



PROJECT DOCUMENT
Country: Republic of Kazakhstan

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| Project Title: | COVID-19 Solidarity Fund for Kazakhstan | |
| Project Number: | 00123515 | |
| National Implementing Partner: | Ministry of National Economy RK | |
| Start Date: January 2021 | End date: December 2022 | PAC Meeting date: 19 October 2020 |

Short description

In March 2020, Kazakhstan faced tremendous challenges created by the COVID-19 pandemic and the concurrent plummeting in oil prices, which have jointly contributed to creating an economic and social crisis of unprecedented dimensions. The social distancing and quarantine measures introduced by the government also imposed substantial transformation to the labour market. Such an unprecedented crisis creates complex problems, from top to the bottom, across the government and the society. As such, it demands integrated solutions with new actions in order to put the country back on track through a recovery strategy.

In support of such approach, the Kazakhstan's Ministry of National Economy (MNE) and the Ministry of Labour and Social Protection (MOLSP) are partnering with the Asian Development Bank (ADB), the United Nations Development Programme (UNDP), and the World Bank (WB) to launch the "COVID-19 Solidarity Fund for Kazakhstan". The Solidarity Fund (SF) will provide dedicated response facility to assist Kazakhstan in fighting the negative impact on the local labour market caused by the COVID-19 pandemic, minimizing the effect on the most vulnerable parts of the population and preparing for the post-crisis socioeconomic development based on newly emerging industries, professions, and jobs. The SF will deliver three main outputs:

Output 1: Provide clear and practical recommendations on the post-COVID labour market development.

Output 2: Improve skills and knowledge of capacity building to participants.

Output 3: Strengthen capacity of the SMEs to enter emerging industries and tapping new opportunities.

Contributing CPD Outcome:

Outcome 3.1. By 2025, all people in Kazakhstan, especially most vulnerable, benefit from inclusive, resilient, and sustainable economic development with improved productive capacities, skills and equal opportunities for sustainable and decent jobs, livelihoods and businesses

Indicative Output(s) with gender marker.

Output 1: Provision of clear and practical recommendations on the post-COVID labour market – GEN 2

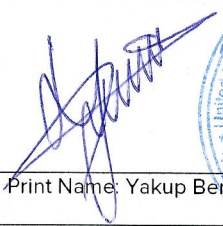

Output 2: Provision of skills and knowledge of capacity building to participants – GEN 2

Output 3: Capacity of SMEs to enter emerging industries is strengthened – GEN 2

| | |
|-----------------------------------|----------------------|
| Total resources required: | 1,180,000 USD |
| Total resources allocated: | |
| ADB | 1,000,000 USD |
| UNDP | 180,000 USD |

Agreed by (signatures):

United Nations Development Programme

Print Name: Yakup Beris, Resident Representative

Date:

Implementing Partners/Ministry of National Economy RK




Print Name: Kuantyrov,

Date: Vice-minister

Disclaimer: it's necessary to update the activities of the SF at the first meeting of the Project Steering Committee

I. DEVELOPMENT CHALLENGE

Kazakhstan is facing tremendous challenges created by the COVID-19 pandemic and the concurrent plummeting in oil prices since early 2020, which have jointly contributed to creating an economic and social crisis of unprecedented dimensions. Despite the adoption of government programs aimed at diversifying the economy, Kazakhstan remains heavily dependent on extractive industries as more than 70% of export revenues derived from basic commodities, especially oil and gas. Such production structure, which is typical of countries affected by the so-called “Dutch disease”, creates pronounced economic vulnerabilities amplifying the impact of the ongoing crisis.

The ongoing economic crisis in Kazakhstan takes its toll on business activities, especially those of micro and SMEs, with the services sector contracting by 5.6% in the first half of 2020. While the full impact on employment is yet to be assessed, but pandemic-induced quarantine measures caused 45.7% of the labour force to be suspended or laid off during the quarantine, according to MLSPP. Also, a survey conducted by the National Chamber of Entrepreneurs “Atameken” (NCE) suggests that local firms will likely dismiss more than 50 percent of their employees because of the COVID-19 pandemic. Assessments prepared on the impact of the crisis on local employment vary, but based on recent announcements made by government agencies, on a broader scale, out of 8.5 million employed people, over 2 million are expected to temporarily or permanently lose their jobs. Besides, over 3.7 million people are expected to end up with reduced or no income in the coming months and will receive social payments from the government. With an increasing amount of the work force being laid off from work, social unrest and fragmentation are expected to increase, as the most vulnerable part of the population will feel the negative economic impact of the prolonged containment measures.

The social distancing and quarantine measures introducing by the government are also imposing substantial transformation to the labour market. Several professions are struggling from the reduced demand of traditional skills and the ongoing significant transformation in working arrangements, with the largely increased use of the remote modality, leading to a surge in unemployment. Services and manufacturing production have taken a hit, resulting in massive layoffs. The tourism industry has been heavily affected as countries closed borders and blocked movements of people to contain the spread of COVID-19. Increasing displacements in the labour market and low capacity of the labour force to adapt to new job opportunities will likely lead to a deep social and economic impact pushing more people into poverty.

Such an unprecedented crisis creates complex problems, from top to the bottom, across the Government and the society. As such, it demands integrated solutions with new actions in order to put the country back on track through a recovery strategy towards achieving its development objectives and the Sustainable Development Goals (SDGs). The SDG framework in Kazakhstan already comprises a broad spectrum of activities aimed at directing resources towards the needs of the most vulnerable in line with the Leave No One Behind approach.

A platform for supporting SDGs was created in 2018, led by the First Deputy Prime Minister of Kazakhstan – Mr. A. Smailov and supported by various government agencies and development partners. Such platform can be effectively mobilized to support the implementation of the Kazakhstan Solidarity Fund’s activities, as activities guided by SDGs would help: (a) better understand and support vulnerable groups while strengthening social protection; (b) increase the effectiveness and adaptability of the public sector and its services; and (c) improve SMEs’ resilience and support skills development.

In support of such approach, the Kazakhstan’s Ministry of National Economy (MNE) and the Ministry of Labor and Social Protection (MOLSP) are partnering with the Asian Development Bank (ADB), the United Nations Development Programme (UNDP), and the World Bank (WB) to launch the “COVID-19 Solidarity Fund for Kazakhstan”. The Solidarity Fund (SF) will provide dedicated response facility to assist Kazakhstan in fighting the negative impact on the local labour market caused by the COVID-19 pandemic, minimizing the effect on the most vulnerable parts of the population and preparing for the post-crisis socioeconomic development based on newly emerging industries, professions, and jobs. The SF creation with technical and financial assistance provided by development partners, jointly with government agencies, will provide the necessary training and retraining for building capacity and skills in emerging sectors such as agriculture, e-commerce, information technology and others.

