



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 08-Jul-2019 | Report No: PIDISDSA25792



BASIC INFORMATION

A. Basic Project Data

Country Kyrgyz Republic	Project ID P165983	Project Name National Water Resources Management Project Additional Financing	Parent Project ID (if any) P144336
Parent Project Name NATIONAL WATER RESOURCES MANAGEMENT PROJECT - PHASE 1	Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 02-Jul-2019	Estimated Board Date 13-Aug-2019
Practice Area (Lead) Water	Financing Instrument Investment Project Financing	Borrower(s) KYRGYZ REPUBLIC	Implementing Agency Department of Water Resources and Land Improvement

Proposed Development Objective(s) Parent

The project development objective of the NWRMP-1 is to improve water resources management capability and irrigation service delivery for the benefit of water users.

Proposed Development Objective(s) Additional Financing

The project development objective of the NWRMP is to improve water resources management capability and irrigation service delivery for the benefit of water users.

Components

Strengthening National Water Resource Management Capacity

Project Management
Irrigation and Drainage Management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	4.49
Total Financing	4.49
of which IBRD/IDA	0.00
Financing Gap	0.00



DETAILS

Non-World Bank Group Financing

Trust Funds	4.49
Free-standing TF for ECA	4.49

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. With an estimated per capita Gross National Income of US\$ 1,220 in 2018, the Kyrgyz Republic is one of the poorest economies in the Europe and Central Asia region. A large share of the population is clustered just above the poverty line, remaining extremely vulnerable to economic shocks. In 2014, about 31 percent of the population lived below the poverty line, while 1.2 percent lived in extreme poverty. The incidence of poverty in rural areas (around 40 percent) was higher than in urban areas (around 28 percent). Poverty varies significantly amongst the regions. The Kyrgyz Republic is geographically divided into the north and south. The three southern Oblasts (regions) in the Fergana Valley (Batken, Jalalabad and Osh) have a distinct regional identity vis-à-vis the north (Chui, Issyk Kul, Naryn and Talas). The southern region is characterized by smaller land holdings, lower per capita income, higher unemployment, lower human development indices and more limited access to services.

Sectoral and Institutional Context

2. The Kyrgyz Republic has over 3,500 rivers and streams that flow from the mountains to the plains of Central Asia, sustain a unique ecosystem. Thanks to a network of water infrastructure, the country can use this water to provide hydropower, drinking water and irrigation to communities, farmers, businesses, and the downstream neighbor countries. Water resources are however under threat, both from natural and man-made causes. Climate change is projected to change rainfall patterns, and the natural seasonal storage of water provided by snow cover and glaciers will decrease, which will have a significant impact on the timely availability of water to the population. Furthermore, the temperature is expected to increase, which will not only contribute to glacial melt, but also decrease river flows and runoff. All these factors together will entail additional water stress for agriculture and decreased water for irrigation



and other uses such as hydropower; and higher risk of floods and mudslides.¹ The water, irrigation and drainage infrastructure in the country suffers from a backlog in maintenance, since financing for the water sector is simply not enough to maintain the rich heritage of infrastructure, let alone to develop new infrastructure. This backlog in maintenance leads to lower service levels to farmers, communities and the industrial sector, who depend for their livelihoods and a reliable business environment on a secure water supply. Especially the rural and poor population is affected, having the highest demand for reliable water management. Therefore, financing to the sector needs to be increased, while the fiscal space remains limited.

3. Providing water security to the population and businesses in the Kyrgyz Republic is of vital importance and a key condition for poverty reduction and economic growth. This presents a significant challenge requiring cooperation at the highest levels of the government and with other stakeholders in the sector. The 2005 Water Code (the Code) is the key instrument of the government for effective water resource management, and water rights permits and fees noted in the Code provide an option to the government to generate funds for water resources management and water infrastructure. So far, such a permit and fee system has only been partially implemented for groundwater abstraction and wastewater discharges, but not for surface water use. The Code also provides options for improved financing of irrigation and drainage, through variable irrigation service fees set for each system. At the level of the on-farm irrigation and drainage (I&D) systems, the Water Users Associations (WUAs) responsible for management, operation and maintenance (MOM) of the on-farm systems, have used this opportunity over the last several years to significantly increase their financing of MOM by on average 250%. Similar progress at the off-farm level, managed by the Department of Water Resources and Land Improvement (DWRLI²), has been lacking and remains a significant challenge.

