

Annex C. UNDP Social and Environmental Screening Protocol

Project Information

1.	Project Title	Assistance to the Republic of Kazakhstan in fulfilling international obligations to reduce greenhouse gas emissions by reducing the carbon footprint of electricity suppliers for the leading technology company Bitfury
2.	Project number	00111145
3.	Location (Global/Region/Country)	Kazakhstan

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

<p>QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?</p>
<p><i>Briefly describe in the space below how the project mainstreams the human-rights based approach</i></p>
<p>The project, funded by the private sector, was developed in full accordance with a human rights-based approach to development, which is one of the main approaches used to improve the conservation and management of forest ecosystems in Kazakhstan to support sustainable livelihoods. The expected results of the transfer of unaccounted forests to the category of managed forests will be achieved by changing the type of land use after extensive coordination with land users, local authorities to ensure fair decision making. Land tenure at the community level is codified in national legislation; in most cases, land is leased to individuals for a 49-year period. However, these territories include forest-covered areas needed for the transfer to the forest fund and forest carbon accounting. The project provides two options for reaching agreement - (1) transfer to the state forest fund and (2) transfer to private sector management and the formation of a private forest fund. In all project activities, community rights to use land will be identified and taken into account, including access to pasture and collection of non-timber forest products. All aspects of the project will be subject to the UNDP social and environmental protection mechanism. All government partners at the national level, as well as at the level of local districts and communities will be involved in the implementation of the project.</p>
<p><i>Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment</i></p>
<p>The objectives of the project include the creation of legislative and institutional levers aimed at the development and implementation of a forest carbon project and subsequently at the creation of a system for offsetting greenhouse gas emissions by forests in Kazakhstan. In this context, gender equality is defined as equal access for women and men to make balanced decisions, which, in turn, creates favorable conditions for the active participation of men and women in environmental activities. These key conditions for promoting gender equality will be reflected in all project activities and presented in documents (analyses, reports, plans) that will be developed within the project. Key gender-related activities will include the following: gender analysis of forest carbon projects; holding an international conference on gender issues and preparing and issuing a publication on gender issues in the framework of forest carbon projects.</p>
<p><i>Briefly describe in the space below how the project mainstreams environmental sustainability</i></p>
<p>The project aims to address three main environmental problems of Kazakhstan: reduction of greenhouse gas emissions, forest biodiversity conservation and sustainable use, management of forest ecosystems. In addressing these three issues, the project will contribute to both global and national environmental benefits.</p> <p>To ensure environmental sustainability, the project will work to properly incorporate the provisions on the development and implementation of forest carbon projects, methodological approaches to assessing the carbon potential of forests in the new Environmental Code of the Republic of Kazakhstan, the accompanying legislative acts and by-laws.</p>

Part B. Identifying and Managing Social and Environmental Risks

<p>QUESTION 2: What are the Potential Social and Environmental Risks?</p> <p><i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i></p>		<p>QUESTION 3: What is the level of significance of the potential social and environmental risks?</p> <p><i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i></p>		<p>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</p>		
<p>Risk Description</p>		<p>Impact and Probability (1-5)</p>	<p>Significance (Low, Moderate, High)</p>	<p>Risk Description</p>		
				<p>Impact and Probability (1-5)</p>		
<p>Risk 1:</p> <p>Principle 1.1 “Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups? – NO”</p> <p>Principle 1.2 “Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? – NO”</p> <p>Principle 1.3 “Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups? – NO”</p> <p>Principle 2.4 “Would the Project potentially limit women’s ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? – no”</p>		<p>I=2 (Minor) P=2 (Not likely)</p>	<p>Low</p>	<p>The risk is assessed based on planned project activities, regardless of mitigation measures or taking into account the fact that the mitigation measures are an integral part of the project activity itself. During the transfer of unaccounted forests into the category managed forests, an integral part of the process is the involvement of local land users to ensure that local priorities are taken into account as much as possible. This process is not a mitigation measure per se; it is an actual part of the action itself. The project will closely cooperate with everyone to ensure that stakeholders are properly consulted. The fact that there are public and private forms of forest ownership, which provide different levels of participation of local communities in forest management, gives significant flexibility to the project and all stakeholders to ensure the satisfaction of environmental and social, economic needs, as</p>		<p>NOT REQUIRED FOR LOW RISKS</p>

<p><u>Explanation of risk in relation to project:</u> The project involves the transfer of unaccounted forests into the category of managed forests by changing the type of land use. In this process, there is always a possibility that it may lead to some changes regarding the activities of people living in territories adjacent to the state forest fund. But a risk that project activities will affect the human right and/or possibly limit the quality or access to resources, is insignificant.</p>			<p>well as human rights and priorities.</p>	
<p>Risk 2: Principle 1.5. "Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project? – NO" Principle 1.6 "Is there a risk that rights-holders do not have the capacity to claim their rights? – NO" <u>Explanation of risk in relation to project:</u> Unaccounted forests are not owned by anyone. Therefore, controversial issues are not expected within the project. On the contrary, the project will demonstrate that private individuals can have the rights to create and manage private forests with subsequent income generation.</p>	<p>I=2 (Minor) P=2 (Not likely)</p>	<p>Low</p>	<p>The risk is assessed based on the situation and context in which the project will operate. Despite the presence of risks, the combination of exposure and probability of risk is considered to be low. The fact that there is limited capacity on the part of both the government and right holders is an integral part of working on sustainable livelihoods in developing countries. Of course, this does not automatically put all such projects in the category of moderate or high risk. At the same time, standard procedures will be applied in this project to mitigate the low risk that exists. As in the case of previous risks, the project will closely cooperate with all stakeholders in order to support government bodies and forest management institutions to fulfill their commitments and to explain the resources right holder how to claim their rights, for example, the rights of citizens to private forest ownership, its management and receiving financial benefits from carbon units. This will be achieved through consultations with stakeholders on all relevant aspects of the project so that all parties know and</p>	<p>NOT REQUIRED FOR LOW RISKS</p>

