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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 15-Mar-2024 | Report No: PIDIA00322



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies) Kyrgyz Republic	Region EUROPE AND CENTRAL ASIA	Operation ID P180909	Operation Name National Community Initiatives Project
Financing Instrument Investment Project Financing (IPF)	Estimated Appraisal Date 29-Feb-2024	Estimated Approval Date 31-Jul-2024	Practice Area (Lead) Social Sustainability and Inclusion
Borrower(s)	Implementing Agency Community Development and Investment Agency (ARIS)		

Proposed Development Objective(s)

The development objective is to improve access to climate-resilient socio-economic infrastructure and increase economic opportunities for women and youth in target communities.

Components

Village infrastructure investments and institution strengthening
Local economic development and livelihood opportunities for women and youth
Project Management

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

SUMMARY

Total Operation Cost	27.00
Total Financing	27.00
of which IBRD/IDA	25.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	25.00
IDA Credit	25.00

Non-World Bank Group Financing

Trust Funds	2.00
Early Learning Partnership	2.00

Environmental And Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

Country Context

1. **The Kyrgyz Republic is a landlocked, mountainous country with a population of about 7 million.** Despite geographic challenges, the country has economic potential based on its rich hydro-electricity potential, natural endowments including minerals, and tourism. It has a relatively educated population and sits at the crossroads between large neighbors. According to official statistics, real GDP grew by 9 percent in 2022 and maintained this positive trajectory in 2023 with real growth estimated at 6.2 percent. With a Gross Domestic Product (GDP) per capita income of \$1,655 (2022), the Kyrgyz Republic is a lower middle-income country (LMIC).

2. **After several years of pro-poor economic growth, the COVID pandemic and Russia’s invasion of Ukraine highlighted the vulnerability of households during periods of economic contraction.** The national poverty headcount ratio fell from 36.6 percent in 2013 to 20.2 percent by 2019 as over 800,000 people were lifted out of poverty. However, reductions in income and remittances caused by the COVID-19 pandemic pushed an additional 700,000 people (11 percent of population) into poverty in 2020,¹ with the poverty rate increasing to 25.3 percent, and worsened to 33.2 percent in 2022². The economy has since rebounded, but has faced high inflation, driven by high food and fuel prices.

¹ World Bank. 2021. One Year Later in the Kyrgyz Republic’s Battle Against COVID-19. Washington, DC.

² The National Statistical Committee has revised the poverty line between 2020 and 2021 line due to high inflation, so the increase in poverty level by 8 percentage points may partially reflect this change.



3. **In 2023, the poverty rate is expected to decrease**, albeit by a low margin, due to forces working in opposite directions, some conducive to, and others impede poverty reduction. On the one hand, several policy measures introduced by the Cabinet of Ministers of the Kyrgyz Republic are likely to create a positive impact: the "Social Contract" program has expanded cash assistance to vulnerable households and introduced measures aimed at increasing labor force participation and employment. The government also increased wages in the public sector. In addition, recent labor market dynamics are strong beyond the public sector: the socio-economic bulletin (January-December 2023) reports a 20.6 percent/8.6 percent increase in nominal/real wages. On the other hand, several factors pose risks to further gains in poverty reduction: Russia's invasion of Ukraine triggered decreases in migration and remittances, and inflation continues to remain in the double digits.

4. **Significant gender and spatial disparities influence growth and poverty reduction efforts.** In addition to rural-urban and regional disparities, there is a substantial gender gap in labor force participation and a high degree of labor market segregation. Today, women's employment is estimated at 45.6 percent, while men's employment is at 69.7 percent. The employment rate of men in all age groups is higher than women, especially for the 25-34 age group – when women often leave work due to childbirth. The share of working women is highest in the service sector, while men are concentrated in higher paying industries (e.g. construction, mining, transportation). Women make up 44 percent of the agricultural labor force, are more likely to be self-employed and have less access to social benefits than men³. In response, the Kyrgyz Republic second long-term National Gender Strategy emphasizes the expansion of women's economic opportunities, protection against gender discrimination, women's political participation, and associated regulatory policy.