4. The NWRMP is part of a broader World Bank-financed and administered portfolio in the water resources and the irrigation and drainage sectors, that started in the 90s, and which supports the Kyrgyz Republic with investments both in infrastructure and institutional development. The Irrigation Rehabilitation Project (1998-2005) rehabilitated off-farm irrigation infrastructure serving roughly 270,000 ha as well as four dams commanding over 400,000 ha. The Second On-Farm Irrigation Project and its Additional Financing (OIP-2 and AF, closed 2016) and the Agriculture Productivity and Nutrition Improvement Project (APNIP, ongoing), followed on from the first OIP (OIP-1, 2003-2008) to support the formation and institutionalization of WUAs and (later) Federations of WUAs (F-WUAs) and to rehabilitate on-farm I&D systems of well-performing WUAs.

5. Starting 2013, a key pillar of this support to improved service levels and sustainability, is the Swiss Agency for Development and Cooperation (SDC) - funded, Bank-administered National Water Resources Management Project (NWRMP), with the Project Development Objective (PDO) to improve water resources management capability and irrigation service delivery for the benefit of water users. The NWRMP-Phase 1 was approved by the Regional Vice-President for Europe and Central Asia in April 2014 and became effective on April 29, 2015, with an original closing date of June 30, 2017. As result of, mostly, effectiveness delays and delays in the reform of the water sector, the project completion date was extended to August 31, 2019, to allow the project to meet its PDO and to enable disbursement of the remaining funds. The NWRMP is implemented by the DWRLI through its Project Implementation Unit (PIU).

6. The key focus of the NWRMP is to support the government with implementation of the Roadmap for the

¹ Source: USAID. 2018. "[Climate Risk Profile Kyrgyz Republic](#)." Fact Sheet. Annual average temperature is expected to increase by around 2°C by 2060, with a range of around 2.0°C to 5.5°C by 2085. While the duration of dry spells is likely to increase slightly, rising about two days by 2085, heavy rains are projected to increase in both intensity (six percent to 17 percent) and frequency (16 percent and 17 percent) in the same period.

² The wording "Land Improvement" reflects the Russian word "Амелиорация", which also includes drainage.



implementation of 2005 Water Code. This Roadmap was prepared and endorsed by the National Water Council (NWC)³ in 2013, in order to have a concrete plan to implement the Code, since little progress had been made over the period 2008-2013. The NWRMP was conceived and approved as a series of two projects earmarked for funding by SDC with US\$7.75 million allocated to the NWRMP-Phase 1 and with a somewhat lower amount being earmarked for NWRMP-Phase 2, in order to maintain support and leverage on the development of the water sector and implementation of the Roadmap over a sustained period.

C. Proposed Development Objective(s)

Original PDO

The project development objective of the NWRMP-1 is to improve water resources management capability and irrigation service delivery for the benefit of water users.

Current PDO

The project development objective of the NWRMP is to improve water resources management capability and irrigation service delivery for the benefit of water users.

Key Results

- Department of Water Resource Management formally established under the State Agency for Water Resources and Land Improvement (SAWRLI), gradually financed through the water use fee.
- Basin Water Resources Management offices and River Basin Councils formally established and operational.
- Number of Irrigation Service Contracts with MOM plans, irrigation service level and ISF agreed between Dep ILI and WUAs.
- Irrigation and Drainage Management (IDM) division adopting revised procedures for Management, Operation and Maintenance (MOM).
- Percentage of Water Users Associations (WUAs) supplied with adequate volumes of water by IDM division.
- Percentage of WUAs providing satisfactory services, as measured by the percentage of water users responding in surveys that they are satisfied with services provided by the WUA.
- Area provided with improved irrigation and drainage services (ha).
- Number of direct project beneficiaries (percentage of which female beneficiaries)

D. Project Description

7. The NWRMP-1 has four components: (i) Strengthening national water management capacity; (ii) Improving irrigation service delivery to Water Users Associations; (iii) Improving irrigation management by Water Users Associations; and (iv) Project management. The project is financed by SDC through a Recipient-Executed Trust Fund

³ The NWC itself is established by the government, and chaired by the Prime Minister, with the main mandate to coordinate the activities of all state bodies concerning the management of water resources, to prepare a National Water Strategy and to propose draft laws, amendments and regulations pertaining to water resources for consideration by the government.



(RETF) administered by the World Bank.

8. Under the AF, there is a stronger focus on water sector management and river basin management under Component 1, Strengthening national water resource management capacity, with additional activities. Component 2 (Improving irrigation service delivery to WUAs) and Component 3 (Improving irrigation management by WUAs) have been substantially completed per June 30, 2019, and additional activities emphasize an integrated irrigation system approach, in the new Component 5, Irrigation and Drainage Management. Component 4, Project Management, remains unchanged. The following activities will be conducted under Component 1, Component 4 and Component 5:

- a. [REVISED] Component 1 – Strengthening National Water Resource Management Capacity (US\$ 2.53 million). The AF will finance technical assistance, goods and incremental operational costs (excluding salaries) to establish water resources management capacity at the national level (sub-component 1.1) and the river basin level (sub-component 1.2).