II. STRATEGY

The project implementation strategy is in line with the goals of the UNDP Country Programme for 2021 – 2025 and contributes to the approach of UNDP to catalyze impact through connecting policy results to solutions of scale, where UNDP will continue providing high-level policy advice connected to scaled-up development actions to reach the most vulnerable, and where UNDP will support public sector reform, digitalization and labour market transformation efforts, with special attention to supporting the UN response to post-COVID-19 socioeconomic recovery.

The main aim of the project is to provide a dedicated response facility to assist Kazakhstan in fighting the negative impact on the local labour market caused by the COVID-19 pandemic, minimizing the effect on the most vulnerable parts of the population and preparing for the post-crisis socioeconomic development based on newly emerging industries, professions and jobs. The creation of the Solidarity Fund with technical and financial assistance provided by the development partners, jointly with government agencies, will provide the necessary training and re-training for building capacity and skills in emerging sectors such as agriculture, e-commerce, information technology and others.

Through the training programs and subsequent increase of labour force capacity in the country, the project will assist the government to achieve targets set in President of the Republic of Kazakhstan's Tokayev K.K. state of the nation address of 1 September 2020, such as increase SMEs contribution to GDP to 35% by 2025 and the number of people employed to 4 million.

The project beneficiaries include the Ministry of National Economy RK, the Ministry of Labour and Social Protection of Population, the National Commission of Women's Affairs, the local labour market and most vulnerable population, including men and women in rural areas.

The project delineates the following vital activities considering a country's capacity to strengthen the labour force during COVID-19 crisis:

1. Clear and practical recommendations on the post-COVID-19 labour market development are developed

The Fund will support the analysis of professions needed in the post-COVID-19 environment as part of the ongoing initiative of the MLSPP. The future skills' building in the COVID-19 context will be further integrated into a labour market modernization roadmap, currently being developed by the MLSPP under the framework of the WB's "Skills and Jobs" project. To accomplish this task, the project will assist the Government of RK in hiring the local company which has relevant expertise to conduct a research on COVID-19 implications on the labour market and suggest scenarios for a post-COVID-19 employment perspective in Kazakhstan.

Within the framework of this task, the following activities will be realized:

- Identify development trends and snapshot of the labour market in Kazakhstan before COVID-19 pandemic;
- Conduct diagnostic analysis of COVID-19 impact on the labour market, employment, population income in Kazakhstan, including gender gap analysis and gender issues affecting women's labour force participation;
- Prepare a foresight of employment prospects in Kazakhstan in the post-pandemic period, including foresight of development prospects by industries and regions;
- Provide a detailed analysis of universities and colleges' programs regarding the most demanded professions of post-COVID environment, including gender gap analysis;
- Deliver project presentations and help introducing to relevant government agencies;
- Prepare recommendations for the state employment policy on the industries which will experience an increased demand for labour in the post-COVID-19 environment.

2. Skills and knowledge of capacity building participants is improved

The Fund will develop and deliver training and retraining programs for skills and development to help workers who lost their jobs due to the COVID-19 pandemic find new opportunities in the post-pandemic environment. Potentially, these trainings can be extended to reskilling and upskilling of workers who are at risk of losing jobs in case they don't adapt to emerging needs for skills and new business processes. To accomplish this activity, the MLSPP will work with the WB under the framework of the World Bank's "Skills and Jobs" Project.

Another activity that will contribute to this Output will be an activity led by UNDP – the apprenticeship scheme for the youth at risk – affected by the COVID-19. UNDP has successful experience with this scheme implemented through an on-going project funded by another donor. In the frames of the Fund's activities, the apprenticeship scheme will be directed towards unemployed, unproductively self-employed and disabled people.

Finally, driven by the request of the National Commission on Women's Affairs of the Republic of Kazakhstan, the project will assist the Government of RK with developing a concept, roadmap and methodology for the implementation of the "One village – one product" (OVOP) project in Kazakhstan and focus on involving women from rural areas. The OVOP movement encourages the mobilization of local human, material and cultural resources to create value-added products/services for domestic and external markets. Initiated by Dr. Morihiko Hiramatsu in 1979 in Oita Prefecture, Japan, the OVOP movement has now been deployed in more than 40 countries all over the world, creating jobs and generating income for millions of people through the development of wide ranges of unique OVOP products and services. The project will support the Government of RK in conducting the feasibility study of piloting OVOP in selected Kazakhstani regions to identify the baseline situation and availability of human resources. The feasibility study will be complimented with study tours of national partners to Kyrgyzstan, where OVOP has been developed and appears to be one of the most successful examples of this format. The tours of experts to the regions of Kazakhstan to provide trainings to the participants of OVOP are also envisaged.

Within the framework of this task, the following activities will be realized:

- Propose a capacity development framework that ensures that online training programs include active learning, case-studies and follow-up tasks
- Develop individual employment schemes through mentoring, counseling and orientation;
- Design and conduct a gender sensitive and inclusive training programs to support capacity development for beneficiaries;
- Develop practical recommendations for the development of related training programs.

3. The capacity of the SMEs to enter emerging industries and tapping new opportunities is strengthened

The Socio-Economic Impact Assessment conducted by UNDP in May-June 2020 as part of the common UN effort revealed that COVID-19 crisis impacts are disproportionate for the most vulnerable segments of population¹. The COVID-19 is devastating the business sector², especially those of small and medium-sized enterprises (SMEs) with the services sector receiving the strongest hit. More than 70% of self-employed, accounting officially for 23% of the total economically active population³ have lost their income, mostly in such sectors as HORECA, catering and beauty industry. This increases the existing gender pay gap, as these are typically the sectors which employ a disproportionate number of women.

¹ Socio Economic Impact Assessment, UNDP, July 2020: 40% of the unemployed and 38% of the poor could not afford buying enough food; 43% of the unemployed and the poor could not pay for utilities; 38% of the unemployed and 47% of the poor had to borrow money to pay for basic necessities. In terms of people with disabilities, 41% could not pay for utilities. Overall, in March-April 2020, nearly half of the population (8 million+) applied for the state support in the lump sum amount of 42,500 tenge per month, while only 3,5 million received it.

² Socio Economic Impact Assessment, UNDP, July 2020: 69.6% of SMEs has been forced to completely suspend their economic activities and a further 2.2% terminated their activities completely. The figure for women entrepreneurs is 10% higher than for men. 48% of SMEs have no revenue and 63% experienced a decrease in revenue. This put them in danger of liquidation.

³ This figure considered to be underestimated (up to 3.8 million has been estimated).

To contribute to the Output 3, The Fund will work with the Damu Fund, the subsidiary of the JSC National Management Holding “Baiterek”. Damu Fund has an established online platform to deliver training programs to the local entrepreneurs.

