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Kyrgyz Republic Conflict Filter

Enhancing Sensitivity to Conflict Risks in World Bank-funded Activities: Lessons from the Kyrgyz Republic

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Enhancing Sensitivity to Conflict Risks in World Bank-funded Activities:
Lessons from the Kyrgyz Republic

Bishkek- July 2014

Kyrgyz Republic
# TABLE OF CONTENTS

I. BACKGROUND AND OBJECTIVES OF CONFLICT FILTER ....................................... 4
II. METHODOLOGY FOR CONFLICT FILTER ROLLOUT IN FY14 .......................... 5
III. EVOLUTION OF KEY CONFLICT STRESSORS ............................................... 5
IV. CONFLICT FILTER ACTIVITIES IN FY14 ....................................................... 6
V. SELECTED PROJECT EXAMPLES ....................................................................... 7
   THIRD VILLAGE INVESTMENT PROGRAM (VIP3)-(PREPARATION) ................. 8
   ELECTRICITY SUPPLY ACCOUNTABILITY AND RELIABILITY IMPROVEMENT PROJECT-(PREPARATION) ................................................................. 9
   PASTURE AND LIVESTOCK IMPROVEMENT PROJECT-(PREPARATION) .... 10
   CENTRAL ASIA ROAD LINKS (CARS1/CARS 2) AND OTHER FUTURE REGIONAL PROJECTS RELATED TO BORDER AREAS (PREPARATION) ..................... 10
   BISHKEK OSH URBAN INFRASTRUCTURE PROJECT-(IMPLEMENTATION) .......... 12
   ON-FARM IRRIGATION PROJECT (OIP-2)-(IMPLEMENTATION) ...................... 12
VI. LESSONS LEARNED .......................................................................................... 14
VII. GOING FORWARD: RECOMMENDATIONS AND NEXT STEPS .................... 15
I. BACKGROUND AND OBJECTIVES OF THE CONFLICT FILTER

The Kyrgyz Republic is a landlocked mountainous country of 5.5 million and home to several ethnic groups. Since gaining independence in 1991, the Kyrgyz Republic has introduced far-reaching economic and political changes, gaining a reputation as a reformer in Central Asia. Nevertheless, economic stagnation, rising corruption, and inter-ethnic tensions have posed risks to the country’s stability. Opposition protests led to the ouster of the country’s leadership in March 2005 and again in April 2010. The country was also rocked by a large-scale interethnic unrest in the South in June 2010.

Following the revolution and ethnic disturbances in 2010, the World Bank introduced a Conflict Filter for its Kyrgyz Republic operations in 2011 as a screening tool to ensure that Bank projects do not exacerbate conflict risks. The assumption behind the Conflict Filter approach is that providing useful information and guidance about risks in a timely manner and in practical formats can help improve the design of projects to mitigate conflict-related risks and, where possible, strengthen social cohesion.

The objectives of the Conflict Filter were:

- Assisting task teams to be cognizant of the context in which they operate in the Kyrgyz Republic;
- Assisting task teams in identifying and managing the conflict and fragility risks in the World Bank-supported activities;
- Supporting task teams and the client in identifying measures to help strengthen trust, social inclusion and social cohesion in the context of World Bank supported activities and in targeted project areas;
- Assisting task teams and the clients in applying good practices for conflict management and citizen engagement in fragile environments.

The application of the Conflict Filter has evolved over time in three distinct stages: In the first stage, a country-wide conflict analysis was undertaken and a matrix developed. The matrix guides reflection around such themes as geographical scope, beneficiary selection, inclusiveness, communication, and accountability aspects of projects. In the second stage, the Conflict Filter Team applied the Conflict Filter matrix in a comprehensive manner, covering all projects in the portfolio. In the third stage (July 2014-June 2014), the Conflict Filter adopted a more selective and practical approach by focusing primarily on projects under preparation. It also expanded its scope to a few AAA activities.

This note summarizes the application of the Conflict Filter to the Bank’s Kyrgyz Republic portfolio during its third year of implementation. After describing the methodology and process for applying the Conflict Filter in 2014, the note provides a brief update on recent conflict and fragility dynamics in the country. It then provides a summary of the activities with a focus on selected projects where the application of the Conflict Filter influenced project design and implementation. Finally, the note shares some lessons learned to guide future Conflict Filter application in the Kyrgyz Republic and elsewhere.

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1 For more information on the Conflict Filter used in the Kyrgyz Republic portfolio, please contact: Asli Gurkan, Social Development Specialist, World Bank, (agurkan@worldbank.org).
2 See Annex 2 for a sample Conflict Filter matrix.
II. METHODOLOGY FOR CONFLICT FILTER ROLLOUT IN FY14

Feedback from the previous application of the Conflict Filter prompted a number of revisions to the FY14 approach. The new approach has incorporated the following principles:

- **Adopt a streamlined and selective approach.** In FY14, the Conflict Filter Task Team abandoned the approach of trying to target every project in the portfolio. Instead, the Conflict Filter Team focused on those activities, be it projects or AAA, with direct beneficiaries and/or with potential for conflict-related risks and impacts.

- **Focus on the design stage.** The Conflict Filter Team found that its advice was most influential when engaging with task teams at the earliest stages of project or AAA design. Therefore, during FY14, the Conflict Filter Team focused prioritized pipeline projects.

- **Apply a tailored Conflict Filter matrix.** In FY14, the Conflict Filter Team used tailored versions of the matrix to allow for a more targeted review of individual projects. When determining the length and format of conflict-sensitivity assessment for individual projects, the Conflict Filter team took note of task teams’ priorities, demands, and time pressure to ensure the practical use of assessments and avoid additional burden on task teams.

