



Initial Poverty and Social Assessment

Project Number: 42921-01
November 2008

KAZ: Kazpost Sorting Center Upgradation Project

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title: **KAZ: Kazpost Sorting Center Upgradation Project**

Lending/Financing Modality: **Corporate Loan** Department/Division: **PSOD/PSIF1**

I. POVERTY ISSUES

A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy

1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

The Project is consistent with the Government's medium-term development priorities to diversify the economy, pursue balanced, inclusive growth and develop rural areas. It also directly responds to the ADB's priorities for Kazakhstan by (i) ensuring inclusive growth through effective and efficient delivery of postal and financial services in rural areas; (ii) developing Almaty as a regional financial and business center through substantial improvements of physical postal infrastructure in the main commercial center and dramatic enhancement of postal logistics in the country; (iii) deepening important business relationships through significant reduction of delivery times and improvement of quality of services; and (iv) enhancing the services and facilities in and access to rural postal outlets.

B. Targeting Classification

1. Select the targeting classification of the project:

General Intervention Individual or Household (TI-H); Geographic (TI-G); Non-Income MDGs (TI-M1, M2, etc.)

2. Explain the basis for the targeting classification:

The Project will provide financial assistance to JSC Kazpost (Kazpost) to fund a portion of the costs for a mail sorting center in Almaty and a system wide information technology up gradation. Equipping existing rural postal outlets with computers all over the country will improve the quality of postal services and allow efficient and timely flow of information. This is essential in strengthening social networks as well as promoting economic growth. In rural areas where no commercial banks are present, financial services provided by Kazpost will also revive the local economy and create more opportunities for rural residential and commercial clients including the poor.

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed? *N/A*

2. What resources are allocated in the PPTA/ due diligence? *N/A*

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? No.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project? Rural settlements in Kazakhstan are often very remote and the services provided by Kazpost are their only means of linking with the rest of the economy.

2. What are the potential needs of beneficiaries in relation to the proposed project?

None.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

None. Affordable and efficient postal services will be made available to all residential and commercial customers nationwide.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Initial stakeholders include the Government and the representatives of Samruk State Holding Company.

What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)? Discussions undertaken with the Government and the representatives of Samruk State Holding Company.

3. What level of participation is envisaged for project design?

Information sharing Consultation Collaborative decision making Empowerment

4. Will a C&P plan be prepared? Yes No Please explain.

C. Gender and Development			
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program? Kazpost has provided equal work opportunities to women as 77% of the staff employed are female. No gender issues are expected as they are provided equal pay and benefits (e.g. maternity leave) as required by the national labor law.</p> <p>2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. Affordable and efficient postal service will be made available to all.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. Affordable and efficient postal service will be made available to all.</p>			
III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	None.	No impact. The project will use an existing warehouse, administrative building and an internal railway track located in an industrial area. Reconfiguration will be undertaken within the boundaries of the project site.	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> No Action
Indigenous Peoples	None.	No impact. There are no indigenous peoples in the project area.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Core labor standards	Building renovation works will provide job opportunities to qualified local population.	Employment arrangements will comply with employment and labor standards as provided in the applicable laws and regulations.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action
Affordability	None.	No impact.	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others	None.	No impact.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action
IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT			
<p>1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, please explain why. Due diligence on social issues undertaken by staff.</p> <p>2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, please explain why.</p>			