During project implementation Damu Fund is defined as a responsible partner based on collaborative advantage having prior positive experience of working with UNDP on another ongoing projects within the organization and managing donor funds, and low risk of the HACT micro-assessment conducted in 2017 in line with UNDP policies and procedures. Damu Fund is responsible for providing online training programs to the local entrepreneurs. The project will support the Damu Fund with developing training programs to SMEs, including women-led SMEs and other interested stakeholders.

Within the framework of this task, the following activities will be realized:

- Propose a capacity development framework that ensures that online training programs for SMEs are gender inclusive and comprise active learning; case-studies and practical tasks and courses are relevant to post COVID-19 environment;
- Design and conduct a gender sensitive and inclusive training programs to improve SMEs capacity for entering the emerging industries;
- Prepare recommendations for the monitoring of the related training programs.

III. RESULTS AND PARTNERSHIPS

Expected Results

It is expected that the project will assist the Government of Kazakhstan in providing timely mitigation measures in the labor market by training and retraining the labor force to limit the negative implications of the COVID-19 pandemic.

Result 1: Report on emerging professions for Kazakhstan is prepared

In order to properly design and deliver new labor-related training programs, the SF will support conducting analysis of the professions needed in the post-COVID-19 environment as part of an ongoing initiative by the MLSPP. The future skills' building in the COVID-19 context will be integrated into a labor market modernization roadmap, currently developed by the MLSPP under the framework of the WB's "Skills and Jobs Project", including online skills enhancement training for: (a) unemployed and unproductively self-employed; and (b) currently employed in need of training.

Result 2: Training programs for skills development are delivered

The SF will develop and deliver a complete set of training and retraining programs for skills development to help workers who lost their jobs due to the COVID-19 find new job opportunities in the post-pandemic environment. Such trainings can be extended to reskilling and upskilling of those workers who are at risk of losing jobs in case they will have problems in adapting to emerging needs for skills and new business processes. To accomplish such task, the SF will help quantifying total job losses in the country and assessing the impact of COVID-19 on individuals and families' incomes. International and local experts will help identify emerging industries and sectors in the post COVID-19 pandemic environment and design focused training programs for the local workforce to serve both national and international markets. As many firms will realize the need for realignment of their business processes, products and services to new standards of production, trading, packaging and delivery, successful restart of business operations post-COVID-19 will require new skills and adaptation of vocational training. The output will be delivered in close collaboration with MLSPP and coordinated with ongoing WB "Skills and Jobs Project".

Result 3: Training programs for SMEs to enter emerging industries are delivered

The SF will also develop and deliver training programs in collaboration with the National Company DAMU Fund to assist SMEs enter emerging industries which are expected to emerge in the post-COVID-19 economy, such as agriculture, e-commerce, information technology, and others. Online programs will be targeted to improve existing skills as well as educating new competencies required for the promoting entrepreneurship activity. Courses will be delivered in accordance with business needs and provided in Kazakh and Russian languages.

Resources required to achieve the Expected results

All participating agencies will contribute to the financing of the Fund's activities, either by direct or parallel financing, through the ongoing projects. The participating agencies agree to look for other possibilities to increase financing of the Fund, pledging additional contributions and inviting other partners to contribute to the Fund's activities as appropriate.

The project will be managed by a full time UNDP Project manager located in UNDP Office in Nur-Sultan, Kazakhstan.

In order to achieve the above-mentioned results, the project stipulates the involvement of highly qualified international experts. The consultants should have meaningful experience in the field of training programs, Sustainable Development Goals and knowledge of the relevant context in Kazakhstan.

The project will also involve national consultants to support the international experts. These consultants will be required to have a good understanding of the regulatory, political and legal system of Kazakhstan, regarding the socio-economic response of the Government to the unfolding crisis.

Partnerships

The Ministry of National Economy of the Republic of Kazakhstan, the Ministry of Labour and Social Protection of Population RK, the National Commission of Women Affairs, Damu Fund, the United Nations Development Programme, the Asian Development Bank, the World Bank are the main partners during the project implementation.

The Ministry of National Economy of the Republic of Kazakhstan determines the main directions of the country's social and economic development and sets forth national and regional strategies and programs in the field of economic development. The MNE will provide the overall guidance of the Fund's objectives and monitoring activities' implementation.

The Ministry of Labour and Social Protection of Population of the Republic of Kazakhstan provides leadership and intersectoral coordination in the field of labour, labour safety and labour protection, employment, pension and social security. The MLSPP will facilitate delivery of training and retraining programs for workers who lost their jobs due to the unfolding crisis and will coordinate the assessment of the crisis on Kazakhstan's labour market.

The National Commission of Women's Affairs was established on 22 December 1998 by the Decree of the President of the Republic of Kazakhstan as an advisory body under the President to develop the most effective measures for the advancement of women, children and families, as well as to protect the interests of the family, ensuring the necessary conditions for women's participation in political, social, economic and cultural life of the country⁴.

Damu Entrepreneurship Development Fund JSC (responsible partner of the project) was established based on the Decree of the Government of the Republic of Kazakhstan on the establishment of small business development fund on 26 April 1997. Since 2010 Damu Fund has been a financial agent, implementing and monitoring financial support (subsidies for interest rates on loans to businesses, providing guarantees to banks on entrepreneurs' loans) as part of the BRM 2020 Unified business support and development program. Damu Fund branches operate in all the regions of Kazakhstan; it has considerable experience of working with local businesses public organizations and local executive authorities⁵.

The United Nations Development Programme working in 170 different countries, is the largest agency of the United Nations Development System (UNDS). In view of its reputation as an impartial UNDP partner, it helps governments to encourage profile ministries and development partners to

⁴ http://www.akorda.kz/ru/executive_office/presidential_commissions/commission_for_women

⁵ <https://www.damu.kz/>

apply nationwide and society-wide approaches, which is important for the reforms underway. UNDP will administer the Fund, through managing the implementation of the project and contributing to directly financing its activities.

The Asian Development Bank during the past 26 years has aided Kazakhstan with financing, technical assistance, and knowledge support as part of the sovereign operations. Current ADB operations in Kazakhstan are being implemented under the country partnership strategy 2017 – 2021, which is structured around three pillars: economic diversification, inclusive development and sustainable growth. ADB is also supporting Kazakhstan’s active participation in the Central Asia Regional Economic Cooperation (CAREC) Program.⁶ ADB directly provides initial seed money for the establishment and implementation of the Solidarity Fund’s operations. The ADB will focus on monitoring the Fund’s overall activities.

