

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Uzbekistan	Project Title:	Second Central Asia Regional Economic Cooperation Corridor 2 Road Investment Program
Lending/Financing Modality:	Multitranchise Financing Facility	Department/Division:	Central and West Asia Department Transport and Communications Division

### I. POVERTY ANALYSIS AND STRATEGY

#### A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The Government of Uzbekistan, in coordination with international organizations, carried out an in-depth poverty analysis in July 2007. The Welfare Improvement Strategy (2008–2010)<sup>a</sup> and Poverty Reduction Strategy (2008–2010) indicate that 25.8% of the population lives below the poverty line.<sup>b</sup> The government's poverty reduction strategy clearly indicates the importance of infrastructure development and specifies that industrial development will be strengthened through infrastructure development including transport and communications, which are vital in linking local production centers, markets, and warehouses with regional and international markets. The investment program, which is included in the country operations business plan (2011–2013) and is aligned with the Uzbekistan Transport Sector Strategy (2006–2020)<sup>c</sup> and road map, has two major components: road development and road sustainability. The investment program is expected to contribute to increasing both domestic and international trade and generating new initiatives and opportunities for economic activities. Improved connectivity and access to health centers, schools, and markets will emerge as a major priority for the poor.

#### B. Poverty Analysis

#### Targeting Classification: General intervention

**1. Key issues.** After independence in 1991, Uzbekistan's economic growth and measures taken by the government have led to positive trends. The country started to recover from economic decline: life expectancy increased, infant and child mortality dropped, basic education was introduced and illiteracy was eliminated, the gender gap in education fell, 95% of households own their dwellings, and the majority of rural households have access to land. Nevertheless, despite a slowly declining poor population, economic growth has not generated sufficient employment opportunities. According to the 2002 and 2003 household budget surveys, the poverty rate in the country is 27.5%, with 6.8 million people living in absolute income deprivation. Regional variations in poverty remain high. The rural population has a higher rate of poverty—70% of the country's poor lives in rural areas and the rural poverty rate is 30.5% versus 22.5% in urban areas. The highest concentration of poor households is in the southern and northern regions. The Republic of Karakalpakstan, Namangan, Kashkadarya, and Khorezm have the highest poverty incidence.<sup>d</sup>

The investment program will boost both domestic and international trade and improve regional integration and economic cooperation. This will contribute to national economic growth. About 93% of beneficiaries believe that an improved road will create better opportunities for local business development, 87% state that it will expand possibilities for marketing their own agricultural products—especially important in the project 1 area, one of the most fertile agricultural regions of the country. More than 70% of the population expects that the reconstructed road will ensure better access to health care services and educational institutions, and will provide better access to markets.

**2. Design features.** The investment program will involve civil works of the selected section of the A373, A373/4R112, and A380 highways using machinery and skilled labor. To address social issues in the regions of Bukhara (Rumitan district), Tashkent (Ahangaran district), and Namangan (Pap district) as well as transportation needs of road users from neighboring regions of Fergana valley, a gender action plan was prepared that incorporates the government's plan<sup>e</sup> to develop community infrastructure while developing the major transport arteries of the country and supporting skills training for women entrepreneurs.

### II. SOCIAL ANALYSIS AND STRATEGY

#### A. Social Analysis

**Key issues.** The main beneficiaries will be road users, who will have improved access to services, markets, and social infrastructure facilities. Better roads will attract additional economic activity and traffic, thus generating benefits to a wider circle of beneficiaries. Direct benefits of the program include employment opportunities, regional development, and tourism. The investment program covers areas that include rural settlements: (i) Besh-Kum, Chet-su, Chinor, Ertosh, Kok-Saray, Serka-kerildi, and Tanga Topdi, in Ahangaran district of Tashkent province; (ii) Kush-Minor, Rezak-Soy, and Pap in Namangan province; and (iii) Rumitan district and Gazli town in Bukhara province. The A373 and A373/4R112 project areas are located in mountainous terrains (Kamchik pass) and A380 project area is situated mostly in a desert, isolated from major urban centers. Public transport is limited as buses for more than six passengers are not allowed through Kamchik pass. Transport on the A380 is mostly buses and freight trucks. Seven villages surveyed in Ahangaran district showed relatively high unemployment—they rely on overseas remittances (about 11% of population) and seasonal migration in Pap district. The majority of residents are dekhani farmers, but income from farming and small trade (60–70%) is not sufficient to fully meet family needs. Residents, especially women, rely on the road to access local towns and markets to sell agricultural products. Local communities are affected by the poor transport situation; especially to access health care facilities. For serious diseases, people travel to the central regional hospital or specialized hospitals in the cities, requiring about 2–3 hours one-way with a long transport waiting time and insufficient road security. Residents of all regions of Fergana valley (total population of 8,593,700) use the A373. The reconstructed road will connect Fergana valley with the rest of the country. The project area of A380 road includes Rumitan district of Bukhara region with total population of about 115,000, as well as Bukhara city—the transport center of the region. The population in the project 2 area summarized the following issues with existing roads: (i) poor quality; (ii) lack of road signs and lighting systems; (iii) limitations of public transportation services; (iv) lack of bus and taxi stops and long transport waiting time; (v) lack of facilities along the road, such as toilets and water taps. These affect the decisions of residents, especially women and children, to travel.