The team has applied the Conflict Filter in three ways:

- Country and region-level assessment of conflict risks/tensions (as a short note or a longer note depending on the demand from task teams)
- Sector/project specific conflict assessment (as a short note)
- Project-level Conflict Filter matrix (matrix/checklist format). The matrix consisted of four columns: questions related to conflict stressors; responses about the project’s attention to stressors; risk appraisal; and proposed or ongoing project level conflict sensitivity measures.\(^3\)

The methods for collecting information consisted of:

- Desk review of project documents, research reports, print and online media screening, and other existing materials to determine the conflict and fragility stressors relevant to the activity.
- Direct consultations, focus groups discussions with key stakeholders and informants in major cities such as Bishkek and Osh.
- Direct consultations, focus groups discussions with key stakeholders and resource people in the project areas either as part of joint missions with task and project teams or during separate missions by the Conflict Filter Team.

III. EVOLUTION OF KEY CONFLICT DYNAMICS

The Conflict Filter team held discussions with individuals representing various sectors to gain an understanding of changing stressors in the country. These discussions have highlighted the following:

Four years after the 2010 upheaval, the country’s leaders and citizens have demonstrated progress in tackling a number of conflict stressors. There has been a general stabilization of the political

\(^3\) See Annex 2 for a sample matrix.
situation in Kyrgyz Republic. While still new and fragile, the parliamentary system has grown in strength as key government officials and leaders of coalition parties have exhibited the capacity to compromise with each other and resolve disputes relying on the current constitutional arrangements. Since 2010, the Kyrgyz Republic has witnessed the resignation and formation of several coalition governments, and the change in coalition governments has been peaceful.

Authorities have taken measures to address some of the country’s pressing problems. Seeking to quell ethnic tensions, the government has adopted a blueprint on national cohesion and established an agency to oversee national policies on interethnic relations. While the effects of the new policies and institutional arrangements are yet to be seen, the policies and organizational efforts signal a constructive and reconciliatory approach. Kyrgyz law enforcement agencies have strengthened their capacity to react to social disorder. The handling of community disturbances in the Batken region throughout 2013 and early 2014 demonstrated the enhanced ability of Kyrgyz law-enforcement agencies to handle outbreaks of public disorder in a timely and effective manner. The authorities have also been engaged in systematic negotiations with Uzbekistan, Tajikistan, and Kazakhstan on border demarcation and delimitation through intergovernmental commissions which are active and functioning, despite occasional bilateral disputes. Nevertheless, some key challenges persist. The central government has had difficulties in reasserting control over the country’s remote regions. Elite rivalry over state positions and resources, particularly in the extractive industry continues to be an issue. The October 2013 Parliamentary resolution threatening to nationalize the Kumtor Gold mine has negatively affected the country’s investment climate. Inter-elite rivalry flared up in Bishkek in late November 2014 following the arrest of a former Parliament speaker and a senior member of opposition party on corruption charges. While officials claim that anti-corruption measures are yielding results, many observers conjecture that the measures have exacerbated rivalries among well-positioned elites seeking to undermine financial interests of their rivals.

The country’s diplomatic relations with immediate neighbours such as Tajikistan and Uzbekistan remain tense as a result of unresolved border disputes and competing visions for regional economic development. In early January 2014, the tensions over a bypass road near the Kyrgyz-Tajik border gave way to an inter-state military confrontation with Kyrgyz and Tajik border guards exchanging mortar fire and rocket-propelled grenades. This military confrontation has brought a chill in diplomatic relations between Dushanbe and Bishkek. Following the violence, Kyrgyz Republic has unilaterally closed the borders with Tajikistan, hampering the shipment of food products and fuel from Russia and Kazakhstan to Northern Tajikistan. Such developments highlight the continuing risks for conflict in the Kyrgyz Republic and the need for the World Bank task teams to be acutely aware of the conflict and fragility dynamics.

IV. CONFLICT FILTER ACTIVITIES IN FY14

As an initial step to enhance conflict sensitivity in the Kyrgyz portfolio, the team organized a consultation with the task team for each activity. Such informal discussions allowed the Conflict Filter Team to determine the key issues that could be the target of conflict filter analysis and identify

the best timing and format for integrating the analysis into the design of any given activity, be it project or AAA.

By May 2014, the Conflict Filter Team has completed sensitivity reviews for eleven tasks and assisted two Task Teams in completing the Conflict Filter Matrices for two new projects. The tables below list the activities undertaken by the Conflict Filter Team I FY14. The activities fall under three categories: a) projects under preparation (pipeline projects); b) projects under implementation/supervision; and c) analytical and advisory activities.

<table>
<thead>
<tr>
<th>Pipeline Projects</th>
<th>Conflict Filter Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third Village Investment Program (VIP3)</td>
<td>The Conflict Filter Team filled out the Conflict Filter matrix and completed a sensitivity review note.</td>
</tr>
<tr>
<td>Electricity Supply Improvement Project</td>
<td>The Conflict Filter Team prepared a conflict sensitivity brief and helped obtain data on the socioeconomic conditions in three locales: Bishkek, Chui, and Talas.</td>
</tr>
<tr>
<td>Pasture and Livestock Improvement Project</td>
<td>The Conflict Filter Team filled out the Conflict Filter matrix and completed a conflict sensitivity review.</td>
</tr>
<tr>
<td>CASA 1000</td>
<td>The Conflict Filter Team prepared a conflict sensitivity review to be updated further in the next few months.</td>
</tr>
<tr>
<td>Central Asia Road Links (CARS1/CARS 2)</td>
<td>The Conflict Filter Team prepared a twenty-page conflict sensitivity report focusing on border regions. It is currently being finalized for wider distribution within the World Bank.</td>
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<tr>
<th>Projects under Implementation/Completion</th>
<th>Conflict Filter activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bishkek Osh Urban Infrastructure Project (BOUIP)</td>
<td>The Conflict Filter Team conducted ex-post review to assess whether the Conflict Filter recommendations were applied in the project areas; The team joined a BOUIP implementation support mission in May.</td>
</tr>
<tr>
<td>On-farm Irrigation Project (OIP-2)</td>
<td>The Conflict Filter Team prepared a conflict sensitivity review and assisted the project implementation unit (PIU) in preparing Terms of Reference and a manual for Conflict Management training for Water User Associations</td>
</tr>
<tr>
<td>Emergency Recovery Project</td>
<td>The Conflict Filter Team completed a five-page note highlighting the latest conflict and fragility situation in the country; the input was requested as part of the introductory/background sections of the ICR.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Analytical and Advisory Activities</th>
<th>Conflict Filter activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Sector Studies-</td>
<td>The Conflict Filter Team provided inputs to three mining sector studies: i) Decision note on Mining Sector Needs Assessment, ii) Concept Note for Kyrgyz Republic EITI Post-Compliance II, and iii) final output of “Improving Civil Society Engagement in EITI in Kyrgyz Republic” project.</td>
</tr>
<tr>
<td>Electricity Tariff Study</td>
<td>The Conflict Filter team provided inputs to the Project Concept Note and the Terms of Reference for a Qualitative Assessment of Energy Reforms; the Electricity Tariff Study team took these inputs into account for revising the Terms of Reference and for consultation methodologies in different parts of the country.</td>
</tr>
<tr>
<td>Forestry Economic and Sector Work</td>
<td>The Conflict Filter Team’s provided comments that were incorporated into the Concept Note.</td>
</tr>
</tbody>
</table>

