



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 10/17/2023 | Report No: ESRSC03859



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P180909	Investment Project Financing (IPF)	National Community Initiatives Project	2025
Operation Name	National Community Initiatives Project of Kyrgyz Republic		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Kyrgyz Republic	Kyrgyz Republic	EUROPE AND CENTRAL ASIA	Social Sustainability and Inclusion
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Kyrgyz Republic	Community Development and Investment Agency (ARIS)	29-Feb-2024	31-Jul-2024
Estimated Concept Review Date	Total Project Cost		
05-Oct-2023	25,000,000.00		

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Proposed Development Objective

The development objective is to improve access to climate-resilient local social infrastructure and increase economic livelihood opportunities for women and youth in beneficiary communities.

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 National Community Initiatives Project of Kyrgyz Republic (NCIP) builds on a series of CDD operations (Village Investment Project P146970 and CASA-1000 Community Support Project P163592) that have supported the Kyrgyz Republic to improve access to infrastructure and services, especially in rural areas. It aims to scale up, standardize, and deepen the impact of a series of CDD operations implemented earlier. It will be implemented in the KR's 40 rayons



(districts) across the seven oblasts (regions) in the north and south of the country—Naryn, Issyk-Kul, Chui, Talas, Batken, Osh and Jalal-Abad. While it will provide a national platform across all 40 districts, the first phase will cover only one or two Aiyl Aimaks (sub-districts) per district (i.e., 40-80 out of 452 AA). The target AAs will be selected based on criteria such as poverty, remoteness, and economic potential, etc. Each targeted AA will receive social mobilization, capacity building, and social infrastructure investments, plus a subset of the targeted AAs will also receive livelihoods activities targeting women and youth. The project will support inclusive participation and capacity building of target communities in village needs assessments, planning, prioritization, and decision-making over social infrastructure investments and economic livelihood opportunities for youth and women in beneficiary communities, as well as monitoring and oversight of implementation. Component includes: Component 1 – Village Infrastructure Investments. This component will provide sub-grants to selected AA(s) in each district for social infrastructure investments. It will also provide associated social mobilization and capacity building activities. Target AAs will be selected according to criteria that will be finalized during preparation. Allocations for investments per targeted AA will be estimated and be adequate to finance social infrastructure, such as a kindergarten, school rehabilitation, construction of new additional school facility investments which integrate renewable energy sources and energy efficiency, health facilities, water supply, sewer and irrigation systems. Component 2 - Livelihood opportunities for women and youth. This component supports the economic empowerment of women and youth in a subset of the targeted AAs. This support will be provided through market assessments, and provision of facilities and trainings in entrepreneurship, value chain and other business skills. These services will draw on market and value chain assessments of relevant livelihood opportunities in sectors such as agriculture, handicrafts, tourism, digital and others. In sectors identified, this component will focus on expanding livelihood opportunities for women and youth. It is anticipated that these facilities could vary significantly in technical complexity (e.g., from apple storage facilities to ICT centers). Component 3: Project management, and monitoring and evaluation. Component 4: CERC

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]

The project will be implemented at national level, throughout the country, mostly in rural areas, within or in close vicinity of the settlement areas. Target poorest 40 Aiyl Aimaks (one in each of 40 districts to be selected among total 452 districts in the country) will be selected according to poverty/income levels using criteria that will be finalized during preparation. Approximately 10 Aiyl Aimaks (AAs) out of 40 AAs will receive support for livelihood activities aimed at women and youth. These grants will be financed out of the project’s budget and are not expected to be blended with other financing sources. The investments are not defined at the concept stage, as the decision will be made based on participatory method, involving communities in decision process during implementation stage. The investments may include a new 50-place kindergarten, school rehabilitation, construction of new additional school facility investments which integrate renewable energy sources and energy efficiency, health facilities, water supply, sewer and irrigation systems. Selection of infrastructure and livelihoods sub-projects will be based on community mobilization, women and youth engagement activities, ensuring that all sub-projects support poverty reduction and gender equity goals. While there is no limitation to the scope of activities to be selected, the project will not finance activities with significant environmental and social impacts.