The roads are a vital link providing residents of the program area with access to the outside world. Road reconstruction will contribute to local livelihoods in general, and of women in particular, by presenting new opportunities for entrepreneurs as supported by the gender action plan. Women will have increased access to local markets and better access to local towns to sell local products, livestock, and handicrafts. The local population will have better access to health centers, education, and basic needs concentrated in the capital, regional centers, and big cities. For local and provincial authorities, the improved road will facilitate the development of markets, commerce, and transportation; and improve the overall business environment.

## **B. Consultation and Participation**

1. Provide a summary of the consultation and participation (C&P) process during project 1 preparation.

Discussions were held with *hokimyat* authorities and key stakeholders, and public consultations with villagers, Mahalla committees, women's committee representatives and groups, and other interested parties.

2. What level of C&P is envisaged during the project implementation and monitoring?

☒ Information sharing ☒ Consultation ☒ Collaborative decision making ☐ Empowerment

3. Was a C&P plan prepared for project implementation? ☒ Yes ☐ No

## **C. Gender and Development**

**Gender Mainstreaming Category:** Effective gender mainstreaming

1. **Key issues.** The initial social and gender analysis identified a number of issues relevant to the investment program that inhibit the ability of women to improve their social and economic circumstances.

In the project 1 area, gender issues are visible in employment. The percentage of women working for state-owned entities is considerably lower than that of men. For example, 77.11% of men in Namangan and Tashkent provinces work in nonagriculture sectors and 36.41% of women. The unemployment rate of women is about three times higher (6.52%) than men (2.48%). About 25% of men and 8.15% of women have temporary employment. In the project 1 area, 90.54% of men and 64.13% of women are economically active. The number of unemployed women who head households is two times higher than for men (54.5%:24.3%). Gender differences exist in education. The education level of women, particularly for higher education, is lower than that of men. About 23.5% of men who head households and 9.1% of women who head households have higher education. This creates considerable disadvantage in the labor market and level of income. The poverty rate for households headed by women is 1.5 times higher than for households headed by men. The number of entrepreneurs is two times higher among women (16.84%) than among men (8.95%). Road development has an impact on gender roles. The majority of residents of the investment program area report that men and women use transport equally, while some believe that men use transport more often than women. Well-developed infrastructure can provide women with more time, leading to increased productivity. It can ensure that boys and girls are able to attend schools and lead to intergenerational improvements in household income and livelihood. At the same time, women are often the most vulnerable inhabitants in investment program areas due to the following existing gender issues relevant to the proposed investment program:

**Lack of job and access to training.** The small trading and public sector is the major employer but offers limited full-time job opportunities for women, especially in rural areas. Women's income-generating activities are affected by several factors, including long distance to nearest markets (both food and clothing) and existing gender stereotypes on women's role in the family and economic life. Women have limited opportunities, such as access to training and financing, to develop sustainable income-generating activities in the villages, and to engage in on-site road trading or catering services. The main constraints are lack of access to training, financial funds, and initiatives; and isolation of communities due to the remoteness of the area, especially for settlements in rural areas.

**Insufficient health provision.** Health services do not meet the needs of the population in rural regions of the investment program sites. More than 80% of residents use public transport to visit hospitals and polyclinics and other medical institutions, such as major diagnostic centers, which are located in the large cities. A limited number use private transport to get to hospitals. Limited access to gasoline worsens this situation. Hospitals are centralized and located in district centers and cities. Most families need to visit them for diagnostic procedures and medical treatment. For example, women from seven villages in the Ahangaran district of Tashkent province need to travel 40–70 km to access maternity hospitals and spend more than 2–4 hours/one way to receive pre-and postnatal care in a regional hospital. For emergency cases, fast access to medical institutions is critical, especially for rural settlements located a distance from regional centers.

**Insufficient resting facilities for women travelers.** No adequate resting and sanitary facilities are available for women travelers along the highways and safety measures are not adequate. The gender analysis notes that the lack of road-crossing points, adequate lighting, and road safety signs impact girl's school attendance in winter. Thus, including adequate road safety measures in the investment program is essential to improve benefits for local communities, especially women and girls.

