

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA16235**

**Date ISDS Prepared/Updated:** 03-Dec-2015

**Date ISDS Approved/Disclosed:** 09-Nov-2015

**I. BASIC INFORMATION**

**1. Basic Project Data**

|  |   |                              |                              |
|--|---|------------------------------|------------------------------|
| <b>Country:</b>  | Kyrgyz Republic   | <b>Project ID:</b>           | P151416                      |
| <b>Project Name:</b>   | Urban Development Project (P151416)   |                              |                              |
| <b>Task Team Leader(s):</b>  | Kremena M. Ionkova, Paula Restrepo Cadavid  |                              |                              |
| <b>Estimated Appraisal Date:</b>   | 01-Dec-2015   | <b>Estimated Board Date:</b> | 15-Mar-2016                  |
| <b>Managing Unit:</b>  | GSU09   | <b>Lending Instrument:</b>   | Investment Project Financing |
| <b>Sector(s):</b>  | Sub-national government administration (20%), Public administration- Other social services (30%), Solid waste management (20%), General water, sanitation and flood protection sector (30%) |                              |                              |
| <b>Theme(s):</b>   | Other public sector governance (10%), Urban planning and housing policy (10%), City-wide Infrastructure and Service Delivery (80%)  |                              |                              |
| <b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b> |   |                              | No                           |
| <b>Financing (In USD Million)</b>  |   |                              |                              |
| Total Project Cost:  | 14.40   | Total Bank Financing:        | 12.00                        |
| Financing Gap:   | 0.00  |                              |                              |
| <b>Financing Source</b>  |   |                              | <b>Amount</b>                |
| BORROWER/RECIPIENT   |   |                              | 2.40                         |
| International Development Association (IDA)  |   |                              | 6.60                         |
| IDA Grant  |   |                              | 5.40                         |
| Total  |   |                              | 14.40                        |
| <b>Environmental Category:</b>   | B - Partial Assessment  |                              |                              |
| <b>Is this a Repeater project?</b>   | No  |                              |                              |

**2. Project Development Objective(s)**

The PDO of the project is to improve the quality of municipal services and pilot energy efficiency

and seismic resilience retrofits of urban infrastructure in participating towns.

### 3. Project Description

The Proposed project will consist of the following components:

Component A: Urban Development. This component will finance activities aimed at improving service provision in participating towns. Participating towns are selected and prioritized based on their (i) municipal service access gaps; (ii) population and population growth; (iii) geographical distribution; (iv) level of poverty; and (v) existing donors' involvement in the sector. This component is composed of the following sub-components:

Sub-component A1: Municipal Services. This sub-component will finance activities for the upgrading and/or expansion of municipal infrastructure in the areas of water supply, solid waste management, and street lighting. Specific activities identified during preparation include activities aimed at improving water supply (Kerben, Sulukta), switching to more energy-efficient street lighting options (Toktogul and Baluckchy), and improving solid waste collection service in most participating towns. Feasibility Studies for water supply activities in Kerben and Sulukta and street lighting rehabilitation in Toktogul and Baluckchy are underway and detailed designs are expected to be developed prior to project effectiveness.

Sub-component A2: Safe and Energy Efficient Social Infrastructure Pilot. This sub-component will focus on improving the seismic safety and energy efficiency of social infrastructure. Activities will include retrofitting of school buildings to improve their energy performance, increase comfort levels and strengthen their seismic resistance. Since energy efficiency improvements and seismic rehabilitation of social infrastructure have not yet been carried out in the Kyrgyz Republic, this sub-component is designed to demonstrate the benefits associated with energy efficiency improvements (e.g., energy savings, social co-benefits); build market capacity for preparation and implementation of energy efficiency improvements and seismic rehabilitation of public buildings; enhance awareness of such activities; and establish institutional capacity in participating towns to incorporate energy efficiency as part of their investment planning. The pilot buildings have been selected based on agreed criteria. Pre-feasibility studies are being conducted in these buildings to identify the most viable energy efficiency measures. Economic and financial analysis of identified activities have been conducted to assure that benefits streams outweigh project costs. A feasibility study analyzing options for seismic retrofitting and detailed designs is expected to be completed prior to the project's effectiveness.