The World Bank with 189 member countries, staff from more than 170 countries is a unique global partnership: five institutions working for sustainable solutions that reduce poverty and build shared prosperity in developing countries.⁷ The WB will contribute to the Fund’s deliverables through the supervision of activities of the “Skills and Jobs” project implemented jointly with the Ministry of Labour and Social Protection of Population.

In view of the overall aim of the project, to assist the Government of Kazakhstan in providing timely mitigation measures in the labor market by training and retraining the labor force to limit the negative implications of the COVID-19 pandemic, the project will also involve partners from the private sector and non-governmental organizations throughout Kazakhstan.

Risks and assumptions

Due to limited funds and rather tight period of implementation, the Government’s role in providing valid data required for the project, indicating essential gaps and measures that need most funding, and providing the pull of most affected groups of people and SMEs by the pandemic is considered to be very important. Active engagement of the Government though the whole period of the SF implementation will ensure better scope of the project, effective spending of the allocated funds.

Isolation of the training programs from the potential future employment market could decrease the outcome results expected to be achieved within the SF. Therefore, training programs must be developed in a close partnership not only with Government affiliated organizations but jointly with potential employers to make sure that skills obtained by the training program participants are in demand and required on market. Timely engagement of employers at preparatory stages of the Fund will help to mitigate that risk.

Stakeholder engagement

Given the nature of the project, which will serve as a response facility of the Government to the unfolding COVID-19 crisis, the major stakeholders that will be engaged in the project implementation are:

- relevant national authorities, leading the execution of the COVID-19 response;
- representatives of the state-owned enterprises and private sector (Damu Fund, National Chamber of Entrepreneurs, Women’s entrepreneurship and sustainable development fund, and SMEs);
- civil society organizations;
- vulnerable individual groups, especially those living in rural areas;
- other organizations as needed

⁶ <https://www.adb.org/countries/kazakhstan/overview>

⁷ <https://www.worldbank.org/en/country/kazakhstan>

Sustainability

The project recognizes the importance of sustainability of results. Therefore, every activity of the project will be designed and implemented in accordance with the understanding of subsequently ending both external financial support and providing expert support, thus transferring the responsibility to an enabled national partner in a manner consistent with the objective of producing sustainable development outcomes. The fundamental goal of this project is to ensure the sustainability of impacts and activities.

National ownership of results will be ensured by the continuous and direct involvement of the beneficiaries in the process of deriving such results. Once the desirable results are compiled, the beneficiaries will proceed with the necessary actions needed to implement the recommendations, as it sees fit.

IV. PROJECT MANAGEMENT

Cost efficiency and effectiveness

The UNDP will use a portfolio management approach⁸ to improve cost effectiveness.

Cost effectiveness and efficiency during the project implementation will be ensured by compliance with the UNDP standard rules, regulations, policies and procedures.

The UNDP project team will develop a detailed project implementation plan with application of monitoring tools at each phase of the project. This will help trace the output indicators and measure the level of achievement of project goals versus identified project targets.

Project Management

The UNDP CO will involve a professional project management team comprised of national and international experts that possesses the required expertise, managerial and analytical skills. High quality of reporting will be ensured by engaging technical advisors. The international technical advisors and the programme UNDP staff, including the thematic team leaders from the Istanbul Regional Hub, will provide the quality assurance of the project's deliverables.

In its implementation, the project will widely use applicable programme and project management methods, mechanisms and financial instruments to ensure cost efficiency and effectiveness throughout the project implementation. Thus, the project will be executed based on the portfolio management approach which allows to reduce transaction costs of project designing, monitoring, implementing, overseeing and reporting. The project team will be structured in the way to unify professional experts to work in one portfolio to ensure rapid space of the project implementation and exchange of the best practices and lessons learnt from other projects both on country and regional levels.

The project will be operationalized in Nur-Sultan. Other UNDP projects will provide support to the project team by sharing knowledge and expertise, helping build relationships with the national partners and other stakeholders. The UNDP programme staff will closely supervise all stages of the Project's implementation. The project team will be supported by the inhouse operation capacity, the UNDP CO Operation services during project implementation.

⁸ Projects of the same direction, implemented within the same project portfolio in accordance with the rules of the UNDP

V. RESULTS FRAMEWORK

| Expected Outputs | Output Indicators | Data Source | Value (baseline) | Year 2022 | Data collection methods |
|--|--|---|---|---|--|
| Output 1: Report on emerging professions for Kazakhstan is prepared | 1.1. Quality of the report produced and submitted to the Ministry of Labour and Social Protection of Populations and recommendations in the report contribute to the state employment policies | Report prepared by the research centre | 0, Low quality, no recommendations provided | 1 report of high quality with recommendations provided to the MLSPP | Data on the contribution of the report with recommendations to the state employment policies on the MLSPP official website |
| Output 2: Training programs for skills development are designed and delivered | 2.1. Number and quality of training and retraining programs for women in rural areas delivered 2.2. Number of training and retraining programs for unemployed, unproductively self-employed, and disabled people provided 3.1. Number of gender inclusive training and/or retraining programs for skills development in emerging industries for SMEs delivered | Reports prepared by the international and national experts | 0 | 10 | Reports on trainings on the websites of relevant ministries |
| Output 3: Training programs for SMEs to enter emerging industries delivered | 3.2. Number of training and/or retraining services for SMEs most affected by COVID-19 provided | Report prepared by DAMU Fund on the operationalization of the online platform, including statistics disaggregated by gender, sectors of economy and number of SMEs registered to attend the trainings | 0 | 10 | Reports on trainings on the websites of relevant ministries Online platform statistical reports |
| | | | | 20 | Online platform statistical reports |

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

| Monitoring Activity | Purpose | Frequency | Expected Action | Partners (if joint) | Cost (if any) |
|---|---|---|---|---------------------|---------------|
| Track results progress | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. | Quarterly, or in the frequency required for each indicator. | Slower than expected progress will be addressed by project management. | n/a | n/a |
| Monitor and Manage Risk | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. | Annually | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. | n/a | n/a |
| Learn | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. | At least annually | Relevant lessons are captured by the project team and used to inform management decisions. | n/a | n/a |
| Annual Project Quality Assurance | The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. | Annually | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. | n/a | n/a |
| Review and Make Course Corrections | Internal review of data and evidence from all monitoring actions to inform decision making. | At least quarterly | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. | n/a | n/a |
| Project Report | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period. | Annually, and at the end of the project (final report) | | n/a | n/a |

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| <p>Project Review (Project Board)</p> | <p>The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</p> | <p>Annually</p> | <p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p> | | <p>n/a</p> |
| <p>Management Advisory Unit</p> | <p>The Management Advisory Unit, co-chaired by heads of ADB and UNDP or by their delegates with a mandate to include coordination of implementation activities.</p> | <p>Monthly</p> | <p>Joint identification of consulting needs and getting updates on implementation of procurement activities including recruitment of consultants as well as project scope and expenditures to be made within the project should be discussed during Management Advisory Unit Meetings.</p> | <p>n/a</p> | <p>n/a</p> |

