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Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 30-Sep-2017 | Report No: PIDISDSC21616



BASIC INFORMATION

A. Basic Project Data

Country Kyrgyz Republic	Project ID P163592	Parent Project ID (if any)	Project Name CASA-1000 Community Support Program - Kyrgyz Republic (P163592)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date Nov 21, 2017	Estimated Board Date Jan 31, 2018	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Community Development and Investments Agency (ARIS)	Implementing Agency Community Development and Investment Agency	

Proposed Development Objective(s)

To engage communities in the development of social and economic infrastructure in order to enhance services, livelihoods and inclusion in target villages near the CASA-1000 transmission line.

Financing (in USD Million)

Financing Source	Amount
Community and Capacity Development Support Program	2.00
International Development Association (IDA)	5.00
IDA Grant	5.00
Total Project Cost	12.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)



B. Introduction and Context

Country Context

1. The Kyrgyz Republic is a landlocked, mountainous country in Central Asia with a multi-ethnic population of about 6 million. Despite inheriting well-developed infrastructure, the country has suffered significant declines in living standards since the break-up of the Soviet Union as a result of disruption in established trade and broader relations with other Soviet Republics. It is prone to exogenous geographic and economic shocks, and has suffered significant social strife over the last decade. While there has been a significant decline in poverty rates (from 40% of the population living below the national poverty line in 2006 to 30% in 2014), the Kyrgyz Republic remains one of the poorest economies in the Europe and Central Asia region, with a GNI per capita of US\$1,170 in 2015 (Atlas methodology).
2. Almost two-thirds of the Kyrgyz population lives in isolated, rural and mountainous areas. Traditional providers of social and economic services, the collective or state enterprises, no longer exist. The disappearance of these structures left significant voids in the provision and maintenance of basic services and infrastructure. Access to basic services and infrastructure in rural areas is therefore limited – although improvement of living conditions has responded to significant donor investments, progress has been hampered by frequent changes in Government, a region-wide economic slowdown and currency depreciations.
3. The country has experienced a number of conflicts since independence, and faces a broad array of interlinked conflict triggers, be they social, ethnic, economic, demographic, political, institutional and environmental. Managing the political and fragile economic transition, maintaining security and peace with neighboring countries, and managing the nexus between governance and other social challenges in border regions in the South will be important to peace and stability in the country. Kyrgyz Republic has seen many largely smooth transitions in leadership and the Presidential elections in October 2017 will be important for peace and stability in the country and the wider region in coming years.

Sectoral and Institutional Context

4. The Kyrgyz Republic has abundant hydropower which would cater for over 90 percent of domestic energy needs, but there is an imbalance relative to demand that is yet to be resolved – surplus power and wastage in summer and perennial power shortages in winter. Moreover, this seasonality of electricity supply combined with low tariffs and under-maintenance of energy assets causes severe economic disruption, bringing with it negative effects on productivity and the welfare of the population. With support from ADB, the European Bank for Reconstruction and Development (EBRD) and other development partners, the Kyrgyz Republic committed specific investment in the rehabilitation of several aging hydropower plants, and the construction of an additional plant.
5. Export of the country's relatively low cost, clean surplus summer electricity would help the Kyrgyz republic government to generate the revenues needed to bolster budgets available to finance fuel resources for winter energy needs, promote energy efficiency programs and thus deal more effectively with their winter energy crises in the medium to long term. As early as 2006, the Central Asian countries of Kyrgyz Republic and Tajikistan



and the South Asian countries of Afghanistan and Pakistan signed an MOU that would lay the ground work for a regional electricity market – the Central Asia South Asia Regional Electricity Market (CASAREM) – to connect the surplus electricity resources of Central Asia with the unmet demand for electricity in South Asia. The first phase of CASAREM is to establish the necessary transmission and trading infrastructure systems to enable a trade of roughly 1,300 megawatts (MW) of electricity between Central Asia and South Asia. In May 2016, the CASA1000 Power Project was inaugurated in Dushanbe by the leaders of the 4 countries.