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]

ARIS has implemented several Bank-financed projects and is currently implementing four projects under the Bank’s Operational Policies and two regional economic development projects under the Environmental and Social Framework (ESF). ARIS has established the team of environmental and social specialists under various projects, with experience and knowledge. Track record of the safeguards and ESF performance in ARIS have been rated mainly as Moderately Satisfactory or Satisfactory. ARIS mainly has been practicing the ESF/safeguards coordination by one environmental and social specialist with environmental background. And the ESF experience remains limited, the capacity building in some ESF aspects is needed. These aspects may include: the environmental and and social screening and risk categorization; land acquisition, land use restrictions and involuntary resettlement; labor management; community health and safety; incidents reporting and actual rectification of the issues. One of the deficiencies observed and needs to be improved is ensuring that ARIS project management and engineers work closely with the E&S staff and apply contractual measures in cases of non-compliance by a contractors. ARIS will establish a new team to implement NCIP. The team will include an environmental specialist and social specialist. The Bank will provide the ESF training session after recruitment of the Project ESF staff.

The relevant specialists get periodic training by ESF Bank staff, with the most recent being held in 2022 and 2023, where the importance of contract management and ESF compliance nexus in project management.

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 is Moderate. Given the nature of the project where grants are determined at a later stage, a framework approach is applied to the project. The activities that may generate environmental risks, include: (i) social infrastructure projects that relate to construction and/or rehabilitation activities, such as schools, community centers, water supply and sanitation; irrigation and road structures, first aid points (FAP) and etc. (ii) livelihood investments that also includes smaller-scale construction of facilities, such as garment production, dairy production and IT startups tackling women and youth beneficiaries. Construction and rehabilitation activities may potentially result in increased pollution due to improper care, handling and storage of construction material and waste, generation of excessive noise and dust levels, and, possibly, health impacts related to inadequate disposal of asbestos containing material if there is any. These are temporary in nature and site-specific, and expected to be easily addressed by applying best practice mitigation measures. Some activities will generate waste during their operations such as garment and dairy production, water supply and sanitation, or medical waste (FAP), while others at the end of the of the activities such as electronic waste from electrical and IT equipment. Sub-project activities that will cause significant or high environmental risks will be excluded from the project. Such activities may include : irreversible loss of biodiversity, pollution of waterways, impacts on water protection zones, construction within natural protected



areas and cultural heritage sites. ARIS shall prepare the Environmental and Social Management Framework (ESMF), which will include procedures E&S due diligence, including E&S screening, exclusion list, mitigation, management and monitoring requirements. For CERC under Component 4, since the potential activities are unknown, CERC section will be part of ESMF

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]

Social risk is rated as Moderate based on the proposed scope of the project at the concept stage and information available to inform the risk assessment. Potential risks are expected to be residual due to poor implementation quality and lack of inclusive processes which may result in social exclusion and community tensions due to perceived inequitable access to benefits and jealousy. Main concern of distribution of project benefits across the country will be managed through selection process developed in consultation with relevant stakeholders. Beneficiary selection criteria need to be carefully elaborated to ensure inclusive access to the poorest communities, children with disabilities, equitable regional and ethnically balanced distribution of funds. All investments will be based on a village-level participatory needs assessment with particular attention to disadvantaged and vulnerable groups as a part of the overall project designing. The security in Batken is essential as the conflicts on the Kyrgyz-Tajik border in 2021-2022 have resulted in local tensions, which could affect labor and community safety. To identify and evaluate relevant security risks, a security assessment was conducted under Second regional economic development project (REDP-2) financed by WB and implemented by ARIS. ARIS will use the REDP-2 approach to assess and mitigate security risks for the subprojects in Batken. During rehabilitation of public buildings project affected parties may be temporarily relocated to the nearest publicly owned facilities thus avoiding any health and safety issues, including SEA/SH risks. Adverse risks related to community health and safety and labor-management, including influx, child and forced labor, are not envisaged given the nature of small infrastructure at community level. The project’s design shall ensure inclusive and transparent criteria to enable inclusive access to benefits and meaningful community engagement.