5. **The Kyrgyz Republic is one of the Central Asian countries most vulnerable to climate change⁴ and the government has adopted policies to address climate risks.** Climate change is a major threat to Kyrgyz Republic's growth, prosperity, and macro-financial and socio-political stability.⁵ Although a small emitter of greenhouse gases, it is vulnerable to climate change because of its mountainous landscape (increasing risks of flash floods and landslides) and large agricultural sector. Natural hazards are estimated to incur economic losses in Central Asian countries of 0.5-1.3 percent of annual GDP including the Kyrgyz Republic. The Kyrgyz Republic's Third National Communication under the UNFCCC highlights at least US\$14 million in average annual agricultural losses to hazards between 1991-2011.⁶ In 2018-19, the Parliament adopted the 'Concept of Kyrgyzstan as a Green Economy Country' and a strategy for green economy approaches.

Sectoral and Institutional Context

6. **The resident population of the Kyrgyz Republic at the end of 2022 was still two-thirds rural.** As of January 2023, the population of the Kyrgyz Republic reached 7 million. Slightly more than one third of the population (35 percent) lived in urban areas and two thirds (65 percent) in rural areas. The country is diverse, and each of the Local Self-Government (LSG) bodies differ significantly in terms of population size, number of sub-ordinated settlements, territory, economic development opportunities and geographic conditions.

7. **Rural households experienced the greatest poverty reduction over the last 7 years – 17.1 percentage points.** However, there is wide variation across geographic areas -- reflecting differences in local markets, regional economic dynamics, sectoral specialization, and baseline poverty levels -- and trends are subject to abrupt reversals. As of 2022, 62 percent of the poor reside in rural areas,⁷ and rural household poverty rose 6 percent during the recent contraction.

³ World bank Gender Assessment. Kyrgyz Republic 2023.

⁴ World Bank. 2014. Turn Down the Heat: Confronting the New Climate Normal. Washington, DC: World Bank

⁵ Feeling the heat: adapting to climate change in the Middle East and Central Asia, Duenwald et al, 2022;

⁶ Third National Communication of the Kyrgyz Republic under the UN Framework Convention on Climate Change (2016)

⁷ National Statistical Committee, 2022.



8. **Vulnerability to climate change and other shocks is especially high for rural populations dependent on agriculture, especially the poorest.** Despite its declining share in total GDP, agriculture employs nearly half the rural labor force. Climate change impacts on crops and livestock disproportionately affect vulnerable groups, aggravating poverty, and contributing to social tensions, migration, and conflict. The poorest quintile is estimated to be more than twice as likely to be exposed to droughts than other groups⁸ as this group typically works in, or relies on, rural agriculture for livelihoods. Women and poorer rural dwellers are most likely to be affected by flash flooding and landslides given time spent in exposed areas.⁹ Smaller businesses are least able to afford space heating/cooling or to invest in energy efficiency. Poorer farmers are least able to afford water storage, irrigation, and other technologies for adaptation.

9. **Significant disparities in service provision persist between urban and rural areas and across different oblasts.** Although urban and rural poverty gap has narrowed, sectoral policies and infrastructure (public utilities and networks, in particular) favor urban households. In part because of mountainous terrain, rural areas are more likely to lack services and basic infrastructure, and rural residents contend with higher multidimensional poverty than urban residents. Rural populations have significantly lower access to improved water sources and sewage systems, health care, education, reliable electricity, and markets than do urban populations.¹⁰

10. **The Government of Kyrgyz Republic (GoKR) has long sought to address regional disparities and the needs of rural villages.**¹¹ Regional development has been a consistent government priority in recent years.¹² In 2008, the legal framework for local governance was amended to assign more political, administrative, and fiscal autonomy to local governments. Since then, local self-governments (LSGs) have increased responsibilities towards local populations.¹³ There are opportunities for Aiyl Okmotus (AO, subdistrict administration) at the Aiyl Aimak (AA, or subdistrict) level to work closely with communities on local development initiatives.¹⁴ LSGs carry out local development planning and budgeting, and community investments form part of Local Development Strategies. New technologies including an automated information system “Sanarip Aimak”¹⁵ was also introduced. However, LSGs have limited capacities, high staff turnover, and very limited financing. Out of 452 AAs, 277 are subsidized with equalization grants that make up over a third of local government revenues. For local investments, LSGs depend on national and regional grants and stimulus programs.