6. The Kyrgyz portion of CASA1000 is a 450 km AC transmission line that will extend from the Datka substation (Jalal Abad region) to the border, with an additional 25km on the Tajik side, reaching the Khudjand substation. The line will follow the borders of Uzbekistan, passing through areas that are economically weak and isolated, and where some ethnic tensions arise. The total cost of the CASA1000 project is currently estimated at US\$1.7 billion. The Kyrgyz share will be financed by a World Bank grant directly to the Implementing Agency in charge of the Kyrgyz portion of the project, and is estimated at US\$200 million.

7. Foremost among the risks of the CASA1000 project in the Kyrgyz Republic (and the other countries a party to this arrangement) is the security risk of construction, passing by communities suffering from a lack of basic services, including inter alia, intermittent electricity during the long winter months. To mitigate against the safety and security risks on a project which aims to export electricity out of the Kyrgyz Republic to South Asia, to enhance the ownership of communities along the transmission line, and simultaneously seize the opportunity for enhancing the development of these communities (including access to year round electricity), a CASA1000 Community Support Program (CASA1000-CSP) was agreed by Development Partners. The CASA1000-CSP will be implemented in each of the four countries. Specifically, the CSPs will be predicated on a community driven approach to ensure local investments are tailored to community needs and enjoy broad support. In addition, the CSPs will be the mechanism through which to deliver a benefits-sharing mechanism that has been agreed among the four governments and would provide support through a portion of project revenues from each unit of energy exported/imported during the commercial phase of CASA-1000.

8. The Kyrgyz Republic has a well-established vehicle for community development projects. The Bank has been significantly involved in this effort primarily, but not only, through the Village Investment Project, now in its third phase (VIP3). Implemented through a Community Development and Investment Agency established for the purpose, VIP3 aims to alleviate rural poverty and empower local communities by implementing small-scale social and infrastructure investments and income-generating community enterprises, while increasing the engagement of communities in the local decision-making process. As part of this and the country's effort to improve governance, the Kyrgyz Republic adopted, in 2008, an amendment to the legal framework for local governance, which assigns more political, administrative, and fiscal autonomy to local governments. Local authorities now have increased responsibilities towards local populations, and there are increased opportunities for the local administrations (Ayil Okmatu) to work closely with communities in local development initiatives. VIP3 has been reoriented to respond to the need for local government to take a more central role in development, and for the first time, local governments play a defined role in the decision-making process.

Relationship to CPF

10. The World Bank Country Partnership Strategy (CPS) for the Kyrgyz Republic (2014-2017) is aligned with the Kyrgyz Government's National Sustainable Development Strategy (2013-2017). This project is aligned with both strategies: through the objectives to ensure energy security and developing export potential, to expand access



to local basic services, and to improve the management of natural resources and physical infrastructure for sustainable development.

C. Proposed Development Objective(s)

Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

The proposed Project Development Object (PDO) is to engage communities in the development of social and economic infrastructure in order to enhance services, livelihoods and inclusion in target villages near the CASA-1000 transmission line.

Key Results (From PCN)

% of beneficiaries in target communities who report that investments met their needs.

% of beneficiaries in target communities who report that their engagement in decision making over project investments was effective.

% of beneficiaries in target communities who report enhanced trust in community-based relations and stability as a result of project support.

Number of youth in target areas working in new economic facilities established with project support.

D. Concept Description

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SAFEGUARDS

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

The planned project activities will take place along the AC transmission line (approx. 450 km). The line will follow the borders of Uzbekistan and Tajikistan, passing through regions that are economically weak and isolated, prone to regular ethnic tensions and heated exchange between Kyrgyz and Uzbek border guards (Jalal-Abad, Osh and Batken oblasts). The project includes 3 components.

Component 1: Support for village infrastructure investments in target communities (US\$8.9 million)

Subcomponent 1A: Support for electricity improvements within target villages.

The procedures for implementation of sub-grants under Component 1A will follow a participatory process (planning, decision-making, management and monitoring). The target area for this subcomponent will be the (approximately 37) communities in the Corridor of Impact (COI). While communities will be able to select from a menu of options to improve village electricity, it is likely that the sub-grants will fund : (a) the upgrade or addition of transformers ; (b) replacement or extension of distribution lines and poles; and/or (c) street lighting. The grants may also support: (d) fiber optics for



internet connections, or (e) alternative energy sources (including heating stoves).