Under *sub-component 1.1 (national level WRM)*, the AF will finance technical assistance to establish the institutional structure for national water resources management, including the SAWRLI and a separate Department of Water Resources Management (DepWRM), with the capacity to monitor and manage water resources through the water permitting and fee system, and through the Water Information System as a management tool.

Under *sub-component 1.2 (river basin WRM)*, the AF will finance technical assistance to establish institutional capacity at the river basin level, namely the BWRM offices, and the RBCs for stakeholder participation, and prepare comprehensive RBMPs of all five river basins, expanding on the preliminary RBMPs developed under Phase 1. The RBMPs will include climate change projections and adaptation measures, as well as a program of actions and investment plan for river basin management. These RBMPs will serve as the basis for the National Water Strategy and water investment plan, as well as National- and Basin monitoring plans for crucial water resources.

- b. [UNCHANGED] Component 4 - Project Management (US\$ 0.37 million) continues to finance the Project Implementation Unit (PIU) established under the DWRLI and the core project management activities, and possibly PIU staff seconded to partner water management organizations (e.g. the State Agency for Environmental Protection and Forestry, State Committee of Industry, Energy and Subsoil Use, and the State Inspectorate for Environmental and Technical Safety).
- c. [NEW] Component 5 - Irrigation and Drainage System Management (US\$ 1.59 million). The AF will finance technical assistance, goods and incremental operational costs (excluding salaries) to improve the financing of the MOM of both main canal/off-farm systems, managed by the DWRLI (or the Department of Irrigation and Land Improvement under the SAWRLI), and on-farm systems managed by WUAs. It will expand on the approach tested under Phase 1 for six pilot projects, to improve the governance structure along main canal systems through local Water Management Councils, consisting of provincial and district irrigation offices, WUAs and other stakeholders, that will prepare joint multi-year MOM and asset management plans. The AF will also finance the preparation of an Irrigation and Land Improvement Sector Policy, including strategy for irrigation management decentralization and transfer, and Irrigation and Land Improvement Investment Plan, and will facilitate the transfer of systems to the management of Federations of WUAs.



E. Implementation

Institutional and Implementation Arrangements

9. The proposed AF will retain the same implementation arrangements. The DWRLI, currently under the Ministry of Agriculture and Land Improvement (MOALI), and its PIU will be responsible for implementation of the AF. Implementation arrangements under the NWRMP-1 are considered satisfactory. DWRLI has gained significant implementation and management skills and practical experience in project implementation through ongoing NWRMP-1 and APNIP and previous OIP projects. The PIU reports directly to the DWRLI Director General and has direct responsibility for project management, administration and coordination of NWRMP and APNIP. The PIU is staffed with a director, deputy director, coordinators of Components 1 and 5, procurement, FM, and administrative staff. The PIU will oversee and support implementation of the Roadmap and be responsible for procurement of consultancy services for technical assistance and goods under Components 1 and 5.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project includes technical assistance activities which will be implemented nationwide, covering all river basins, government-run off-farm irrigation systems and WUAs, with localized initiatives to test and develop specific processes and procedures.

G. Environmental and Social Safeguards Specialists on the Team

John Bryant Collier, Environmental Specialist
Kristine Schwebach, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The NWRMP AF is classified as Category “B”, triggering the WB safeguard policy for environmental assessment. The Project triggers OP/BP 4.01 because the potential environmental impacts resulting from the river basin planning and the preparation of the National Water Strategy could have an impact on the environment. by additional data collection and analysis, the NWRMP focuses on improving existing work processes based on the



available data and knowledge, to be followed her capacity building. Although any potential environmental impacts from the technical assistance financed by the NWRMP are expected to be positive rather than negative, the project will use appropriate screening procedures to review relevant activities before they are executed. These procedures are identified in the Environmental Management Framework (EMF), which was prepared for the parent project and will also apply to the AF. The EMF was redisclosed prior to appraisal of the AF. The EMF specifies that Terms of Reference for technical assistance and project outputs like river basin plans and the National Water Strategy will be in line with World Bank Safeguard policies, the environmental paragraphs in the Water Code and relevant legislation in the Kyrgyz Republic. In addition, the EMF specifies that the project will provide technical assistance on methodologies to incorporate environmental protection aspects in river basin planning and will engage in a discussion with government on clarifying the relevant environmental aspects and objectives of the Water Code.