11. **Administrative territorial reforms planned for 2024 are expected to reduce the number of AAs and may also bring entry points to deepen participatory approaches.** Across the Kyrgyz Republic’s seven oblasts and 40 rayons (districts), the administrative reforms are expected to consolidate the number of AAs (sub-districts) from 452 to around 250. In parallel, the Effective Governance for Economic Development program (EGED) 2021-2026 supported by the Bank will equip LSGs with a new methodology for local development programming, providing a structured and uniform approach using data, including information on the most vulnerable, poor, and other disadvantaged groups. This will

⁸ Winsemius and others, 2018

⁹ WBG Climate Change Knowledge Portal (2021). Kyrgyzstan. Climate Data. Projections.

¹⁰ World Bank Poverty Assessment, Kyrgyz Republic, 2022.

¹¹ The Kyrgyz Republic has four tiers of government: (i) central government, (ii) provinces (oblasts), (iii) administrative districts (rayons), and (iv) local municipalities (aiyl aymaks), headed by local administrations (aiyl okmotu) and local councils (ayl kenesh), collectively referred to as Local Self-Governments (LSG). The 2008 law on LSG assigned 23 responsibilities to local self-government bodies. The 2007 Law on Access to Information obliges local governments and service providers to ensure that information and public records are provided to citizens. Aiyl okmotus are obliged to hold at least two annual general assemblies of residents (sel'skie skhody) to discuss local development activities.

¹² Resolution No. 194 of March 31, 2017, approved the Concept of the Regional Policy and the National Development Program of the Kyrgyz Republic until 2026. It underscores the need to strengthen governance, including data-driven governance. These programs identified medium and long-term development drivers for the regions, along with implementation priorities to accelerate socio-economic regional development.

¹³ AO heads, formerly elected, are now appointed by district administration – an example of recentralization with shift to a presidential system.

¹⁴ LSG responsibilities include adopting development strategies, collecting local taxes, managing local budgets, managing municipal property, ensuring operations & maintenance of public facilities and infrastructure, and land use planning and administration.

¹⁵ Sanarip Aymak - literally translated as Digital Village – is a system that seeks to streamline LSG tasks via an electronic village household registry with information about the village and the welfare status of resident families. Its aims to gather comprehensive municipal data, digitize LSG functions, and enable electronic provision of municipal services – minimizing bureaucratic hurdles and enhancing local development decisions.



include enhanced use of data to enable LSGs to better identify development priorities and opportunities, assess available resources, and develop plans to achieve their goals, linked to the budget process. These reforms are expected to provide entry points to deepen participation, inclusion, transparency, and accountability around LSG planning, budgets, and investments.

12. **The World Bank’s recent Kyrgyz Republic poverty assessment notes the importance of enhancing human capital**, particularly among women and poor population segments, via increasing access to affordable childcare, women’s access to education, and reducing labor market barriers. It flags opportunities to address rural vulnerabilities through investments in rural utilities (electricity, water, etc), reduce regional disparities through job creation, and infrastructure to improve market connectivity, and enhance subnational government incentives to improve service delivery.

13. **Gender, youth, and vulnerable groups have been at the center of Community Driven Development (CDD) projects.** Social mobilization strategies have ensured that their voices and needs are included in local development planning and public investment priorities, and that training addresses relevant skill gaps. The 2023 Gender Assessment for Kyrgyz Republic highlights the country’s achievements in improving gender equity, while noting large gender disparities remain in tertiary education enrollment, labor force participation, intra-household decision making and control over assets.

14. **The gender employment gap is heavily influenced by women’s unpaid care work** – a difference of 30 points, the highest in Central Asia (WB, 2023). Childcare remains one of the main obstacles, along with social norms, hindering women from entering the labor force. The lack of daycare options disproportionately affects women, who bear the primary responsibility of providing care in the household. The traditional role of women as primary caretaker and secondary earner, combined with poor working conditions, locks them into traditional homemaker duties. National policy documents on education, and on women in the workforce emphasize that accessible childcare can improve child well-being as well as women’s position in the labor force.