Component B: Institutional Strengthening. This component will support the Government's broad-based urban policy reform agenda at the national level with specific interventions at the local level aimed at strengthening service provision capacity in participating towns. At the national level, the project will support the Government's broad-based urban policy with a focus on existing urban planning practices and the development of a roadmap to improve urban and spatial development in the Kyrgyz Republic. Institutional strengthening activities at the national level will be complemented by a separate grant-funded activity through GFDRR which aims at strengthening disaster resilience through urban planning and also by a grant-funded program by the Korean Green Growth Trust Fund which provides technical assistance to move towards a greener urban development of cities in the country.

At the local level, activities will include: (i) development of Performance Improvement Plans for utilities in participating towns; (ii) targeted technical assistance and training for the institutional strengthening of participating towns to improve the quality and efficiency of services provision and promote satisfactory operation and maintenance of existing assets and project activities (in water supply, solid waste, and energy efficiency of municipal infrastructure) and support participating

towns to build municipal dialogues to address local needs; (iii) the procurement and installation of financial management and planning tools (i.e., automated customer registers, billing and collection) to improve the managerial and revenue generation capacity of participating towns; and (iv) development of energy savings action plans in participating towns building upon the urban energy efficiency assessment undertaken with the Tool for Rapid Assessment of City Energy (TRACE) during project preparation. Institutional strengthening activities at the local level will be complemented by a separate grant funded by ESMAP to strengthen the local capacity to plan and implement energy efficiency activities. The latter includes training for local service providers on how to conduct energy audits and for design and construction companies on the design and implementation of energy-efficient retrofits.

Note: the Performance Improvement Plans will outline a series of targets in the short and medium term to improve water utilities' performance and will include specific actions needed to reduce water losses, improve quality of services, increase overall operational efficiency cost-recovery.

Component C: Implementation Support (USD 0.9 million). This component will support implementation of the project including: (i) contracting of local experts to assist the implementation unit and participating towns in the implementation of the project activities, (ii) the maintenance of the Monitoring and Evaluation System (M&E), created under the BOUIP project, to continuously monitor and evaluate the performance and results of the project; (iii) the project-related operating costs of the implementing unit including consulting fees and in-country travel expenditures; (iv) project operating costs including contributions towards the cost of backstopping assistance by ARIS staff (the so-called administrative pool of ARIS); and (v) an annual audit of project accounts.

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

The project is nationwide in scope but the physical investments will be undertaken in four towns – Sulukta, Kerben, Baluckchy, Toktogul. All these will be implemented on public land and within existing rights of way.

The proposed UDP is expected to contribute to Climate Change mitigation through the safe and Energy Efficient Social Infrastructure sub-component A2. This subcomponent is expected to yield energy savings and contribute to the reduction of GHG emissions through the implementation of a pilot to improve the Energy Efficiency of municipal infrastructure. Institutional strengthening activities at the national level will be complemented by a separate grant-funded activity through GFDRR which aims at strengthening disaster resilience through urban planning and also by a grant-funded program by the Korean Green Growth Trust Fund which provides technical assistance to move towards a greener urban development of cities in the country. Finally, when feasible, investment activity will be screened to identify potential climate change and disaster risks and integrate appropriate resilience measures.

#### **5. Environmental and Social Safeguards Specialists**

Cesar Niculescu (GENDR)

Ekaterina Romanova (GSURR)

| <b>6. Safeguard Policies</b>        | <b>Triggered?</b> | <b>Explanation (Optional)</b>   |
|-------------------------------------|-------------------|---|
| Environmental Assessment OP/BP 4.01 | Yes               | Effective measures have been put in place under the BOUIP to address and closely monitor the safeguards |