V. SELECTED PROJECT EXAMPLES

The case summaries below highlight several projects under preparation and implementation where the Conflict Filter findings influenced the design or implementation. Impacts on the overall portfolio are summarized in matrix form in Annex 1.
Third Village Investment Program (VIP3)-(preparation)

Process:
As part of the VIP-3 consultation and beneficiary feedback process, the team spent one week in Bishkek and several days in Osh oblast in November 2013. The team held discussions with local authorities, experts, NGO representatives, human rights activists, peacebuilding specialists, representatives of international organizations and community members in order to gather relevant information at the local and regional level. Findings from these meetings helped the team in applying the Conflict Filter matrix to the VIP-3 project documents. The team also joined the VIP3 preparation mission in May 2014 and assisted the PIU in developing selection criteria for identifying communities that would be eligible for funding of local-level investments, including criteria on inclusion and social cohesion.

Summary Findings of Conflict Filter:

- The state’s low capacity to provide for public goods (roads, electricity, healthcare services, education) is causing discontent of citizens.
- Perceptions of inequality between self-sufficient and subsidized local governments regarding participation in VIP-3. Residents of low-income/subsidized municipalities perceive that only wealthy/self-sufficient municipalities have the human and material resources to meet VIP3 requirements for sub-projects.
- Socio-cultural obstacles for particular groups to participate collectively in decision-making processes. For example, women have difficulties attending community meetings because of household and childcare duties.
- Shortage of social infrastructure (health clinics, kindergartens, sports halls, youth centers etc.) especially in remote highland areas.
- Sensitivities of communities about the geographical distribution of donor-funded programs (Southerners feeling that northern regions receiving the bulk of international assistance; northerners feeling that southern regions obtaining large portion of international development assistance).

Conflict-Sensitive Design Elements Adopted:

- PIU adopted procedures for engaging local Community Based Organizations (CBOs) and NGOs to facilitate social mobilization and information sharing
- In order to prevent tensions at the local level, PIU agreed to include both subsidized and self-sustaining municipalities as eligible for VIP-3 funding.
- The PIU agreed to adopt detailed selection criteria with a scoring methodology to ensure fairness and inclusion when it comes to selecting communities for investments under VIP3. To create a “level-playing field” for subsidized local governments that will compete with self-sufficient and wealthier local governments, the PIU adopted “wellbeing” as a key consideration in the selection criteria. The category “wellbeing” will include such indicators as level of poverty, degree of subsidization, and geographic remoteness. The PIU will conduct a series of meetings for residents and local officials to ensure that these criteria are well-understood by participating municipalities. In addition, the PIU will provide a series of training to members of project selection committees to make sure that these criteria are applied in a transparent and consistent way.
- In some selected conflict-prone geographic areas, the PIU will engage in targeted social and conflict assessments to account for risks and opportunities before the selection and implementation of projects.
Electricity Supply Accountability and Reliability Improvement Project (preparation)

Process:

The Conflict Filter Team assisted the project task team in obtaining data on the socioeconomic conditions in three locales: Bishkek, Chui, and Talas. The team also prepared a five-page brief on political and conflict risks that can potentially impact the electricity sector. In addition, the Conflict Filter Team joined the task team in selected NGO meetings. The meeting allowed the Conflict Filter and project task teams to take stock of grievances of various stakeholders and brainstorm on potential citizen engagement activities that could be supported under the project.

Summary Findings of Conflict Filter:

- Public sensitivities over utility tariffs and fears that a rise in utility tariffs can lead to social discontent and protests. A common perception is that the price for electricity that the Kyrgyz Republic exports to other countries is much lower than the electricity tariff for Kyrgyz nationals. A sudden spike in utility tariffs was one of the factors that sparked the April 2010 unrest.
- Public discontent with low quality services provided by the state-run electricity supply system.
- Community sensitivities over perceived and real corruption in the electricity supply sector.
- A common perception among citizens that payments of consumers are plundered by supplier; a related belief that a tariff increase will make it even worse.
- A widely-held belief that only ordinary consumers pay their bills on time; and that richer and more politically-connected customers and high-level officials do not pay their bills at all.
- Low level of civil society and community participation in the electricity sector reform process.
- Migratory trends causing influx of residents into urban areas, taxing the resources of electricity service providers.

Conflict-Sensitive Design Elements Adopted:

- Recognizing the importance of customer perceptions, the project will include consumer satisfaction surveys to be conducted three times over the course of the project. The consumer satisfaction survey will serve two purposes: to assess the rate of consumer satisfaction (perception) with electricity services and satisfaction on the interaction of the Severelectro (the main electricity distribution company) staff (controllers, Quality Service center staff etc) with customers.
- The consumer satisfaction survey will capture disaggregated satisfaction rates of male and female customers, and the strengthened complaints handling system for the Service Quality Centers will favourably benefit women as the majority of customers using the utility’s hotline are elderly women according to customer statistics.
- The project will also support additional social accountability measures such as: (i) setting up a system for Service Quality Centers in the project area for documenting, categorizing and resolving complaints; and (ii) strengthening information-sharing and communication techniques of the company via various media outlets.
Pasture and Livestock Improvement Project-(preparation)

Process:

The Conflict Filter team met with the Pasture and Livestock Project task team regarding the potential stressors and triggers that could impact project activities and outcomes. Discussions highlighted that pasture reform could possibly fuel conflicts regarding internal and external pasture boundary demarcation, usage rights allocations, re-negotiation of prior leases, and secondary users of pasture. The Conflict Filter Team teamed up with an international expert and conducted field visits in Chui and Naryn regions in February 2014. These inputs from the field visits were incorporated into the social assessment and other project documentation.