15. **There is a significant difference in the coverage of preschool education between urban and rural areas.** In 2020, 19 percent of children in rural villages had access to preschool in comparison to 36 percent of children in cities. The existing kindergartens are overcrowded - 196,000 children attend the kindergartens while there are only spots for 168,000. To respond to this crisis, the government under its Education Development Program for 2021-2040 aims to expand access to quality ECD programs including childcare, modernize ECD and bring it into line with international standards. It sets a target of 42 percent enrollment by 2040 in pre-primary education by gender and territory (SDG 4.2.) This will also help to address female labor force participation gaps by providing more pre-primary opportunities for full-time childcare opportunities. Even if achieved, a major shortage of kindergartens will persist, especially in rural areas where women face increased household responsibilities related to economic migration of men.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The development objective is to improve access to climate-resilient socio-economic infrastructure and increase economic opportunities for women and youth in target communities.

The following indicators will measure achievement of the PDO:

- Percentage of sampled beneficiaries (male/female) who report that community investments funded by the project reflect priority needs in target AAs.
- Percentage of target AAs with improved access to climate-resilient socio-economic infrastructure as a result of project support.
- Percentage of village sub-projects funded by the project that are climate resilient.



- Percentage of sampled beneficiaries (women/youth) in target AAs reporting improved livelihood opportunities in target AAs
- Percentage of sampled beneficiaries (male/female) in target AAs who report that their role/voice in local government decision making has been enhanced as a result of project support.

D. Project Description

16. **Project concept.** The proposed NCIP builds on a series of CDD operations (Village Investment and CASA-1000 Community Support projects) in Kyrgyz Republic. It will be implemented in 40 rayons (districts) across seven oblasts (regions)—Naryn, Issyk-Kul, Chui, Talas, Batken, Osh and Jalal-Abad. It will scale up, standardize, and deepen impact of CDD operations by: (i) providing a national platform covering all 40 districts (to date, different projects separately covered northern and southern regions); (ii) increasing average size of infrastructure sub-grants to target sub-districts; (iii) expanding livelihoods support, including support to women and youth, and better linking livelihood activities with opportunities created by social infrastructure investments (e.g., helping women with children who can now attend kindergarten use time to pursue income-generating opportunities); (iv) further integrating climate considerations into social mobilization, local planning, infrastructure investments, and livelihood activities; (v) streamlining project processes and institutional arrangements; and (vi) embedding participatory approaches into LSGs. While NCIP will provide a national platform across all 40 districts, this initial operation will cover only one Ayil Aimak (sub-district) per district (i.e., 40 out of 452 AAs). The target 40 AAs will be selected based on selection criteria, including poverty, budget subsidies, remoteness, and population. The selection criteria for 40 Ayil Aimaks, including weighting scores for each criterion is currently under discussion and will be agreed and endorsed by relevant government agencies prior to negotiations. Each targeted AA will receive social mobilization, capacity building, and social infrastructure investments under Component 1, plus a subset of the targeted AAs will also receive Component 2 livelihoods activities targeting women and youth. Given limited funds and in order to strengthen incentives, Component 2 livelihood support will be provided to AAs based in part on their Component 1 implementation performance. The project will include the following components:

17. **Component 1: Village infrastructure investments and institution strengthening** (US\$19.6 million: US\$ 18.0m IDA and US\$1.6m Early Learning Partnership Trust Fund (ELP TF)). This component will provide subgrants to 40 AAs to finance local-level, climate-resilient, socio-economic infrastructure that address priorities identified through a participatory village needs assessment and decision-making process as defined in the project operations manual (POM). This component will finance public goods, community mobilization and capacity building support for community members and LSG staff. Selected activities aim to institutionalize CDD mechanisms in local development processes. Based on its modular design, these activities could readily be scaled up to an additional set of AAs.

18. **Subcomponent 1a: Socio-economic infrastructure investments** (US\$16.5m IDA, US\$1.5m ELP TF). This subcomponent will contribute to the infrastructure aspects of the PDO. It will provide subgrants for social infrastructure investments to 40 selected AAs (sub-districts), one per district across the country. Priority social infrastructure and services sub-projects will be selected through the participatory decision-making process established in Subcomponent 1b.