Performance Standards for Private Sector Activities OP/BP 4.03	No	NA
Natural Habitats OP/BP 4.04	No	NA
Forests OP/BP 4.36	No	NA
Pest Management OP 4.09	No	NA
Physical Cultural Resources OP/BP 4.11	No	NA
Indigenous Peoples OP/BP 4.10	No	NA
Involuntary Resettlement OP/BP 4.12	No	NA
Safety of Dams OP/BP 4.37	No	NA
Projects on International Waterways OP/BP 7.50	Yes	The policy is applicable to this AF because the activities involve studies related to potential future use of rivers and tributaries of the Chu-Talas and Syr Darya River system which are shared between the Kyrgyz Republic, Kazakhstan, Tajikistan, and Uzbekistan. In line with paragraph 7(b) of the policy, exception to the Riparian Notification Requirements was granted, since the AF finances studies only.
Projects in Disputed Areas OP/BP 7.60	No	NA



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 potential environmental impacts resulting from the technical assistance activities (e.g. for the preparation of the National Water Strategy, institutional strengthening, basin planning, update of the procedures for management, operation and maintenance and irrigation service delivery, etc.) in the NWRMP-1 and AF trigger Environmental Assessment (OP 4.01). Potential impacts are anticipated to be positive rather than negative in nature and any potential adverse impacts will be prevented or reduced through appropriate screening procedures and technical assistance.

The project has been classified as Category 'B' for the purposes of OP 4.01 on Environmental Assessment because the potential environmental impacts resulting from the river basin planning and the preparation of the National Water Strategy trigger this safeguard policy, as eventually these plans can have an impact on the environment. The NWRMP focuses on improving existing work processes based on the available data and knowledge, to be followed by additional data collection and analysis, and further capacity building. Although any potential environmental impacts from the technical assistance financed by the NWRMP are expected to be positive rather than negative, the project will continue to use appropriate screening procedures to review relevant activities before they are executed. These procedures are identified in the Environmental Management Framework (EMF), which has been re-disclosed prior to appraisal. The EMF specifies that Terms of Reference for technical assistance and project outputs like river basin plans and the National Water Strategy will be in line with World Bank Safeguard policies, the environmental paragraphs in the Water Code and relevant legislation in the Kyrgyz Republic. In addition, the EMF specifies that the project will provide technical assistance on methodologies to incorporate environmental protection aspects in river basin planning and will engage in a discussion with government on clarifying the relevant environmental aspects and objectives of the Water Code. Under NWRMP-1, an international environmental expert has worked with the national environmental expert to incorporate these considerations in the river basin planning methodology, and the revised Roadmap includes a section on environmental protection.

To date, under the PIU's leadership, the parent project (P144336) continues to be implemented satisfactorily from an environmental safeguards perspective. The PIU, which was established within the Department of Water Resources and Land Improvement (DWRLI) in collaboration with the local authorities and the responsible Kyrgyz authorities, is performing the necessary monitoring and reporting on environmental safeguards and has also ensured contractors and local communities are engaged in the process. The PIU will ensure that this additional financing follows the same procedures in accordance with the Bank's Safeguard Policies.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

N/A

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N/A



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.

The Environmental Management Framework (EMF) has been prepared for the NWRMP-1 and will apply to this AF. The project supports implementation of the key principles of water resource management – including environmental and social sustainability - enunciated in the Water Code of the Kyrgyz Republic. The EMF is intended to ensure that the project and proposed AF incorporate sound environmental management principles and practices and thus complies with the environmental policies and laws of the Government of the Kyrgyz Republic (GOKR), as well as with WB environmental safeguard policies. The EMF has established a process to implement key principles of environmental sustainability in water resource management, identify and assess potential environmental and social impacts and incorporate measures that ensure compliance with both GOKR and IDA safeguards and maximize environmental benefits. Specifically, under the NWRMP-1 and proposed AF, financed basin plans, protection of aquatic ecosystems remain an objective.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key stakeholders of the project and proposed AF are the Government of Kyrgyz Republic, the Department of Water Resources and Land Improvement (future State Agency for Water Resources and Land Improvement), the State Agency for Environmental Protection and Forestry, Water Users Associations and other water users in the river basins. As the activities to be implemented under the AF have the same nature as under the NWRMP-1, the current EMF, disclosed on September 13, 2013, is applicable to the AF and has been redisclosed under the AF as well.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
30-Jul-2013	07-Jun-2019	

"In country" Disclosure

Kyrgyz Republic
28-Jun-2019

Comments

As the activities to be implemented under the AF have the same nature as under the NWRMP-1, the current EMF, disclosed on September 13, 2013, is applicable to the AF and was redisclosed under the AF on the project website (<https://nwrmp.water.gov.kg>) on June 28, 2019.

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:



C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP 7.50 - Projects on International Waterways

Have the other riparians been notified of the project?

No

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

Has the RVP approved such an exception?

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

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



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

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