Summary Findings of Conflict Filter:

- Underuse of remote pastures due to poor access and insufficient infrastructure and overuse of pastures closer to living areas.
- Conflicting maps on boundaries among pastures unions
- Minimal opportunities for community members to participate collectively in decision-making to address local municipal priorities.
- Weak dispute resolution mechanisms in Pasture User Unions
- Migratory trends fostering disputes between local residents and newcomers (new settlers). The migration trend is particularly pronounced in Chui oblast, a region known for its economic attractiveness to migrants. Old residents believe that they should have privileged access to pastures;
- Community sensitivities regarding user fees (belief that pasture fees threaten centuries-long patterns of pasture usage)

Conflict-Sensitive Design Elements Adopted:

- The Pasture project will use grant money from the ECA Region Capacity Development Trust Fund (ECAPDEV) to review the past dispute resolution experience under pasture committees on external boundary demarcation and develop similar dispute resolution guidelines for internal boundary demarcation under the project.
- PIU agreed to undertake assessments of Pasture User Union (PUU) citizen engagement measures. (using ECAPDEV funding)
- Based on the findings of the assessment, the Project will fund training of selected PUU where community engagement and representation of vulnerable groups needs to be improved.

Central Asia Road Links (CARS1/CARS 2) and other future regional projects related to border areas/enclaves-(preparation)

Process:

The Conflict Filter Team prepared a comprehensive Conflict Sensitivity Review (20 pages) with a specific focus on disputed border regions. The review is not only relevant for Central Asia Road
Links (CARS) Phase 1 and 2 covering Kyrgyzstan and Tajikistan; but it aims to also benefit other current and future projects that may involve activities around the borders. The review focused on the dynamics in and around eight internationally-recognized enclaves in the Ferghana Valley, a region populated by nine million people and divided by three countries – Kyrgyzstan, Tajikistan, and Uzbekistan. It explored opportunities and challenges at the institutional, national, and local levels. In addition, the review explored how the existing conflict stressors and conditions of resilience set the stage for and interact with World Bank-funded operations in the region and it highlighted ways in which the Bank can aid efforts to mitigate conflicts and reinforce social cohesion.

**Summary Findings of Conflict Filter**

- Demographic growth and migration in the border regions strain resources of local municipalities.
- Poorly-defined boundaries and the presence of enclaves complicate the demarcation of borders and cause strains in inter-state relations.
- Competition for scarce resources (such as arable land, water, and pastures) exacerbates pre-existing inter-ethnic tensions among communities.
- Harassment of residents by ill-trained border guards contributes to citizens’ growing discontent about corruption in law-enforcement agencies.
- Low quality of services in the border areas (worn-out roads infrastructure, poor quality healthcare, shortage of schools and day-care facilities) deepen citizens’ distrust in government.
- Years-long isolation from mainland countries and distant capitals strengthen a sense of injustice and exclusion among residents of the border regions.

**Conflict-Sensitive Design Elements Adopted:**

- In the Kyrgyz Republic, the PIU hired a communications specialist to assist the project in numerous ways. The communications specialist will engage in the following activities: conduct stakeholder analysis in project areas, assess social risks in project areas; organize outreach campaigns; work with contractors to ensure fair labour practices and broad labour participation; set up and maintain inquiry hotline; serve as a liaison between PIU, communities and local governments.
- The team is working with Ministry counterparts in both countries in developing a communication strategy. The strategy is expected to be a guiding/unifying communications document in Tajikistan and Kyrgyz Republic. It will reflect existing differences in terms of key stakeholders involved, means of accessing those stakeholders and timing within the larger scope of the country level project implementation.
Bishkek Osh Urban Infrastructure Project-(implementation)

Process:
During FY12-FY13, BOUIP task team incorporated various recommendations from the Conflict Filter assessment. These focused on expanding opportunities for disadvantaged communities from residential suburbs and areas of a high concentration of social problems. A community investment component was added to the project. The Conflict Filter team selected this project in FY14 to conduct an ex-post review and assess whether the Conflict Filter recommendations were being applied in the project areas. The Conflict Filter team joined a BOUIP implementation support mission in May 2014 and visited a number of randomly selected sites. The mission concluded that BOUIP demonstrated considerable progress in the implementation of the community investments component. The project operated as a partnership between local authorities, communities and NGO representatives. The social mobilization phase where communities identify their priorities was well implemented by the implementing agency. Beneficiaries were vocal in describing their positive experience and participation in the project and were knowledgeable about the project implementation. Attempts were made to target specialized interventions to communities at risk and to areas demonstrating specific.

Summary Findings of Conflict Filter:

- Tensions exist between the communities that are direct beneficiaries of the project versus communities that are not benefiting from the community level investments.
- The implementing agency has poor interactions with local CSOs;
- Community involvement in implementation and monitoring aspects of the project is limited, compared to the priority identification process.

Results: Conflict-Sensitive Design Elements Adopted

- The PIU agreed to distribute information more widely to non-beneficiary communities as well in order to avoid misperceptions about why some communities are included and others are excluded;
- Community development framework\(^5\) was improved to include screening and monitoring questions, to ensure that the community investments financed by the project as responsive and relevant to the immediate and emerging needs of the participating communities
- The PIU adopted community survey as a part of focus group discussions

On-farm Irrigation Project (OIP-2)-(implementation)

Process:
The Conflict Filter Team provided support to the PIU in preparing a ToR and a training manual for a Conflict Management Training targeting Water User Associations (WUAs) to be financed under the project. In April 2014, the Conflict Filter team joined the OIP-2 project mission to Chui and Talas. The mission included both the OIP-2 Bank team and officials from the Ministry of Agriculture. The team conducted focus group discussions and semi-structured interviews with members of water user associations, local and regional authorities, Oblast support units, and community members.