VII. MULTI-YEAR WORK PLAN

2021 - 2022

| Expected Results | Planned Activities | Planned Budget | | | | | | | |
|--|---|----------------|--------|------------------------|--------------------------------------|-----------------|----------------|----------------|--|
| | | Year 1 | Year 2 | Donors | Description of Budget | Amount (in USD) | | | |
| | | | | | | 2021 | 2022 | TOTAL | |
| Output 1: Report on emerging professions for Kazakhstan is prepared | 1.1. Total job losses in Kazakhstan due to COVID-19's impact on men and women using sex-disaggregated data are quantified | | | | | | | | |
| | 1.2. The assessment which people are the most affected people by social group, region, and sector of employment using sex-disaggregated data is conducted | | | ADB | 72100 Contractual Services Companies | 80,000 | - | 80,000 | |
| | 1.2. Emerging industries and sectors in the post-COVID-19 pandemic environment and their potential for generating new jobs for men and women, using sex-disaggregated data are identified | | | | | | | | |
| | 1.4. Bank commissions | | | ADB | 74500 Bank commissions | 500 | - | 500 | |
| | GMS (8%) | | | ADB | 75100 GMS | 6,440 | - | 6,440 | |
| SUBTOTAL OUTPUT 1 INCLUDING GMS | | | | | | 86,940 | - | 86,940 | |
| Output 2: Training programs for skills development are designed and delivered | 2.1. Training retraining programs for women in rural areas delivered | | | ADB | 72100 Contractual services companies | 130,000 | - | 130,000 | |
| | | | | ADB | 71600 Travel | 5,000 | 15,000 | 20,000 | |
| | | | | UNDP | 75700 Trainings and seminars | 30,000 | 50,000 | 80,000 | |
| | 2.2. Training and retraining programs for unemployed, unproductively self-employed, and disabled people are provided | | | ADB | 72100 Contractual services companies | 100,000 | 100,000 | 200,000 | |
| | | | | ADB | 71600 Travel | - | 10,000 | 10,000 | |
| | | | | ADB | 75700 Trainings and seminars | 10,000 | 10,000 | 20,000 | |
| 2.3. Bank commissions | | | ADB | 74500 Bank commissions | 250 | 250 | 500 | | |
| | GMS (8%) | | | ADB | 75100 GMS | 19,600 | 14,820 | 34,420 | |
| | GMS (7%) | | | UNDP | 75100 GMS | 2,100 | 3,500 | 5,600 | |
| SUBTOTAL OUTPUT 2 INCLUDING GMS | | | | | | 296,950 | 203,570 | 500,520 | |

| | | | | | | | | |
|--|--|--|--|------|--|----------------|----------------|------------------|
| Output 3: Training programs for SMEs to enter emerging industries delivered | 3.1. Gender inclusive training and/or retraining programs for skills development in emerging industries for SMEs are delivered | | | ADB | 72100 Contractual Services Companies (RPA with DAMU) | 150,000 | 190,000 | 340,000 |
| | | | | ADB | 71200 International expert | 35,000 | 15,000 | 50,000 |
| | | | | ADB | 71300 National expert | 35,000 | 15,000 | 50,000 |
| | 3.2. Training and/or retraining services for SMEs most affected by COVID-19 are provided | | | ADB | 75700 Trainings and seminars | 7,000 | 13,000 | 20,000 |
| | 3.3. Bank commissions | | | ADB | 74500 Bank commissions | 741 | 500 | 1,241 |
| | GMS (8%) | | | ADB | 75100 GMS | 18,219 | 18,680 | 36,899 |
| | SUBTOTAL OUTPUT 3 INCLUDING GMS | | | | | 245,960 | 252,180 | 498,140 |
| Project Management | 4.1. Salary of project staff | | | UNDP | 71400 Project Staff Costs | 26,000 | 38,000 | 64,000 |
| | 4.2. DPC (programme) | | | UNDP | 64397/74596 | 5,700 | 5,700 | 11,400 |
| | 4.3. DPC (operations) | | | UNDP | 64397/74596 | 3,350 | 2,800 | 6,150 |
| | 4.4. Communication | | | UNDP | 72400 Communication services | 2,000 | 2,000 | 4,000 |
| | 4.5 Office rent | | | UNDP | 73100 Miscellaneous | 1,000 | 1,266 | 2,266 |
| | 4.6. Bank commissions | | | UNDP | 74500 Bank commissions | 204 | 204 | 408 |
| | GMS (7%) | | | UNDP | 75100 GMS | 2,678 | 3,498 | 6,176 |
| | SUBTOTAL PROJECT MANAGEMENT | | | | | 40,932 | 53,468 | 94,400 |
| | TOTAL | | | | | 670,782 | 509,218 | 1,180,000 |

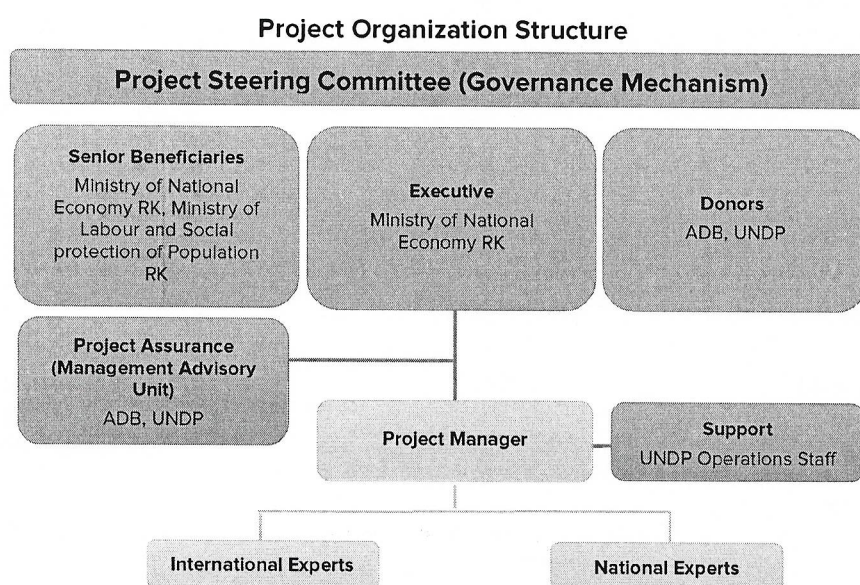
VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The Solidarity Fund will be governed by a Project Steering Committee, which will serve as its decision-making body and will include the Ministry of National Economy RK, the Ministry of Labour and Social Protection of Population, ADB, UNDP and WB. The Steering Committee, which will meet no less than once a year will be chaired by the Minister of National Economy. The UNDP will be responsible for convening the Steering Committee Meetings and other information exchanges. The Project Steering Committee will provide overall guidance and direction to the project as specified in the Terms of Reference of the Steering Committee in Annex 4 of the present project document.