			understand the relevant obligations and rights.	
<p>Risk 3:</p> <p>Standard 1.2 “Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities? – NO”</p> <p>Standard 1.3 “Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? – NO”</p> <p>Explanation of risk in relation to project: One of the objectives of the project is the official assignment of state status to forest plots that are currently without management. The long-term consequences are expected to be positive, as the project will support the development of a private forest fund, which will allow land users to mobilize carbon finance for forest management and the transition to sustainable livelihoods. The project actions are expected to have a positive short-term and long-term impact on forest ecosystems.</p>	<p>I=2 (Minor) P=2 (Not likely)</p>	<p>Low</p>	<p>The risk is assessed on the basis of the actual impact and likelihood of the actions themselves, without taking into account any potential mitigation measures. The main objective of the project is to ensure the conservation status of unaccounted forest areas to prevent their degradation, and subsequently strengthen their absorption potential. Therefore, the probability of these risks is “expected”. However, given that the project activities will lead to an increase in the environmental parameters of the regions, and subsequently in social well-being, the risk of negative social and environmental consequences is “insignificant” (theoretically, the project has a high probability of a <u>positive</u> impact). Nevertheless, this risk will be constantly monitored throughout the project implementation through standard project control systems and risk monitoring systems.</p>	<p>NOT REQUIRED FOR LOW RISKS</p>
<p>Risk 4:</p> <p>Standard 5.2 “Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)? – NO”</p> <p>Standard 5.4 “Would the proposed Project possibly affect land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources? – NO”</p>	<p>I=2 (Minor) P=2 (Not likely)</p>	<p>Low</p>	<p>The risk is assessed on the basis of the actual impact and likelihood of the project activity without taking into account possible mitigation measures. The implementation of the project provides for fair access and distribution of benefits from its implementation. In accordance with the legislation, land users will have the right to choose - whether to transfer the forests located in their territories to the state forest fund or further manage</p>	<p>NOT REQUIRED FOR LOW RISKS</p>

<p>Explanation of risk in relation to project: The project will work to support the transfer of unaccounted forests into the category of managed forests. This process will lead to a change in land use and the use of resources for some land users if they have the right to own land in these territories. Project activities will not result in the physical movement of communities or resource users.</p>			<p>the forest plots in compliance with forestry standards. Accordingly, existing legal standards can reduce any possible impact associated with project activities, and the likelihood of risks will be negligible.</p>	
QUESTION 4: What is the overall Project risk categorization?				
<p>Select one (see SESP for guidance)</p>		<p>Select one (see SESP for guidance)</p>		
<p>Low Risk</p>		<p>X</p>	<p>All identified potential SESP risks are considered to be "low". Therefore, in general, the Project is considered to be a low risk one regarding the SESP issues. The specific objective of the project is to improve the environmental and social conditions in the regions, including the improvement of gender aspects.</p> <p>The risk associated with indigenous peoples cannot be applied in the context of this project in Kazakhstan. Ethnic minorities live in some of the project areas of Kazakhstan, but these groups are not considered to be indigenous peoples.</p>	
<p>Moderate Risk</p>				
<p>High Risk</p>				
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?				
<p>Check all that apply</p>			Comments	
<p><i>Principle 1: Human Rights</i></p>			<p>NOT REQUIRED FOR LOW RISKS</p>	
<p><i>Principle 2: Gender Equality and Women's Empowerment</i></p>			<p>NOT REQUIRED FOR LOW RISKS</p>	
<p><i>Standard 1. Biodiversity Conservation and Natural Resource Management</i></p>			<p>NOT REQUIRED FOR LOW RISKS</p>	
<p><i>Standard 2. Climate Change Mitigation and Adaptation</i></p>			<p>NOT REQUIRED FOR LOW RISKS</p>	

	<i>Standard 3. Community Health, Safety and Working Conditions</i>		NOT REQUIRED FOR LOW RISKS
	<i>Standard 4. Cultural Heritage</i>		NOT REQUIRED FOR LOW RISKS
	<i>Standard 5. Displacement and Resettlement</i>		<i>NOT REQUIRED FOR LOW RISKS</i>
	<i>Standard 6. Indigenous Peoples</i>		NOT REQUIRED FOR LOW RISKS
	<i>Standard 7. Pollution Prevention and Resource Efficiency</i>		NOT REQUIRED FOR LOW RISKS

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
Principles 1: Human Rights	Answer (Yes/No)
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ¹	No
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3. Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4. Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below	
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	

¹ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ² greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		

² In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ³	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No

³ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	<p>Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?</p> <p><i>If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i></p>	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	<p>Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?</p> <p><i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i></p>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No