\(^5\) The framework is elaborated and described in the Operational manual of the BOUIP, and it includes procedural details of community mobilization work and prioritization, communication and interaction with the communities.
Discussions focused on gaining an in-depth understanding of the social tensions and conflict stressors affecting WUAs, decision-making, participation and conflict management methods applied within WUAs, and to assess whether the “dispute resolution” committees under WUAs are in fact functioning.

**Summary Findings of Conflict Filter:**

The perception of the OIP-2 task team was that water conflicts are a key issue only in the southern region because of ethnic diversity and previous conflicts experienced in the south. Conflict Filter findings showed that tensions among water users are also present in the northern regions and one has to think about “conflict” in broader terms not only conflict between the Uzbeks and Kyrgyz ethnic groups. The conflict analysis identified the following types of stressors in the north around irrigation:

- Shortage of water during irrigation season. Majority of disputes arise in late May and early June when WUAs are in need of water and in seasons when water supply is low.
- Shortage of arable land and growing demand for arable land among farmers.
- Perceptions of corruption and favouritism among WUA users.
- Weak dispute resolution mechanisms in WUAs.
- Community sensitivities regarding user fees.

Based on the field visits, the Conflict Filter team has made the following recommendations:

- Support formation of and strengthen trainings for Dispute Resolution and Audit committees within WUAs; improve documentation and reporting within these committees.
- The criteria for dispute resolution committee members should be less about technical skills (irrigation expertise) and more about social skills and integrity and respectable status of the individuals in the community.
- Consider a community campaign targeting respected elders, aksakals and involve them in dispute resolution trainings in order to increase their involvement in WUA dispute resolution functions.
- As part of nation-wide exchange visits, WUA should also share experiences on the work of dispute resolution committees.

The inputs were incorporated into the project Aide Memoire as part of the recommendations and next steps for the PIU.

**Conflict-Sensitive Design Elements Adopted:**

- The project implementation unit (PIU) will hire a firm to conduct conflict resolution trainings for water user associations both in the northern and southern regions of the Kyrgyz Republic.
- PIU agreed to conduct a needs assessment before the training in order to adjust the program to the needs of participants.
• The PIU agreed to strengthen trainings for Dispute Resolution and Audit committees, including documentation and reporting. (PIU agreed to conduct before and after evaluations to test knowledge and skills obtained by participants)
• The PIU agreed to consider a community campaign targeting aksakals (local elderly) and involve them in dispute resolution trainings in order to increase their involvement in WUA dispute resolution functions.

VI. LESSONS LEARNED

The Conflict Filter activities in FY14 have revealed the following important lessons:

• **It is essential to closely link Conflict Filter work with broader social development work.** The fact that the TTL of the Conflict Filter activity was also the country social development specialist for the Kyrgyz Republic and the social development specialist providing safeguards support for the Kyrgyz portfolio proved to be critical for the implementation of the Conflict Filter. The TTL was able to forge relationships with TTLs/task teams through entry points such as safeguard and citizen engagement work and was able to use this access to make reference to the Conflict Filter analysis where relevant. When other larger pieces of social analysis were being undertaken, the Conflict Filter questions were integrated into these analyses, in order to enhance the comprehensiveness of findings and to maximize the influence of project design. This flexible model is highly recommended for other teams planning to implement similar filters.

• **It is key to bring Conflict Filter support at the earliest stages of project or AAA design.** Engaging projects at very early stages, such as the Project Concept Note reviews or identification/preparation missions makes a big difference for the ability and the incentives of TTLs to integrate Conflict Filter findings into project design.

• **It is important not to overburden task teams.** The filter is a free resource for the TTLs. The matrix is prepared by the Conflict Filter Team, not TTLs. While doing this work, it is important not to bring additional time or resource burden to the busy teams, which increases TTLs’ receptivity for this work. Having separate resources to finance consultant time also allowed Conflict Task team members to join some field missions, which would not have been possible otherwise.

• **AAA proved to be a great entry point for the Conflict Filter activity.** Of particular relevance were those TAs and ESWs that inform the sector portfolios and provide upstream screening for broader social risks and impacts. The Conflict Filter Team will continue to target selected analytical work as well as pipeline projects as the focus of the Conflict Filter going forward.

• **Problem-driven, specific, and practical recommendations lead to more receptivity from TTLs as compared broad and general social analysis and recommendations.** Some TTLs were sceptical of this work, mainly because they found the recommendations to be too generic and not immediately relevant to their projects. Going forward, it is imperative to move away from more general analysis to sector specific analysis that would better resonate and be adapted by the teams.

• **The support of the Country Management Unit (CMU) is invaluable.** The CMU backing of the activity was key, and has enabled the Conflict Filter Team to approach Bank TTLs proactively. For similar activities across the Bank portfolio, it is important to get CMU backing and inputs before the implementation of the activities.
VII. GOING FORWARD: RECOMMENDATIONS AND NEXT STEPS

- While the Kyrgyz Republic has come a long way in terms of stabilization, the dynamics of conflict and fragility still remain salient, especially in specific sectors such as mining, energy, pasture and natural resources, as well as water and irrigation. In terms of geographical attention, the country has witnessed several clashes in the border areas that require particular attention from the task teams going forward. The Conflict Filter Team will also pay attention to the areas located close to mining sites in Issyk Kul, Talas, and Naryn regions where various foreign and local mining companies operate. Since 2010, tensions between local communities and mining companies have been on the rise, and the number of violent confrontations has increased.

- Going forward, particular attention needs to be paid to incorporating social inclusion, cohesion and accountability related indicators as part of the results frameworks. The Conflict Filter could be designed to better contribute to the results framework in the future. This approach could also help with the implementation of the new requirement for beneficiary feedback activities and results indicators in every project with direct beneficiaries.

- The Conflict Filter Team will continue to target key analytical work that would inform multiple operations, particularly as questionnaires, scope and coverage of these studies are being designed.