The UNDP Country Office in Kazakhstan and Kazakhstan Resident Mission of ADB will separately establish a Management Advisory Unit, co-chaired by the heads of two respective offices or by their delegates, which will meet on a monthly basis with a mandate to include coordination of implementation activities, focusing on joint identification of consulting needs and getting updates on implementation of procurement activities including recruitment of consultants.⁹

UNDP will appoint a UNDP Project Manager to support the MNE in project management and quality assurance, in accordance with the plans approved by the Project Steering Committee. UNDP's work on the project will take place at the country office in Nur-Sultan under the leadership of the UNDP Resident Representative (RR) and UNDP Deputy Resident Representative (DRR). If necessary, the project manager will be working under the direct supervision of the UNDP Assistant Resident Representative (ARR).

The project will involve short-term international and national experts in the implementation of specific project work.



⁹ Administrative arrangement between ADB and UNDP for funds transferred by ADB to UNDP as an implementing partner in support of a project "COVID-19 Solidarity Fund for Kazakhstan" dated 8 January 2021

IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on 4 October 1994. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by the Ministry of National Economy RK (“Implementing Partner”) in accordance with their financial regulations, rules, practices and procedures only to the extent that they are applicable to this project and in compliance with UNDP regulations, rules, practices and procedures. Where the financial governance of the Implementing Partners does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

1. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner upon necessity will try its best to:
 - a) put in place an appropriate security plan (developed in line with national legislation and not contradicting the policies and procedures of UNDP) and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
 - (a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General’s Bulletin ST/SGB/2003/13 of 9 October 2003, concerning “Special measures for protection from sexual exploitation and sexual abuse” (“SEA”).
 - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project

Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment (“SH”). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities) require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:
 - i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
 - ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
 - iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
 - iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
6. The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.
7. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
8. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such

standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

9. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
10. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
11. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
12. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
13. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
14. The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.
15. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
16. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action

against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

17. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

- 1. Social and Environmental Screening Template**
- 2. Risk Log**
- 3. Letter of Agreement on UNDP support services**
- 4. Project Steering Committee Terms of Reference**

ANNEX 1: SOCIAL AND ENVIRONMENTAL SCREENING TEMPLATE (2021 SESP TEMPLATE, VERSION 1)

Project Information

| Project Information | |
|--|---|
| 1. Project Title | COVID-19 Solidarity Fund for Kazakhstan |
| 2. Project Number (i.e. Atlas project ID, PIMS+) | 00123515 |
| 3. Location (Global/Region/Country) | Kazakhstan |
| 4. Project stage (Design or Implementation) | Design |
| 5. Date | 14 January 2021 |

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

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the project mainstreams the human rights-based approach

The Human-Rights based approach and Gender Equality have been fully reflected and integrated in the project design.

This Project will be implemented following a rights-based approach encompassing all human rights. The five working principles below will be applied at all stages of the JP implementation:

- 1) Legality, universality and indivisibility of human rights;
- 2) Participation and access to the decision-making process;
- 3) Non-discrimination and equal access;
- 4) Accountability and access to the rule of law;
- 5) Transparency and access to information

Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment

The Project will monitor on a systemic basis the impact that it will have on gender equality and gender balance.

The project is intended to provide training and retraining programs to the SMEs most affected by COVID-19 pandemic including those SMEs run by women and located in rural areas. The project will also closely monitor the assessment of the total job losses due to pandemic to ensure the gender focus of the analysis provided.

Briefly describe in the space below how the project mainstreams sustainability and resilience

The project recognizes the importance of sustainability of results. Therefore, every activity of the project will be designed and implemented in accordance with the understanding of subsequently ending both external financial support and providing expert support, thus transferring the responsibility to an enabled national partner in a manner consistent with the objective of producing sustainable development outcomes. The fundamental goal of this project is to ensure the sustainability of impacts and activities.

National ownership of results will be ensured by the continuous and direct involvement of the beneficiaries in the process of deriving such results. Once the desirable results are compiled, the beneficiaries will proceed with the necessary actions needed to implement the recommendations, as it sees fit.

Briefly describe in the space below how the project strengthens accountability to stakeholders

The accountability to stakeholders will be strengthened by means of enabling active local community engagement in the project's activities and ensuring transparency of project's interventions through provision of timely, accessible and functional information regarding supported activities of the project, including impact on social risks.

Part B. Identifying and Managing Social and Environmental Risks

| QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Complete SESP Attachment 1 before responding to Question 2.</i> | QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 5</i> | QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High | | | | | | | | | | |
|---|--|--|----------------------------|---|----------|-------------------------------------|---------------|--------------------------|------------------|--------------------------|-----------|--------------------------|
| Risk Description (broken down by event, cause, impact) | Impact and Likelihood (1-5) | Significance (Low, Moderate, Substantial, High) | Comments (optional) | Description of assessment and management measures for risks rated as Moderate, Substantial or High | | | | | | | | |
| Risks not identified | | | | | | | | | | | | |
| QUESTION 4: What is the overall project risk categorization? | | | | | | | | | | | | |
| <table border="0" style="width: 100%;"> <tr> <td style="text-align: right; padding-right: 20px;">Low Risk</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Moderate Risk</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Substantial Risk</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">High Risk</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> | | | | | Low Risk | <input checked="" type="checkbox"/> | Moderate Risk | <input type="checkbox"/> | Substantial Risk | <input type="checkbox"/> | High Risk | <input type="checkbox"/> |
| Low Risk | <input checked="" type="checkbox"/> | | | | | | | | | | | |
| Moderate Risk | <input type="checkbox"/> | | | | | | | | | | | |
| Substantial Risk | <input type="checkbox"/> | | | | | | | | | | | |
| High Risk | <input type="checkbox"/> | | | | | | | | | | | |
| QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply) | | | | | | | | | | | | |
| Question only required for Moderate, Substantial and High-Risk projects | | | | | | | | | | | | |