Subcomponent 1B: Support for social infrastructure and services in target villages

While it is not known what communities will prioritize until the participatory decision making process is completed and the local development strategy updated, sub-grants for sub-projects may cover new construction, reconstruction, and major rehabilitation works as well as services. It is anticipated that grants will fund kindergartens, school extensions and rehabilitation (often for heating and energy efficiency), road rehabilitation, irrigation rehabilitation, craft centers, first aid points.

Subcomponent 1C: Support for livelihood facilities in selected AAs

The project will also support the construction of a limited number of livelihood facilities or infrastructure (9-10).

Component 2: Support for communications, community mobilization, capacity building, civic engagement for young women and men (US\$2.00 million)

Component 3: Project management, communications, monitoring and evaluation (US\$1.1 million)

B. Borrower’s Institutional Capacity for Safeguard Policies

The implementing agency has prior experience of implementing the Bank-financed projects and demonstrates strong familiarity of and capacity to implement Bank safeguard policies, including in projects with a community driven development approach such as Village Investment Project 3.

C. Environmental and Social Safeguards Specialists on the Team

Ekaterina Romanova, Social Safeguards Specialist
Rustam Arstanov, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	An ESMF will be prepared prior to appraisal. The Project will have limited negative environmental and social impacts, as physical works will be undertaken to only construct/rehabilitate local facilities. The expected temporary environmental impacts and inconvenience to the surrounding areas during construction are limited and typical to small/medium scale construction works, such as generation of dust, noise and vibration; movement of the construction vehicles and machinery; piling of construction materials; and accumulation of demolition/construction waste. Some associated risks include improper disposal of construction waste, asbestos, minor operational or accidental spills of fuel and lubricants from the construction machinery, and



		<p>improper reinstatement of construction sites upon completion of works.</p> <p>A general EMP including the mitigation measures for most type of construction works will be prepared at the project level, and will be followed by derived site-specific EMPs that will be prepared for each sub-project that will be implemented. Very effective measures have been put in place under the Village Investment Project 3, also implemented by this PIU, to address safeguards issues, and they are being applied and closely monitored. They are laid out in detailed Guidelines for Environmental Review of Micro-Projects, which will also be part of the Operational Manual of the project and will be provided to all participating ayil aimaks. Each sub-project will be reviewed for environmental and social risks in line with the OP4.01. Implementation of environmental mitigation and compliance measures in a similar CDD project in KG was carried out by the contractors (construction firms) and monitored by PIU staff (engineers). This practice would be transferred to CASA1000 CSP. Appropriate training on WB safeguards will continue to be provided under the project to local officials and community safeguards volunteers.</p>
Natural Habitats OP/BP 4.04	No	Rehabilitation of the existing village infrastructure will not affect natural habitats
Forests OP/BP 4.36	No	The project will not finance activities related to forests or forestry
Pest Management OP 4.09	No	No purchase, transportation or use of pesticides is expected under the project
Physical Cultural Resources OP/BP 4.11	No	the rehabilitation of the existing village infrastructure will not involve or directly affect physical cultural resources. No chance finds expected.
Indigenous Peoples OP/BP 4.10	No	not applicable to Kyrgyz Republic
Involuntary Resettlement OP/BP 4.12	Yes	An RPF will be prepared prior to Appraisal. The project will finance community-level sub-projects and micro-projects such as electricity infrastructure, construction of kindergartens, youth facilities and rehabilitation of village infrastructure that may require land acquisition. Although investments are primarily expected to take place on publicly available land, some investments may require community land donations. Impacts upon informal users also cannot be ruled out at this stage. The impacts are not known until selected. A framework approach is selected at



		this stage as the infrastructure sub-projects under Component 1 will be determined during the project implementation. The RPF will outline measures to identify and mitigate impacts under OP 4.12, including process for preparation of RAPs, where necessary, and will contain detailed guidelines on how to handle voluntary land donations in line with WB Guidelines for voluntary land donations in CDD projects.
Safety of Dams OP/BP 4.37	No	Minor investments under the project are unlikely to cover dams and are not located downstream of the dams
Projects on International Waterways OP/BP 7.50	No	no activities will be implemented in the vicinity of the international waterways
Projects in Disputed Areas OP/BP 7.60	No	no disputed areas along the CASA 1000 route

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Oct 13, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

safeguards related studies are expected to be completed before October 13th, 2017

CONTACT POINT

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APPROVAL

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