|  |     |   |
|--|-----|---|
|  |     | issues. An Environmental and Social Management Framework (ESMF) was prepared and disclosed prior to appraisal. Each investment to be financed under the project will be reviewed for safeguard risks in line with the OP4.01. For activities where designs are completed prior to appraisal, site-specific Environmental Management Plans (EMPs) will be prepared by ARIS and disclosed also prior to appraisal. In addition, separate Social Assessment (SA) will be carried out by ARIS in the areas with highest conflict stressors and extensive activities under UDP. The Project is expected to have limited negative environmental and social impacts, as physical works will be undertaken to only construct/rehabilitate local facilities. |
| 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  | The environmental screening process will screen for the presence of physical cultural resources. In addition, chance find procedures will be included in all works contracts.   |
| Indigenous Peoples OP/BP 4.10                  | No  | Indigenous Peoples' as per OP 4.10 are not present in the project area.   |
| Involuntary Resettlement OP/BP 4.12            | Yes | Resettlement Policy Framework (RPF) was prepared and disclosed in the WB InfoShop and in-country prior to appraisal. No activity designs, which may result in involuntary resettlement, were completed prior to appraisal, and consequently, no RAPs were prepared at that time. Once activity designs are finalized, and if their implementation may lead to involuntary resettlement, RAPs will be prepared as needed during the UDP implementation   |
| Safety of Dams OP/BP 4.37                      | No  |   |
| Projects on International Waterways OP/BP 7.50 | Yes | The project will support activities that take place on trans-boundary waterways as defined in OP 7.50. (i.e., the basin of the Syr-Darya or other rivers).It is anticipated that investments will not (i) cause appreciable harm to the other riparian as it will not adversely change the quality or quantity of water flows, and (ii) it will not be appreciably harmed by the other riparian possible water use. Further, the project aims to improve efficiency of water use and to substantially reduce municipalities' high water   |

|                                       |    |   |
|---------------------------------------|----|---|
|                                       |    | consumption rates. Exception to the notification requirements of OP 7.50 has been granted because the proposed activities do not attempt to modify waterways nor significantly increase water abstraction volumes, leaving the water rights of other riparian countries unaffected. |
| Projects in Disputed Areas OP/BP 7.60 | No |   |

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

#### 1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The project has no significant and/or irreversible impact. Its only minor impact will be temporary nuisances resulting from construction activities, and may include: (i) increased pollution due to construction waste; (ii) generation of dust, noise, and vibration due to the movement of construction vehicles and machinery; (iii) associated risks due to improper disposal of construction waste and asbestos, or minor operational or accidental spills of fuel and lubricants from the construction machinery; (iv) improper reinstatement of construction sites upon completion of works. All these potential environmental impacts are readily identifiable, small in scale, and minimal in impact and can be effectively prevented, minimized, or mitigated by including into the work contracts specific measures to be taken by contractors under close supervision of compliance by ARIS. Use of construction materials that are hazardous to human health (e.g., asbestos,) will not be permitted. Old mercury bulbs will be collected by a specialized company and recycled/ disposed of according to hazardous waste handling standards.

Since the project supported activities will take place on transboundary waterways (i.e., the basin of the Syr-Darya or other rivers), OP 7.50, will be triggered. However, project interventions are not expected to adversely affect water quality or quantity to downstream riparian states. It is anticipated that activities will not (i) cause appreciable harm to the other riparian states as it will not adversely change the quality or quantity of water flows, and (ii) will not be appreciably harmed by other riparian states possible water use. Exception to the notification requirements of OP 7.50 has been granted because the proposed activities do not attempt to modify waterways nor significantly increase water abstraction volumes, leaving the water rights of other riparian countries unaffected. However, ARIS will maintain dialog with the Bank for additional guidance on any actions as per OP 7.50 that would apply to any activity that could potentially raise this issue.

The project supports a citizen engagement (CE) framework which establishes citizen engagement processes at three levels and includes the following activities: (i) an “information for citizens” campaign; (ii) public meetings and engagement with municipal councils; (iii) enhancing community voice, and (iv) engagement with the association of municipalities of the Kyrgyz Republic. These activities will foster exchange of knowledge and information among different stakeholders about the project objectives, benefits, processes, results and citizen feedback. The project includes a grievance redress mechanism to facilitate feedback and responsiveness. This active engagement with citizens will help ensure the project responds actively to safeguard risks. A conflict filter will be applied. Specifically, ARIS will explain to beneficiaries and the public the benefits from the project; apply clear criteria for the selection of activities; disseminate grievance redress standards and measures; carry out targeted conflict assessments in some geographic areas.