| Is assessment required? (check if "yes") <i>if yes, indicate overall type and status</i> | | | Status? (completed, planned) |
|---|--------------------------|--|---------------------------------|
| <input type="checkbox"/> | | | |
| Are management plans required? (check if "yes") <i>if yes, indicate overall type</i> | <input type="checkbox"/> | | |
| Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others) | <input type="checkbox"/> | | |
| ESMP (Environmental and Social Management Plan which may include range of targeted plans) | <input type="checkbox"/> | | |
| ESMF (Environmental and Social Framework) | <input type="checkbox"/> | | |
| Comments (not required) | | | |
| Based on identified risks, which Principles/Project-level Standards triggered? | | | |
| Overarching Principle: Leave No One Behind | | | |
| Human Rights | <input type="checkbox"/> | | Not applicable to this Project. |
| Gender Equality and Women's Empowerment | <input type="checkbox"/> | | Not applicable to this Project. |
| Accountability | <input type="checkbox"/> | | Not applicable to this Project. |
| 1. Biodiversity Conservation and Sustainable Natural Resource Management | <input type="checkbox"/> | | Not applicable to this Project. |
| 2. Climate Change and Disaster Risks | <input type="checkbox"/> | | Not applicable to this Project. |
| 3. Community Health, Safety and Security | <input type="checkbox"/> | | Not applicable to this Project. |
| 4. Cultural Heritage | <input type="checkbox"/> | | Not applicable to this Project. |
| 5. Displacement and Resettlement | <input type="checkbox"/> | | Not applicable to this Project. |
| 6. Indigenous Peoples | <input type="checkbox"/> | | Not applicable to this Project. |

| | | | |
|--|--|--------------------------|---------------------------------|
| | 7. Labour and Working Conditions | <input type="checkbox"/> | Not applicable to this Project. |
| | 8. Pollution Prevention and Resource Efficiency | <input type="checkbox"/> | Not applicable to this Project. |

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

| Signature | Date | Description |
|------------------|-------------|---|
| QA Assessor | | UNDP staff member responsible for the project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted. |
| QA Approver | | UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC. |
| PAC Chair | | UNDP chair of the PAC. In some cases, PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC. |

SESP Attachment 1. Social and Environmental Risk Screening Checklist

| Checklist Potential Social and Environmental Risks | | |
|---|---|------------------------|
| INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions. | | |
| Overarching Principle: Leave No One Behind | | Answer (Yes/No) |
| Human Rights | | |
| P.1 | Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)? | No |
| P.2 | Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project? | No |
| P.3 | Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights? | No |
| <i>Would the project potentially involve or lead to:</i> | | |
| P.4 | 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.5 | inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? ¹⁰ | No |
| P.6 | restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities? | No |
| P.7 | exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals? | No |
| Gender Equality and Women's Empowerment | | |
| P.8 | Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)? | No |
| <i>Would the project potentially involve or lead to:</i> | | |
| P.9 | adverse impacts on gender equality and/or the situation of women and girls? | No |
| P.10 | reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits? | No |
| P.11 | limitations on 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 |
| P.12 | exacerbation of risks of gender-based violence? <i>For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc.</i> | No |

¹⁰ Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, 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 and transsexual people.

| | | |
|--|---|----|
| Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below | | |
| Accountability | | |
| <i>Would the project potentially involve or lead to:</i> | | |
| P.13 | exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them? | No |
| P.14 | grievances or objections from potentially affected stakeholders? | No |
| P.15 | risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project? | No |
| Project-Level Standards | | |
| Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management | | |
| <i>Would the project potentially involve or lead to:</i> | | |
| 1.1 | 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 | activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) 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 | 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 | risks to endangered species (e.g. reduction, encroachment on habitat)? | No |
| 1.5 | exacerbation of illegal wildlife trade? | No |
| 1.6 | introduction of invasive alien species? | No |
| 1.7 | adverse impacts on soils? | No |
| 1.8 | harvesting of natural forests, plantation development, or reforestation? | No |
| 1.9 | significant agricultural production? | No |
| 1.10 | animal husbandry or harvesting of fish populations or other aquatic species? | No |
| 1.11 | significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i> | No |
| 1.12 | handling or utilization of genetically modified organisms/living modified organisms? ¹¹ | No |
| 1.13 | utilization of genetic resources? (e.g. collection and/or harvesting, commercial development) ¹² | No |
| 1.14 | adverse transboundary or global environmental concerns? | No |
| Standard 2: Climate Change and Disaster Risks | | |

¹¹ See the [Convention on Biological Diversity](#) and its [Cartagena Protocol on Biosafety](#).

¹² See the [Convention on Biological Diversity](#) and its [Nagoya Protocol](#) on access and benefit sharing from use of genetic resources.

| | | |
|--|--|----|
| <i>Would the project potentially involve or lead to:</i> | | |
| 2.1 | areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions? | No |
| 2.2 | outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? <i>For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes</i> | No |
| 2.3 | increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping 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 |
| 2.4 | increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change? | No |
| Standard 3: Community Health, Safety and Security | | |
| <i>Would the project potentially involve or lead to:</i> | | |
| 3.1 | construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams) | No |
| 3.2 | air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation? | No |
| 3.3 | harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)? | No |
| 3.4 | risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health? | No |
| 3.5 | transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)? | No |
| 3.6 | adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)? | No |
| 3.7 | influx of project workers to project areas? | No |
| 3.8 | engagement of security personnel to protect facilities and property or to support project activities? | No |
| Standard 4: Cultural Heritage | | |
| <i>Would the project potentially involve or lead to:</i> | | |
| 4.1 | activities adjacent to or within a Cultural Heritage site? | No |
| 4.2 | significant excavations, demolitions, movement of earth, flooding or other environmental changes? | No |
| 4.3 | adverse impacts to 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 |
| 4.4 | alterations to landscapes and natural features with cultural significance? | No |
| 4.5 | utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes? | No |
| Standard 5: Displacement and Resettlement | | |
| <i>Would the project potentially involve or lead to:</i> | | |

| | | |
|---|---|----|
| 5.1 | temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)? | No |
| 5.2 | 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 | risk of forced evictions? ¹³ | No |
| 5.4 | impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources? | No |
| Standard 6: Indigenous Peoples | | |
| <i>Would the project potentially involve or lead to:</i> | | |
| 6.1 | areas where indigenous peoples are present (including project area of influence)? | No |
| 6.2 | activities located on lands and territories claimed by indigenous peoples? | No |
| 6.3 | impacts (positive or negative) to 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)? <i>If the answer to screening question 6.3 is “yes”, then the potential risk impacts are considered significant and the project would be categorized as either Substantial Risk or High Risk</i> | No |
| 6.4 | the 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 | the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples? | No |
| 6.6 | forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? <i>Consider, and where appropriate ensure, consistency with the answers under Standard 5 above</i> | No |
| 6.7 | adverse impacts on the development priorities of indigenous peoples as defined by them? | No |
| 6.8 | risks to the physical and cultural survival of indigenous peoples? | No |
| 6.9 | impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? <i>Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.</i> | No |
| Standard 7: Labour and Working Conditions | | |
| <i>Would the project potentially involve or lead to: (note applies to project and contractor workers)</i> | | |
| 7.1 | working conditions that do not meet national labour laws and international commitments? | No |
| 7.2 | working conditions that may deny freedom of association and collective bargaining? | No |
| 7.3 | use of child labour? | No |
| 7.4 | use of forced labour? | No |
| 7.5 | discriminatory working conditions and/or lack of equal opportunity? | No |