[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]

The environmental risks associated with the project activities relate to construction/rehabilitation activities, as well as waste management. These include risks of air, noise, dust pollution, chemical waste, agricultural waste and manure, soil and water pollution, as well as groundwater pollution; at operation stage - e-waste and medical waste. The social risks associated with the project activities relate to: (i) land acquisition, land use restrictions and involuntary resettlement; (ii) labor management; and (iii) community health and safety. The Project risks are expected to be site-specific, temporary and can be readily addressed through application of standard mitigation measures and compliance with national laws, labor and OHS, the ESF. Towards addressing the residual risks, ARIS will prepare the ESMF with

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preliminary assessment of risks and mitigation measures, SEP, RF and LMP. Exclusion list will be part of ESMF. Site-specific ESMPs will be prepared.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

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

Key stakeholders are those benefiting from the project, including municipalities and households in rural areas. Other interested parties include, state agencies, municipal entities who may have a possibility to influence and make decisions on implementation of the project and/or may have an interest in the Project. Vulnerable and disadvantaged groups may include, but not limited, poor families, people with disability, women-headed households, and youth. ARIS will prepare a Stakeholder Engagement Plan (SEP), which includes the following: (i) stakeholder identification and analysis; (ii) planning for stakeholder engagement aligned with project activities; (iii) consultations and information disclosure; (iv) grievance mechanism; and monitoring and reporting. One of the development objectives of the project is to strengthen participatory local governance.

ESS2 - Labor and Working Conditions

Relevant

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

The project will finance community-level infrastructure through participatory approach. Occupational Health and Safety (OHS) risks are expected to be low to moderate given the nature of potential investments, subject to close supervision of works, including proper safety induction, skills assignment and training, and housekeeping (i.e., material storage, demarcation, waste disposal, etc.). The project would include direct workers (ARIS team) as well as contracted workers (employees of contractors). ARIS will develop and disclose an Labor Management Procedures (LMP) prior to Appraisal. No community workers, such as under a cash for work scheme, are expected at the concept stage. The LMP will include requirements for a Code of Conduct to address contractor behavior, especially related to potential SEA/SH risks, and necessary training to be provided to all workers. Worker grievance mechanisms for all project workers will be established. ESMF and SS ESMPs will guide ESHS regulations.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

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

ESS3 is relevant. The project involves a variety of potential subgrants supporting different activities with component 1 providing grants of up to US\$500,000 on major infrastructure projects which may include: rehabilitation of infrastructure including buildings, roads and bridges and canals; water supply and sanitation, crafts and garment production, and dairy production and supporting transport services; and supporting digital development. Rehabilitation and construction works can contribute to short term increase of e.g. dust affecting air quality, noise, generation of waste, pollution of soil and water, pollution of groundwater and can potentially pollute nearby water bodies. in the case of bridge and canal rehabilitation. Garment production may also lead to chemical waste, whereas dairy production may result in agricultural waste and manure. Other types of waste generated are e-waste from IT investments and medical waste from FAPs under the component 1.

ESS4 - Community Health and Safety

Relevant

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

ESS4 is relevant to this project since the project’s civil works will be undertaken in rural settlements. To address potential risks and adverse impacts that might affect community health and safety, ESMF will be prepared. ESMF will include assessment of work-related health and safety risks, life and fire safety risks in healthcare sub-projects, traffic and road safety; excessive noise and dust levels; site access restrictions; and labor influx, and all relevant measures will be required to be included in the site-specific ESMPs. SEA/SH risks during rehabilitation of existing educational and medical facilities will be assessed as part of project preparation and mitigated accordingly during project implementation. Security is essential for Batken region as the conflicts on the Kyrgyz-Tajik border in 2021-2022 have resulted in local tensions, which could affect labor and community safety.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant

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

This standard is relevant to the project due to the potential physical investments which could involve temporary and/or permanent physical and/ or economic displacement. Potential project interventions would extend to infrastructure improvements relating to water, education, health, transport, and agriculture sectors. The impacts under this standard are expected to be minor as the proposed project will provide (i) subgrants for social infrastructure at community level up to US\$500,000 and (ii) livelihood investments, climate-smart, digital development or women’s entrepreneurship investments. Activities associated with the project will also be screened to identify any associated involuntary resettlement or negative impact on livelihood. Subprojects will be assessed through the screening and will be monitored during supervision. Subprojects/activities with significant risk of land acquisition and involuntary resettlement impacts will not be financed by the project. An RF will be prepared