2. **Key actions.** To enhance a positive gender impact and minimize project-related risks for women and children a gender action plan (GAP) was prepared for project 1. This will be implemented in close coordination with the Republican Road Fund. Regular monitoring of activities will be undertaken during implementation to ensure that the GAP is successfully executed and the initiative taken under the PFR1 can be replicated in subsequent tranches and other road projects in Uzbekistan.

☒ Gender action plan ☐ Other actions or measures ☐ No action or measure

The GAP serves as an initiative for gender activities to provide the following:

- (i) improved market and sanitary facilities (commercially operated by women) for women traders and travelers along the road sides;
- (ii) improved road safety, road crossing points, and lighting;
- (iii) improved gender awareness in the Republican Road Fund;
- (iv) improved women's entrepreneurial skills and access to finance and training; and
- (v) improved women's awareness about HIV/AIDS risks and prevention methods and traffic safety.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Significant/ Limited/No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary resettlement	Limited	The activities will reconstruct four-lane existing asphalt concrete and cement concrete road sections of the A373 (project 1), widen the existing two-lane asphalt concrete road sections of the A380 into a four-lane cement concrete road (project 2), and widen the existing two-lane asphalt concrete road sections of the A373/4R112 into a four-lane asphalt concrete road (project 3), following the existing right-of-way. Tranche 1 will not involve any land acquisition and not have any temporary impacts. Due diligence work will be carried out for the subsequent tranches to ensure that any potential impacts associated with land acquisition, if any, and other social impacts to livelihood of residents of the projects 2 and 3 areas, both long-term and temporary, can be addressed in accordance with the Safeguard Policy Statement (2009) of the Asian Development Bank (ADB).	<input checked="" type="checkbox"/> Resettlement framework
Indigenous peoples	No impact	The investment program activities will not affect the dignity, livelihood systems, or culture of indigenous peoples as defined by ADB's Safeguard Policy Statement. There will be no impacts on land, housing, property, or income; and no new limitations to the movement of villagers. An ethnic minority planning framework was prepared in compliance with ADB's Safeguard Policy Statement to be used for subsequent tranches.	<input checked="" type="checkbox"/> Indigenous peoples planning framework
Labor <input checked="" type="checkbox"/> Employment opportunities <input checked="" type="checkbox"/> Core labor standards	Not significant	Bidding documents will be prepared to ensure that civil works contractors (i) comply with applicable labor laws and incorporate applicable workplace occupational safety norms; (ii) do not differentiate payment between men and women for work of equal value; (iii) do not employ child labor in construction and maintenance activities; (iv) eliminate forced or compulsory labor; (v) eliminate discrimination in respect of employment; (vi) allow for freedom of association; and (vii) to the extent possible, maximize employment of local poor and disadvantaged persons, including women, for project construction purposes, provided that the requirements for the job and efficiency are adequately met.	<input checked="" type="checkbox"/> Other action
Affordability	No impact	The investment program will reduce transport costs and increase the mobility of the local population in the investment program areas, so it will enhance affordability. It will increase access to basic needs and decrease isolation.	<input checked="" type="checkbox"/> No action
Other risks and/or vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS	Not significant	The government, through the Republican Road Fund, will ensure that appropriate entities, e.g., gender specialist of the program management unit and/or nongovernment organizations, disseminate information on the risks of sexually transmitted infections, including HIV, to the employees of civil works contractors engaged under the investment program and to members of communities surrounding the investment program roads, particularly females.	<input checked="" type="checkbox"/> Other action
IV. MONITORING AND EVALUATION			
Are social indicators included in the design and monitoring framework to facilitate monitoring of gender and social development activities and/or social impacts during investment program implementation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Indicators for monitoring gender development activities are roadside infrastructure, number of women (road side vendors) trained on business and development, and number of trainings for women and men on HIV/AIDS prevention and road safety measures.			

<sup>a</sup> Government of the Republic of Uzbekistan. 2007. *Welfare Improvement Strategy Paper of the Republic of Uzbekistan for 2008–2010*. Tashkent: International Monetary Fund.

<sup>b</sup> Energy consumption per capita per day below 2,100 kilocalorie is taken as a poverty line (and below 1,500 kcal as extreme poverty line) as approved by the government.

<sup>c</sup> ADB. 2006. *Technical Assistance to the Republic of Uzbekistan for Transport Sector Strategy (2006–2020)*. Manila. (TA 4659-UZB, consultant's final report).

<sup>d</sup> World Bank. 2007. *Uzbekistan Living Standards Assessment Update*. Washington, DC (August).

<sup>e</sup> Cabinet of Ministers of the Republic of Uzbekistan. 2009. Decree No. 277. *Measure on Development of Roadside Infrastructure and Services of Uzbek National Highway*. Tashkent (22 October).