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| <p>In addition, separate Social Assessment (SA) will be carried out by ARIS in the areas with highest conflict stressors and extensive activities under UDP. The SAs will be prepared in addition to EA/EIA. The findings and recommendations of the SAs will be reflected in the site-specific ESMPs.</p> <p>The project has triggered OP/BP 4.12. Resettlement Policy Framework (RPF) was prepared , consulted and disclosed prior to appraisal.</p>   |
| <p><b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b></p>  |
| <p>N.A.</p>  |
| <p><b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b></p>   |
| <p>N.A.</p>  |
| <p><b>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.</b></p>  |
| <p>An Environmental and Social Management Framework (ESMF) for the project consistent with Environmental Assessment (EA) requirements for both the Kyrgyz Republic and the World Bank was prepared by ARIS and reviewed and approved by the Kyrgyz Forestry and Environment Preservation Agency and found satisfactory by the World Bank. The ESMF was disclosed in the country on December 2, 2015, and the English-language version was received by the Bank and sent to the Bank Infoshop on the same day, i.e. December 5, 2015. Similarly, an Resettlement Policy Framework (RPF) that describes the Bank’s resettlement policy, any differences with national laws, the requirements applicable to resettlement, the details valuation procedures, compensation, and a grievance redress mechanism was prepared and disclosed in the country on November 2, 2015, 2015, and on the Bank Infoshop on November 5, 2015. Both, the ESMF and the RPF will be incorporated into the Project Operation Manual.</p> <p>The implementing agency (ARIS) is responsible for project preparation and implementation given its long experience with Bank-financed operations, capacity in following Bank procurement, financial management and safeguard procedures. ARIS has built a positive track record in safeguards monitoring and compliance throughout the implementation of Bishkek and Osh Urban Infrastructure Project (BOUIP) and the earlier Small Towns Infrastructure and Capacity Building Project. ARIS will carry out project implementation in close cooperation with the participating towns and key counterparts and will be responsible for managing the implementation of the project, including the continuous monitoring and evaluation, the control of safeguards compliance, as well as routine communications with the World Bank.</p> |
| <p><b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b></p>   |
| <p>ARIS has carried out public consultations for groups that may be impacted by activities before finalization of EMP. These groups are usually represented by those who live near construction site, as well as by representatives of local NGOs, and other stakeholders. ARIS will conduct at least one public consultation with groups affected by the activity prior to completion of the individual, site-specific EMPs. Usually, these groups consist of people living near the activity site, and any local NGOs. Additionally, if needed, broader consultation will be done involving radio or TV stations.</p> <p>ARIS has carried out public consultations on the RPF to inform potential project-affected people and other stakeholders about potential resettlement due to project activities and to obtain their feedback.</p>  |

**B. Disclosure Requirements**

| <b>Environmental Assessment/Audit/Management Plan/Other</b>   |             |
|---|-------------|
| Date of receipt by the Bank   | 27-Oct-2015 |
| Date of submission to InfoShop  | 05-Nov-2015 |
| For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors  | 00000000    |
| "In country" Disclosure   |             |
| Kyrgyz Republic   | 02-Nov-2015 |
| <i>Comments:</i> ARIS Website   |             |
| <b>Resettlement Action Plan/Framework/Policy Process</b>  |             |
| Date of receipt by the Bank   | 27-Oct-2015 |
| Date of submission to InfoShop  | 05-Nov-2015 |
| "In country" Disclosure   |             |
| Kyrgyz Republic   | 02-Nov-2015 |
| <i>Comments:</i>  |             |
| <b>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.</b> |             |
| <b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>  |             |
|   |             |

**C. Compliance Monitoring Indicators at the Corporate Level**

| <b>OP/BP/GP 4.01 - Environment Assessment</b>  |  |
|--|--|
| Does the project require a stand-alone EA (including EMP) report?  | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]  |
| If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?                                  | Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]  |
| Are the cost and the accountabilities for the EMP incorporated in the credit/loan?   | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]  |
| <b>OP/BP 4.12 - Involuntary Resettlement</b>   |  |
| Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?                                | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]  |
| If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?   | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]  |
| Is physical displacement/relocation expected?  | Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] TBD [ <input checked="" type="checkbox"/> ] |
| Provided estimated number of people to be affected   |  |
| Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods) | Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] TBD [ <input checked="" type="checkbox"/> ] |
| Provided estimated number of people to be affected   |  |

| <b>OP 7.50 - Projects on International Waterways</b>  |   |
|---|---|
| Have the other riparians been notified of the project?  | Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ] |
| If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent? | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| Has the RVP approved such an exception?   | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| <b>The World Bank Policy on Disclosure of Information</b>   |   |
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop?  | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| 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 checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| <b>All Safeguard Policies</b>   |   |
| 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

|                               |  |                   |
|-------------------------------|--|-------------------|
| Task Team Leader(s):          | Name: Kremena M. Ionkova, Paula Restrepo Cadavid |                   |
| <b>Approved By</b>            |  |                   |
| Practice Manager/<br>Manager: | Name: David N. Sislen (PMGR)                     | Date: 03-Dec-2015 |