- The Conflict Filter Team will also bring particular attention to the conflict risks and impacts of regional projects that involve Kyrgyz Republic both during project design and implementation.

- As part of providing conflict analysis, the team will strive to help task teams better understand citizen rights and entitlements pertaining to their projects. Where appropriate and feasible, the conflict filter team will work with task teams to design and implement risk mitigation strategies which promote respect of rights (including land rights, gender rights, entitlements for compensation, livelihood restoration etc.) as designated under the national law or safeguards provisions.

- The Conflict Filter Team will engage early with the TTLs of pipeline projects to identify opportunities to conduct a conflict filter analysis and to integrate these findings into project design: The projects under preparation during FY15 are already identified by the team. These projects are: Forestry project (TTL: Andrew Mitchell), Governance Development Policy Operation (TTLs: Kamer Karakorum/Evgenij Najdov), VIP3 (TTL: Asli Gurkan/Mark Woodward), Urban Project (TTL: Mena Ionkova) and Justice Sector Project (TTL: Klaus Decker). The team will convene a meeting with these task managers and the country management unit in early FY15 to inform them about the objectives of the Conflict Filter, and receive their feedback on how to best use this work to mitigate the conflict risks and enhance the positive impacts of these projects.
### Annex 1. Summary of Projects and Activities Covered by the Conflict Filter

<table>
<thead>
<tr>
<th>Project/Activity/Stage</th>
<th>TTL</th>
<th>Status of CF</th>
<th>Justification for the selection of the project for CF analysis</th>
<th>Action Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Lending Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Village Investment Program- VIP-3 (preparation)</td>
<td>Asli Gurkan/Mark Woodward</td>
<td>Completed</td>
<td>The Conflict Filter team focused on this project because of two key reasons. First, as a community-development project, it has greater potential for citizen engagement/social accountability activities. The VIP-3 will have the opportunity to strengthen the link between citizen engagement, community driven development, and local governments. Second, the project design differs significantly from VIP1 and 2, thus needs a fresh look, especially in terms of the impact of the competitive selection of micro-projects.</td>
<td>Matrix prepared, suggestions are included in the Project Concept Note (review held on March 17)</td>
</tr>
<tr>
<td>Electricity Supply Accountability and Reliability Improvement Project (preparation)</td>
<td>Ani Balabanyan</td>
<td>Completed</td>
<td>The upgrading of electricity distribution infrastructure and the reform of the electricity sector governance will be instrumental in helping to relieve unreliable electricity supply affecting the entire country, and help to boost productivity. At the same time, energy reforms are a highly politicized and contentious issue in the country. Thus, the project requires a high level of attention to conflict sensitivities and potential tensions between those covered by the project (in Bishkek, Chui) and those who will not</td>
<td>The CF team has prepared 5-page conflict sensitivity review during PCN stage and assisted the team in obtaining background info on the beneficiary composition in the project areas.</td>
</tr>
<tr>
<td>Pasture management (preparation)</td>
<td>Peter Goodman</td>
<td>Completed</td>
<td>Reforming the management of pastures is critical for reviving the agricultural sector. Nevertheless, the reform of the pasture management is fraught with numerous risks. It could fuel conflicts within and between communities regarding pasture boundaries, usage rights allocations, re-negotiation of prior leases, and secondary users of pasture. Given these concerns, the project needs to be highly sensitive to conflict potential.</td>
<td>The CF team member has accompanied an international consultant working with the Pasture Project in field visits to Naryn and Chui oblasts. Findings from these field visits were reflected in the finalization of project documentation</td>
</tr>
<tr>
<td>CASA1000 (preparation)</td>
<td>Sunil Koshla</td>
<td>In progress</td>
<td>The project fits the three preliminary criteria for being placed under the category of “enhanced conflict analysis” category: a) project has greater potential for more in-depth citizen engagement/social accountability activities; b) project activities interact directly and indirectly with conflict stressors identified in the 2012 conflict analysis, c) the potential risks/impacts of the community benefit sharing program needs to be better understood.</td>
<td>The CF team prepared Sensitivity Review for the CASA 1000 in February 2014 as the initial screening to alert the team on potential issues.</td>
</tr>
<tr>
<td>CARS1/CARS2 (preparation)</td>
<td>Cordula Rastogi</td>
<td>In progress</td>
<td>The road sections to be financed under CARs-2 prioritize connectivity between the Sugd Oblast in Tajikistan and the Osh and Batken Oblast as they build lateral spurs from the Osh-Isfana axis to the Tajik border. The recent clashes in</td>
<td>The team prepared a detailed note on conflict risks related to border area, including but not limited to the areas</td>
</tr>
</tbody>
</table>
the KR-TJ border that occurred in January 2014 were an indication that border areas remain tense and unpredictable and investment operations that take place around the border areas need to be adequately be informed of the conflict-related risks, and potential impacts. The findings are being integrated into the communication strategy of the project.