19. **Subcomponent 1b: Mobilization and institution strengthening of communities and LSGs** (US\$1.5m IDA, US\$0.1 million ELP TF). This subcomponent will finance mobilization and capacity building activities to ensure that¹⁶: (i) communities, particularly women, youth, and the vulnerable, are actively engaged in selecting poverty-focused project interventions; (ii) subcomponent 1a investments are among top priorities of communities; (iii) increasing awareness of climate change risks and adaptation strategies contributes to selection of climate-smart SEDP investments; (iv) climate

¹⁶ The process will build on, but further elaborate the VIP3 and CASA1000 Community Support Project process and incorporate lessons and experience in promoting social cohesion and inclusion through CDD.



change ambassadors are trained to become community focal points for climate change; and (v) LSGs, and associated working groups will use participatory, transparent approaches to identify, implement and monitor local development projects. Support to be provided will be detailed in the POM.

20. **Phasing of mobilization support.** An initial **Cycle 1** social mobilization process for prioritization of infrastructure investments will be carried out in the selected 40 AAs (year 1 and 2) with ARIS providing hands-on support to the LSGs and community members. **Cycle 2** social mobilization process (year 2 and 3) for the livelihoods investment sub-grants will be carried out by LSGs and community members themselves, with ARIS providing capacity building and technical support on livelihoods activities. The cycle of community mobilization activities undertaken at the village level under 1b will include support for:

- Initial sensitization efforts at village level on project goals, activities, social cohesion and inclusion
- Participatory selection of youth and community members for project roles (climate ambassadors, working group)
- Formal establishment of the Working Group to represent community interests
- Training for project stakeholders (e.g., youth facilitators, Working Group members)
- Village needs identification, prioritization (situation analysis, needs, asset mapping, focus groups)
- Development of and inputs to SEDP, based on the community prioritization process
- Subproject selection based on community mobilization process
- Endorsement of SEDP by Aiyl Kenesh
- Subproject coordination and management by Working Group and LSG

21. **Component 2: Local economic development and livelihood opportunities for women and youth** (\$5.45 million: US\$5.25m IDA, US\$0.2m ELP TF). This component will support local economic development to improve the economic well-being and the quality of life for the targeted community with special focus on women and youth. 15 AAs out of the original 40 will be competitively selected to receive livelihood grants, based on the quality of their Cycle 2 social mobilization process and sustainability of business plans for livelihoods investments. If more funding is available, this component can be quickly expanded to more AAs as market assessments and sustainable business plans will be ready.

22. **Grants for economic development and livelihood activities.** The grants will aim to support LSGs in improving economic opportunities, creating conditions for businesses to launch or expand; and generating new jobs for women, youth and vulnerable groups. Based on the market assessments and identified value chains in each area, economic sub-projects will support the following sectors: (i) agricultural production and processing (e.g. procurement of climate-resilient and disease resistant seeds, cultivation of medicinal herbs); (ii) handicrafts and garment production; (iii) investment in energy efficient digital solutions and services dedicated to reducing GHG emissions (e.g., recycling or other environmental enterprises); and (iv) eco-tourism promoting conservation and efficient use of resources. The component is expected to finance at least one subproject per AA. Given the potential distribution of subgrants among the 15 AAs, the grant size will be between \$200,000 and \$300,000. 15 AAs will be selected based on: (i) the quality of second cycle of social mobilization delivered by the LSG; (ii) technical evaluation, availability and provision of resources (land, building, documents); and (iii) sustainability of business plans. LSGs will submit business plans of Community Livelihoods Business Partners (CLBP) into a competitive process where they will be evaluated for viability, availability of sales/potential demand, number of jobs to be created, including for women and youth, secondary benefits, especially for youth and vulnerable groups, climate benefits, and integration in the value chain and local economy. Constructed facilities and purchased equipment will be competitively leased to selected CLBP for a guaranteed period. The ownership of infrastructure and facilities will be transferred to the Aiyl Okmotu upon subproject completion. The POM will outline the roles, responsibilities, and duties of municipal-private partnerships, along with procurement protocols and O&M procedures, including details on energy efficiency and climate change-related requirements for the Environmental-Economic Projects.