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

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

The project is not expected to affect any natural or critical habitats or key biodiversity areas, as the locations of the subprojects are mainly in settlement areas. However, in case of new construction of road or irrigation infrastructure beyond settlement areas, some potential risk to biodiversity may occur. If the risk is defined as temporary and of a small scale, the project will conduct biodiversity and biodiversity management plan. If the risk defined as significant, the subproject shall not be financed under the project, in accordance with the exclusion list that will be part of the ESMF. Thus, the standards is triggered.

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

Not Currently Relevant

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

The Kyrgyz Republic does not have such groups of people/communities and thus this ESS is not relevant.

ESS8 - Cultural Heritage

Relevant

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

The standard is relevant as a precautionary measure in case of activities to be located beyond a settlement areas in greenfield, if any. Thus, the Chance Find procedure will be included into the ESF documents. No impact on intangible cultural heritage is expected. Sub-projects that may impact cultural heritage sites will be added to the exclusion list.

ESS9 - Financial Intermediaries

Not Currently Relevant

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

The standard is not relevant. There are no FI involved in the project.

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]

Borrower's E&S Framework will not be used for the Project as a whole or for any of its parts.

Use of Common Approach

No

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

No other partners are expected at the concept stage.

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 risk rated as Moderate, the social risk is rated as Moderate, overall environmental and social risk is Moderate. The risk ratings will be reassessed at appraisal stage once activities are better defined. Environmental and Social Standards (ESSs) 1, 2, 3, 4, 5, 6, 8 and 10 are considered relevant for the project. The project will apply energy-efficient and climate-resilient solutions, which are expected to provide positive environmental impact in longer-term. The environmental risks associated with the project activities mainly relate to site-specific and short-term waste and pollution during construction-related activities (new construction and rehabilitation), as well as longer-term operation-stage activities. In order to avoid any potential impact from activities in greenfield, biodiversity management and cultural heritage are triggered at the concept stage of the project. Sub-projects that may cause known significant impact on biodiversity, natural habitats and cultural heritage will not be financed and included into exclusion list. The project will

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ensure that the preparation and implementation stages are in line with the best practices, including environmental health and safety (EHS), traffic safety, waste management, pollution prevention and resource efficiency. to resource efficiency and pollution prevention measures.

The social risks associated with the project activities relate to: (i) land acquisition, land use restriction and involuntary resettlement; (ii) labor management; and (iii) community health and safety. The risk of distribution of project benefits across the country and exclusion risk of vulnerable groups will be managed through selection criteria developed in consultation with relevant stakeholders, transparent and effective stakeholder engagement process. All investments will be based on a village-level participatory needs assessment with particular attention to disadvantaged and vulnerable groups as a part of the overall project designing.

Towards addressing the risks, ARIS will prepare the Environmental and Social Management Framework (ESMF), which will provide preliminary assessment of the relevant risks, as well as mitigation measures, implementation and monitoring arrangements. In addition to the ESMF, Stakeholder Engagement Plan (SEP), Resettlement Framework (RF) and Labor Management Procedures (LMP) will be prepared, disclosed, and consulted upon with stakeholders prior to appraisal. The Environmental and Social Commitment Plan (ESCP) indicating main environmental and social actions throughout the project implementation will be part of the Financial Agreement. The project will develop site-specific ESMPs of implementation and waste management plans for operation stage for certain sub-projects.

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]

The Borrower shall develop and disclose the following instruments before appraisal:

1. Environmental and Social Management Framework (with general ESMP and exclusion list)
2. Labor-Management Procedures (LMP), including GM for project workers;
3. Stakeholder Engagement Plan (SEP), including Project GM;
4. Resettlement Framework (RF);
5. Environmental and social commitment plan (ESCP).

III. CONTACT POINT

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