is not expected, please explain why: |
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C. Compliance Monitoring Indicators at the Corporate Level

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| The World Bank Policy on Disclosure of Information | |
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop? | Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |

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|--|---|
| Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? | Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| All Safeguard Policies | |
| Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have costs related to safeguard policy measures been included in the project cost? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |

III. APPROVALS

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|-------------------------------|---------------------------------|-------------------|
| Task Team Leader: | Name: Qahir Dhanani | |
| <i>Approved By</i> | | |
| Practice Manager/ Manager: | Name: Paloma Anos Casero (PMGR) | Date: 24-Nov-2014 |