23. **Technical support to community livelihoods business partners (CLBPs).** The component will support the skills development of CLBP (value chain leaders) and other value chain actors (farmers, women, vulnerable groups – raw material suppliers), including business and technical skills needed for business project implementation and interpersonal skills. The development of these skills will be based on practical coaching and mentoring. All trainings, mentoring and coaching will focus on CLBP for business development with an awareness component addressing climate change issues. The subcomponent will be implemented by ARIS (which will engage private sector development experts with relevant business skills), offering intensive mentoring support for beneficiaries.

24. **Business skills development and incentives for women.** The component will support women’s business skills development and provide incentives to increase women entrepreneurship via livelihood grants. Skill development will include behavioral, technical, and/or entrepreneurship training, as well as digital skills, and financial literacy training. It will utilize a learning-by-doing approach (e.g., developing and implementing business plans), focused on learning that is responsive to market needs and that skills developed are desired by employers or could strengthen entrepreneurship potential. All training will include gender-specific content and soft skills (such as self-esteem, confidence, innovation, problem-solving, negotiation). In addition, the project will provide incentives for women successfully completing business plans to open private childcare facilities¹⁷ by providing: (i) technical support and a module on how to open and manage private kindergartens, and (ii) financing of equipment for it (e.g., furniture, refrigerator, washing machines etc.) financed under the Childcare trust fund.

25. **Component 3: Project Management.** (\$1.95 million: US\$1.75 m IDA financing, US\$0.2 million ELP TF) This component will finance project management and implementation of project-associated activities. It will finance the incremental operating costs and other eligible expenses associated with project implementation including coordination and supervision of implementation activities. PIU will also be responsible for preparing annual work plans and budgets for Ministry of Finance (MoF) approval, respectively, hiring of external auditors, and ensuring that the project maintains strong focus on gender inclusion and citizen engagement. It will support independent audits, monitoring and evaluation (M&E) (including baseline, midline, and endline surveys with gender-disaggregated data), and quality assurance to ensure compliance with best procurement and financial management (FM) practices. This component will also support Environmental and Social (E&S) Framework (ESF) compliance, including stakeholder consultation, a robust GRM, and site-specific assessments and plans.

26. **Component 4: Contingent Emergency Response Component (CERC).** The project would include a zero-dollar component that would provide support in the event of an eligible crisis or emergency, including climate-related disasters, to reallocate project funds to support emergency response. This component would draw from the uncommitted credit/grant resources under the project from other components to cover emergency response. An emergency eligible for financing is an event that has caused or is likely imminently to cause, a major adverse economic and/or social impact to the Borrower, associated with disaster.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts



27. **The environmental risk is rated as Moderate, the social risk is rated as Moderate, overall environmental and social risk is Moderate.** 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 the longer-term. The environmental risks associated with the project activities mainly relate to small-scale infrastructure investments where risks are site-specific and temporary, relating to waste and pollution during construction-related activities (new construction and rehabilitation) which can be managed using available best practice methods. Risks related to operation-stage activities, e.g. waste generated from garment and dairy production; medical waste and e-waste, can be identified and managed using site-specific environmental and social management plans (ESMPs). In order to avoid any potential impact from activities in greenfield, biodiversity management and cultural heritage are triggered at the appraisal stage of the project. Sub-projects that may cause known significant impact on biodiversity, natural habitats and cultural heritage will not be financed and are added into an exclusion list. The project will ensure that the preparation and implementation stages are in line with the best practices, including environmental health and safety (EHS) guidelines, traffic safety, waste management, pollution prevention and resource efficiency. 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 design. Towards addressing the risks, ARIS prepared the draft Environmental and Social Management Framework (ESMF), which will provide preliminary assessment of the relevant risks, as well as mitigation measures, implementation and monitoring arrangements. The ESMF addresses the implementation arrangements of the contingent emergency response component (CERC), in case it gets triggered. In addition to the ESMF, the drafts of Stakeholder Engagement Plan (SEP), Resettlement Policy Framework (RPF) and Labor Management Procedures (LMP) have been prepared, disclosed, and consulted upon with stakeholders prior to appraisal. The SEP will be finalized and disclosed prior to completion of 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. According to the ESCP, the ESMF, RPF and LMP will be completed and adopted prior to the Board approval. Site-specific ESMPs will be adopted before the commencement of the bidding process for the respective subproject that requires the adoption of such ESMP.