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Responsible Person</th>
<th>Status</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-farm Irrigation Project (implementation)</td>
<td>David Meerbach</td>
<td>Completed</td>
<td>Irrigation is a key sector for poverty reduction and livelihood. Irrigation/water resource management is among the priority sectors for citizen engagement strategy for central Asia. Given the importance of the sector, a thorough analysis is needed to understand the conflict sensitivities and political-economy dynamics among various groups. The Conflict Filter team visited several Water User Associations (WUAs) to gather information on conflict sensitivities/as well as related social accountability arrangements related to the irrigation sector, and in particular the functioning of WUAs.</td>
</tr>
<tr>
<td>Bishkek Osh Urban Infrastructure Project (implementation)</td>
<td>Anna Cestari</td>
<td>Completed</td>
<td>During FY12- FY13, BOUIP was significantly adapted based on the Conflict Filter assessment. The team selected this project this FY to conduct an ex-post review and assess whether the Conflict Filter recommendations were being applied in the project areas. The CF team joined a BOUIP implementation support mission in May. The findings were incorporated into the BOUIP mission Aide Memoire.</td>
</tr>
<tr>
<td>Forestry ESW (Concept Note)</td>
<td>Malcolm Childress</td>
<td>In progress</td>
<td>The sustainable and balanced use of natural resources, such as forestry, are challenged by the lack of an integrated governance strategy and the lack of policy clarity about the objectives of resource management and the intended beneficiaries of resource use, particularly among local populations. Significant reforms are underway to promote local natural resource management; however, the track record for forest reforms has been particularly uneven. The team provided comments to the Concept Note of an upcoming study- ‘Understanding Communities' Role in the Governance of Forests and Pastures in Kyrgyzstan' The team will follow up in FY15 as this ESW will feed into new investment project design.</td>
</tr>
<tr>
<td>Electricity Tariff Study-preparation</td>
<td>Ani Balabanyan</td>
<td>Completed</td>
<td>Electricity tariff is a highly sensitive issue in the country with strong public opposition. The previous reform attempts have led to protests and societal tensions in the recent years. Team commented on the TOR and inputs were incorporated into questionnaires and focus groups.</td>
</tr>
<tr>
<td>Mining Sector Studies (completion and CN)</td>
<td>Gary McMahon</td>
<td>Completed</td>
<td>Mining is a highly sensitive issue in the country with strong public/media/Parliament opposition to the profit margins of international companies operating in the country. The previous reform attempts have led to protests in 2013. The CF team provided inputs to three mining sector studies: i) Decision note on Mining Sector Needs Assessment, ii) PCN for Kyrgyz Republic EITI Post-Compliance II, and iii) final output of “Improving Civil Society Engagement in EITI in Kyrgyz Republic” project.</td>
</tr>
</tbody>
</table>
Annex 2. Sample Conflict Filter Matrix

**Project:** Third Village Investment Project  
**Task Team Leader:** Asli Gurkan/Mark Woodward  
**Project Objective:** The overarching aim of the project is alleviation of rural poverty. The objective of the project is building local capacity for participatory development planning and improving access to quality community infrastructure in targeted project areas.  
**Current Preparation Stage:** Identification  
**Board Date:** March 2014  
**Overall Rating of Conflict Risks:** Low/Medium

<table>
<thead>
<tr>
<th>Questions</th>
<th>Conflict Risks and Impacts Identified by stakeholders</th>
<th>Risk Appraisal</th>
<th>Project-level Conflict-Sensitivity Measures or Peacebuilding Opportunities Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Inclusion/Equity/ Participation</strong></td>
<td><strong>The project provides direct benefits to the following groups: a) residents of towns and villages in 347 communities (which were already participating in VIP1) and 126 communities (which participated as part of the VIP2); b) ARIS will continue to benefit from institutional strengthening and skills development of its staff. VIP3 will support those communities that have been left behind in a more systematic fashion. Indirect beneficiaries include: a) the population of the country that stands to gain from improved physical and social infrastructure; and b) the local municipalities across the country that will draw benefits from the project’s capacity-building activities.</strong></td>
<td>Medium</td>
<td><strong>Under VIP3, all local governments are eligible for community investment financing.</strong></td>
</tr>
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</table>
| How are project beneficiaries selected?                                   | **There is overwhelming support for VIP3 from different stakeholders. Nevertheless, some communities have voiced complaints about perceived disparities in the distribution of benefits under the block grant approach. They were not able to address their urgent needs because of small sizes of grants under VIP1 and VIP2.**  
Representatives of some central government agencies (Ministry of Agriculture and Melioration), have suggested that they are capable of serving as a PIU for some components of VIP3 (thus, they implicitly questioned the fact that ARIS is chosen as the PIU for VIP3).  
One frequent complaint is that the quality of ARIS-supervised infrastructure varies.  
The options for channeling of funds for projects have caused mixed reactions.  
Representatives of some local development agencies (based in Bishkek) and AOs said | Low             | **ARIS will work closely with municipal authorities, Territorial Councils, and community representatives to bring them up to date on the stage of the project.**  
Under VIP3, there will be no longer per capita-based grants allocation. The PIU will organize meetings and briefings on the two options (sub-projects and micro-projects) for representatives of local governments and community-based groups.  
ARIS has agreed to work with an independent supervision firm for sub-projects to enhance** |
that the local governments can handle funds on their own. A number of local officials said that AOs do not want funds to be channeled through them citing risks that such funds could be frozen for reasons not related to VIP3. Meanwhile, citing numerous administrative hurdles faced by AOs, and successes of VIP2- Additional Financing, ARIS believes that it is best to retain control over the process of channeling funds. Meanwhile, some members of Village Investment Committees (VICs) and Local Investment Committees (LICs) showed their ambivalence about the possibility of losing their mandate to manage projects and funds directly.

Some national and local level NGOs implementing community-level development activities have complained that ARIS exhibits ‘an arrogant attitude’ when dealing with communities and partners (complaints were as follows: ARIS does not collaborate with local NGOs; ARIS’ style of work reminds them of top-down approach favored by Soviet development authorities; ARIS takes credit for all accomplished work).

2. Geography/Project Targeting

| How are the geographic target areas selected? | The selection and geographic targeting of communities can cause social frictions. Residents in Naryn oblast, for example, complained that donor projects have traditionally favored more developed urban areas in Chui and Osh oblasts. In Yssyk Kul, residents of highland areas voiced concerns that VIP3 funding may provide disproportionate benefits to self-sufficient municipalities located in lowland areas near urban centers. | Low | Under VIP3, funding will be distributed through a competitive process based on a transparent selection criteria. The criteria includes the level of wellbeing of municipalities, their geographic remoteness, beneficiary types, gender equality, and conflict sensitivity. These criteria will be weighted to emphasize certain aspects of the competition (such as poverty) over other factors. |
| How does the project contribute to reducing real and perceived geographic inequalities? | The security situation across the country has been stable though inter-elite, inter-community and inter-ethnic tensions are still notable in some geographic areas (Bishkek, Issyk Kul, and Osh). Thus far, the Kyrgyz law enforcement agencies have demonstrated their capacity to maintain law and order. The police’s handling of the recent opposition protests (including the closure of roads by supporters of a jailed opposition politician) indicate the higher level of preparedness of the Kyrgyz law-enforcement agencies to respond to outbreaks of public disorder incidents in a timely and effective manner. | Medium | The project team is engaged in systematic monitoring of political situation and in, particular, monitoring of any localized activities that can affect project activities in particular communities. |