¹³ Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

| | | |
|---|---|----|
| 7.6 | occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life cycle? | No |
| Standard 8: Pollution Prevention and Resource Efficiency | | |
| <i>Would the project potentially involve or lead to:</i> | | |
| 8.1 | 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 |
| 8.2 | the generation of waste (both hazardous and non-hazardous)? | No |
| 8.3 | the manufacture, trade, release, and/or use of hazardous materials and/or chemicals? | No |
| 8.4 | the use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the <u>Montreal Protocol</u>, <u>Minamata Convention</u>, <u>Basel Convention</u>, <u>Rotterdam Convention</u>, <u>Stockholm Convention</u></i> | No |
| 8.5 | the application of pesticides that may have a negative effect on the environment or human health? | No |
| 8.6 | significant consumption of raw materials, energy, and/or water? | No |

Annex 2: Risk Log

| Project Title: COVID-19 Solidarity Fund for Kazakhstan | | | | | Award ID: | | | Date: | |
|--|------------------------------|---|-----------------|--|--|-----------------|------------------------|-------------|--------|
| # | Type | Description | Date Identified | Probability ¹⁴ & Impact ¹⁵ | Countermeasures / Management response | Owner | Submitted / updated by | Last Update | Status |
| 1 | Operational / Organizational | Selection of most experienced consultancy firms and individuals to carry out project activities Frequent turnover of key decision-making personnel | January 2021 | Off target selection and engagement of most suitable consultancy firms and individuals may influence the quality of the outputs and results P = 2 / I = 4 | UNDP will use precise and detailed evaluation criteria in selecting the most experienced consultancy firm and individual consultants | Project Manager | Project Manager | - | - |
| | | Project results may not lead to expected outcomes | January 2021 | Change in key beneficiary personnel may hinder timely progress of activities P = 1 / I = 3 | Engage mid-level beneficiary personnel to ensure continuation | Project Manager | Project Manager | - | - |
| 2 | Political | Other responsible ministries may not cooperate in a timely fashion | January 2021 | Recommendations culminating from findings may not be accepted by the Government of RK P = 2 / I = 2 | Work closely with the Government to highlight benefits of findings and recommendations | Project Manager | Project Manager | - | - |
| 3 | Regulatory | UNDP as partner of choice for future development issues | January 2021 | Ministry of Labour and Social Protection of Population may not provide necessary and timely feedback to the recommendations provided If UNDP does not manage to produce the expected results may diminish its partner of choice status P = 1 / I = 5 | Work closely with the Government to ensure timely response Focus on producing the best possible results | Project Manager | Project Manager | - | - |

¹⁴ Probability scale: 1 (low) to 5 (high).

¹⁵ Impact scale: 1 (low) to 5 (high).

Annex 3: Letter of Agreement between the Ministry of National Economy RK and UNDP on UNDP support services

Reference is made to consultations between officials of the Ministry of National Economy of the Republic of Kazakhstan (hereinafter referred to as “the MNE”) and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the MNE hereby agree that the UNDP country office may provide such support services at the request of the MNE through its institution designated in the relevant project document of the joint project of the UNDP and the MNE.

The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the MNE-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.

The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the project:

- (a) Identification and recruitment of project personnel; handling administrative issues related to the project personnel;
- (b) Identification and facilitation of training activities, seminars and workshops;
- (c) Procurement of goods and services;
- (d) Processing of direct payments.

The procurement of goods and services and the recruitment of project personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. If the requirements for support services by the country office change during the life of a project, the annex to the project document is revised with the agreement of the UNDP resident representative and the designated institution.

The breakdown of operations support within the scope of the current agreement is as follows:

| Service Provider | Total UPL 2021 in USD | Total UPL 2022 in USD |
|-------------------------|------------------------------|------------------------------|
| ICT Unit | 150 | 150 |
| Administrative Unit | 100 | 300 |
| Finance Unit | 650 | 1,000 |
| Procurement Unit | 350 | 350 |
| HR Unit | 2,100 | 1,000 |
| Total | 3,350 | 2,800 |

The relevant provisions of the Standard Basic Assistance Agreement (SBAA) between the Government of the Republic of Kazakhstan and the United Nations Development Programme, signed by the parties on October 4, 1994, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The MNE shall retain overall responsibility for the nationally managed project through its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the project document.

Any claim or dispute arising under or about the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.

The manner and method of cost-recovery by the UNDP country office in providing the support services will be set forth in line with UNDP policy on Cost Recovery and DPC.

The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

Any modification of the present arrangements shall be affected by mutual written agreement of the parties hereto.

If you agree with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between the MNE and UNDP on the terms and conditions for the provision of support services by the UNDP country office for the nationally managed project of the United Nations Development Programme (UNDP) and the Ministry of National Economy of the Republic of Kazakhstan “COVID-19 Solidarity Fund for Kazakhstan”

Annex 4: Project Steering Committee Terms of Reference

Overall responsibilities: The Steering Committee is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Steering Committee decisions should be made in accordance to standards that shall ensure best value to money, fairness, integrity transparency and effective international competition. In case a consensus cannot be reached, final decision shall rest with the UNDP Programme Manager.

Based on the approved annual work plan (AWP), the Steering Committee may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities.

Composition and organization: This group contains three roles, including:

- 1) An Executive: individual representing the project ownership to chair the group.
- 2) Donors: individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project. The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project.
- 3) Senior Beneficiary: individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary's primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries.

Specific responsibilities:

Running a project

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the Project Manager;
- Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- Agree on Project Manager's tolerances in the Annual Work Plan and quarterly plans when required;
- Conduct regular meetings to review the Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review Combined Delivery Reports (CDR) prior to certification by the Implementing Partner; Appraise the Project Annual Review Report, make recommendations for the next AWP, and inform the Outcome Board about the results of the review.
- Review and approve end project report, make recommendations for follow-on actions; Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on project changes through revisions;
- Ensure that there is a coherent project organisation structure and logical set of plans Set tolerances in the AWP and other plans as required for the Project Manager Monitor and control the progress of the project at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible

Closing a project

- Assure that all Project deliverables have been produced satisfactorily;
 - Review and approve the Final Project Review Report during an end-of-project review meeting to discuss lessons learnt and opportunities for scaling up;
 - Commission project evaluation (only when required by partnership agreement)
-