E. Implementation

Institutional and Implementation Arrangements

28. **Implementing Agency.** The Community Development and Investment Agency (ARIS) will be the Implementing Agency for the project, responsible for day-to-day project management, monitoring and reporting, procurement and financial management functions, and implementation of environmental and social standards.

29. **Implementation and coordination of national level activities.** To ensure coordination and flow of information, awareness of policy revisions and timely decision making on strategic and programmatic aspects at the highest level, the project will establish the Project Coordination Committee (PCC), formed with the participation of the Deputy Minister or director-level representatives from various relevant line ministries and government agencies (Ministry of Finance, the Ministry of Economy and Commerce, the State Agency for Public Service and Local Self-Governance under the Cabinet of Ministers of the Kyrgyz Republic, the Union of Local Self-Government and ARIS). The chair of the PCC will be selected during its first meeting of the PCC. The role, functions, and regulations for the work of PCC will be further described in the POM.



30. **Implementation of local level activities.** Local-level activities under Components 1 and 2 will be implemented by LSGs with the support of ARIS field staff. LSGs (Aiyi Okmotu and Aiyi Kenesh) will be responsible for conducting community mobilization, including decision making on project investments, local development planning and implementation of SEDP, awareness building on climate change adaptation and mitigation measures and capacity building activities. Detailed roles and responsibilities of LSG will be described in the POM. Community members will be engaged throughout the development cycle: awareness building on the project, needs assessment, decision making on the priorities, monitoring that the community identified priorities are included to the SEDP and community oversight of SEDP implementation. Community members will play a critical role in the project activities as well as in local development processes implementing by the LSG. ARIS will field number of community development support officers (50% women), whose job it will be to support youth facilitators in community mobilization roles, build the capacity of working group, liaise with local authorities, support all social mobilization and capacity building activities, including agreed M&E activities. Community development support officers will be managed by two qualified national community mobilization specialists; their role will be to empower community representatives and structures.

31. **Key community actors** will play active roles and drive participatory approaches:

- **Working Group:** The LSGs will establish and authorize working groups for developing/updating the LSG’s socio-economic development plans through participatory approach. To represent each target community at the AA level, a dedicated Working Group at the AA level will be established, as per the local legislation requirement. The Working Group will represent and be accountable to the communities they represent. The deputy head of the AO will be an active member of the Working Group in his/her respective AA, along with nominated representatives (50 percent women, 50 percent youth) from the community. The Working Group will include external experts, NGO representatives, deputies of the local Kenesh, local entrepreneurs, and representatives of public organizations advocating for vulnerable groups, including persons with disabilities. The Working Group will carry out consultations, coordination, financial management, and procurement functions. They will ensure that community priorities are taken forward, liaise with ARIS and, depending on capability, manage sub-grants for their villages.
- **Youth facilitators** will organize and mobilize community members (including the poor and vulnerable) to undertake participatory planning for Social Economic Development Plan, assess and prioritize infrastructure needs, make decisions regarding infrastructure investments, engage in local development processes (budget hearings, focus group discussions) and social accountability activities, monitor the construction and O&M of project infrastructure. Community volunteers from each village elected by their communities, will also monitor the process of decision-making and implementation within the project and promote social accountability.
- **Climate Change Ambassadors** are community volunteers who lead public awareness activities on promoting climate change mitigation and adaptation measures in their communities. Climate Change Ambassadors will be appointed and trained to become community focal points for climate change (to conduct climate mitigation and adaptation awareness raising campaigns, provide information on relevant technologies, promote behavior change in the community). The POM will describe the roles and responsibilities of village climate change ambassadors.

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Approved By

Practice Manager/Manager:		
Country Director:	Naveed Hassan Naqvi	15-Mar-2024