3. Interaction with Conflict Stressors

<p>| What kind of | There is a risk that VIP3 will provide few or no benefits to residents of conflict-prone areas. | Low | VIP3 will work in the entire country. |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>What benefits will the project create to reduce stresses created by high youth unemployment and gender inequality?</td>
<td>The project’s components and sub-components are expected to create a variety of jobs. Though some of the jobs will require technical expertise, labor-intensive infrastructure-building activities can promote greater use of unskilled labor of youth and women. ARIS is required to ensure that the overall profile of hired labor (sub-contractors, consultants, technical experts, construction workers, etc.) is inclusive. The ARIS management shows commitment to increase the number of female field staff. One of the field officers for the Yssyk Kul region is a local woman. Given the fact that nearly of field officers are men, the increase in the number of female field officers will be a step forward.</td>
</tr>
<tr>
<td>What benefits, if any, will the project create for residents of conflict-prone regions and victims of violent conflicts?</td>
<td>There is a risk that VIP3 projects may contribute to flaring up community tensions in conflict risk areas. Community contributions required as part of projects may exacerbate difficulties for low-income households and victims of violent conflicts. Including the conflict affected South, the three southern oblasts will be financed by KFW whereas the Bank financing will cover the 4 northern oblasts. The Bank is considering a $1.4 million grant from State and Peace Building Fund to provide training on conflict-management and grievance redress mechanisms. Majority of interviewed community residents had positive view of community contributions, saying that they increase community stake in projects. Nevertheless, the Task Team and ARIS are currently reviewing community contributions to micro-project financing to ensure that they do not exacerbate difficulties for low-income households.</td>
</tr>
</tbody>
</table>
## How will the project contribute to strengthening project beneficiaries’ capacities to resolve disputes and concerns arising from project-related activities?

All World Bank-financed projects are now required to include grievance redress mechanisms. There is a risk that VIP3 will pay insufficient attention to the grievance mechanisms. (The grievance mechanisms were not clearly explained in detail in the Operational Manual of VIP2).

Land acquisitions might be required under some projects, which may exacerbate local tensions.

### 4. Accountability and Transparency

<table>
<thead>
<tr>
<th>What is the consultation and communication strategy for the project? How does the project engage CSOs for monitoring, evaluation, and supporting project implementation?</th>
<th>Under VIP1 and VIP2, ARIS engaged in intensive social mobilization. Nevertheless, local communities in several municipalities located in highland areas of Naryn and Chui oblasts reported difficulties in access to and shortage of information about the objectives, design and implementation procedures of VIP1 and VIP2.</th>
<th>Medium</th>
<th>ARIS’ communications strategy will be refined during implementation of VIP3 to enhance communication between ARIS, Ail Okmotu, and participating communities. ARIS will continue to widely publicize a Bishkek-based hotline where complaints can be lodged. The number will be posted on its web site and will be included in the basic project information package widely distributed within all participating communities. In addition, the hotline number will be included in all periodic newsletters and bulletins issued by ARIS. Any complaint received will be followed up during a field investigation by a team from the head office.</th>
</tr>
</thead>
<tbody>
<tr>
<td>How does the project ensure that benefits are not captured by unintended</td>
<td>The project team recognizes that some formal and informal groups may seek to influence project activities under VIP3 in ways that would serve their needs rather than those of the broader community. For example, some municipality officials and local councilors, or members of local informal networks, will seek to acquire greater role in the management of project activities and resources under the VIP3. As the experience of VIP1 and VIP2</td>
<td>Medium</td>
<td>Throughout implementation and afterwards, community members who suspect corruption or who have grievances can contact ARIS through ARIS hotline or through ARIS’ community mobilizers.</td>
</tr>
<tr>
<td>groups (elite capture/corruption)?</td>
<td>shows, some heads of AOs and LICs might attempt to divert funds to personal use.</td>
<td>Cross-checking and “peer auditing” by members of other communities used by ARIS under VIP1 and VIP2 were proven to be an effective tool. ARIS plans to utilize these tools under VIP3 as well.</td>
<td></td>
</tr>
</tbody>
</table>

## 5. Political Economy

| How will the project activities affect distribution of power and resources among stakeholders? | The project activities will provide benefits to sizable voting population. As a result, various influential political groups and parties may attempt to boost their political ratings (before scheduled elections) by claiming credit for project activities. This concern is especially relevant in light of the parliamentary elections scheduled for October 2015. ARIS representatives said that they were previously pressured by individuals MPs seeking to direct investments under VIP1 and VIP2 to their constituent regions. MPs are likely to continue their attempts influence the process of beneficiary selections under the VIP3, and ARIS needs to be prepared to resist such pressure. Under the VIP3, the potential transfer of the mandate of VICs and LICs to AOs (preparing and approving projects) can cause resistance from members of VICs and LICs in some geographic areas. In some areas, such resistant LICs and VICs may refuse to collaborate with AOs under VIP3. Competitive selection of subprojects and micro-projects may deepen the divide between the so-called “stronger and wealthier AOs” and “weaker and poorer municipalities. | Medium | During the previous elections, ARIS organized extended team-retreat activities in order to minimize exposure of ARIS to political campaigners. ARIS plans to continue this practice during upcoming elections. To withstand informal pressure, ARIS representatives utilized measures, such as reminded MPs of violating Kyrgyz legislation. And referring MPs to internal ARIS procedures. Under VIP3, participating municipalities will create Project Working Groups. Such groups will include previous VICs and LICs members. The PIU will continue collaborating with VICs and LICs in areas where they are still functioning. The introduction of social criteria (such as wellbeing and remoteness of municipalities) is expected to provide “a level playing field” for all participating municipalities. Moreover, as the example of projects implemented by partner organizations (such as the KfW and the Institute of Development Policy) indicate, competition-based awards are unlikely to lead to violent confrontations between or among communities. |