

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Central Asia Regional Economic Cooperation Program (Kyrgyz Republic and Tajikistan)	Project Title:	Central Asia Regional Economic Cooperation Regional Improvement of Border Services
Lending/Financing Modality:	Loan and grants	Department/ Division:	Central and West Asia Department, Transport and Communications Division; and East Asia Department, Public Management, Financial Sector, and Regional Cooperation Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: general intervention

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

Kyrgyz Republic. The government's poverty reduction strategy is defined in its Medium-Term Development Program for 2012–2014, which includes (i) the creation of conditions for the private sector to develop, prosper, and provide the jobs necessary to increase incomes and reduce poverty; and (ii) application of more productive and effective approaches to social protection policy and to genuinely care for people in society who are in need of basic necessities. It also highlights regional cooperation as an important development opportunity for the country.

Tajikistan. The government's National Development Strategy 2006–2015 and Poverty Reduction Strategy III 2010–2012 aims to (i) promote sustainable economic growth; (ii) improve public administration; and (iii) develop human resources. The ADB country partnership strategy 2010–2014^a for Tajikistan responds to the objectives of the government's strategies by prioritizing support to enhance regional transport connectivity, facilitate regional trade, build capacity, and improve governance.

The Kyrgyz Republic and Tajikistan are active participants in the Central Asia Regional Economic Cooperation (CAREC) program. The governments give high priority to the Central Asia Regional Economic Cooperation Regional Improvement of Border Services Project because it aims to enhance economic growth through infrastructure development and trade facilitation.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. The CAREC region as a whole faces the serious challenge of poverty reduction. In 2011, gross domestic product per capita was \$1,067 in the Kyrgyz Republic and \$831 in Tajikistan. Both countries have a considerable portion of the population living below the poverty line as of 2010: 33.7% in the Kyrgyz Republic and 46.7% in Tajikistan. Poverty is more prevalent in rural, mountainous, and remote border areas where poor infrastructure and cross-border issues constrain access to markets. As landlocked countries, the Kyrgyz Republic and Tajikistan need to provide better trade facilitation, promote more transit and international trade, and attract foreign direct investment to boost their competitiveness and sustainable inclusive growth. Constraints such as inadequate border crossing point (BCP) infrastructure and cumbersome border procedures must be overcome for these countries to improve the performance of CAREC corridors, minimize the economic impact of their geographic isolation, foster more diverse economic activity, and realize their full economic potential.

2. Beneficiaries. The primary project beneficiaries are: (i) the government agencies of a given country responsible for gathering, analyzing, and disseminating data on international trade activities; (ii) civil servants responsible for carrying out border management functions; (iii) traders, truck drivers, freight forwarders, and transport service providers who generally conduct international trade and transport activities; (iv) the employees and owners of international trade dependant industries engaged in manufacturing, processing, and producing commercial goods and commodities; and (v) communities situated in the vicinity of BCPs that depend on ease of access to cross-border markets. The poor and socially excluded would benefit indirectly from trade-led economic growth.

3. Impact channels. By eliminating physical and administrative obstacles to trade at BCP and developing national single window (NSW) facilities with regional interoperability and capable of data exchange, the Project will: (i) provide/upgrade infrastructure; (ii) improve customs services; (iii) create direct short-term employment for construction and software development and indirect long-term income generating opportunities; and (iv) reduce logistics costs for trade leading to a lower consumer price in the market, thereby contributing to improved economic development for the people in the Kyrgyz Republic and Tajikistan.

4. Other social and poverty issues. None.

5. Design features. The project, while not featuring explicit pro-poor components, aims to increase economic growth that will indirectly contribute to poverty reduction. By reducing physical and administrative obstacles to trade, the project will have a positive impact on economic growth. Better infrastructure at BCPs and streamlined procedures through a NSW will reduce waiting time at BCPs and ease the flow of goods and people across borders. Improved trade logistics will decrease the cost of doing business. Development of transport and other services in areas adjacent to renovated BCPs (e.g., fueling stations, vehicle repair shops, trade logistics facilities, restaurants, and convenience stores) will generate employment for the local economy. Collectively, these should lead to reduced transport costs and lower consumer prices in markets, thereby contributing to improved living standards and increased international competitiveness of these countries. NSW will also help improve public administration and reduce corruption by increasing transparency and enhancing the capacity of the civil service.

II. PARTICIPATION AND EMPOWERING THE POOR

1. The project will adopt a participatory approach to implementation. The NSW stakeholder engagement and public awareness activities will ensure information sharing with, knowledge transfer to, and involvement of various stakeholders including trade and business associations, small- and medium-sized enterprises engaged in international trade, and local community.
2. The project steering committee chaired by the executing agency, which shall provide overall guidance to project implementation, will invite relevant private sector representatives to take part in the discussion and ensure that their needs and concerns are addressed properly throughout project implementation.
3. Extensive consultations were undertaken during project preparation, and will be strengthened further during implementation, with various stakeholders including government agencies, chambers of commerce, transport organizations, relevant private sector representatives, local communities in border areas, international aid agencies, and other development partners. The consultations will be focused on the information and communication technology system design requirements, potential impact of proposed works, obstacles to the adoption of more efficient business processes and procedures, and other aspects related to the economic development of border communities. Under this project and other ongoing CAREC technical assistance projects, efforts will be made to organize capacity building and knowledge sharing events with regard to NSW development, joint customs control, and coordinated border management. These events will involve and benefit border management personnel stationed at BCPs, local authorities and civil society organizations.
4. What forms of civil society organization participation is envisaged during project implementation?
☒ Information gathering and sharing ☒ Consultation ☒ Collaboration ☐ Partnership
5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?
☒ Yes. Consultation and participation plans will be prepared during project implementation. ☐ No.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: some gender elements

A. Key issues. These include the following:

- (i) **Human trafficking**, especially of women as entertainers, laborers, or “wives,” is an issue in Central Asia, although available information about the magnitude of the problem remains limited. Training of border officers on recognizing human trafficking cases, especially of women, and providing appropriate management without stigmatization is an important part of capacity building of BCP staff.
- (ii) **Cross-border trade** is an important source of income for local communities, where most cross-border traders are women. Improving BCP facilities and reducing administrative obstacles to cross-border trade will ease the movement of women traders across borders and generate more income-earning opportunities for them.
- (iii) **Women-friendly infrastructure** on BCPs is often lacking. Gender sensitive infrastructure development will improve the quality of travel for women.

B. Key actions.

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

The project provides scope to improve trade between border communities, which is mostly handled by women traders, and thus improve women's livelihood in communities around the BCPs. The project will provide necessary training to border staff on identifying and prohibiting human trafficking. BCP facilities to be constructed under the project will be required to include provisions more respectful of women's needs, such as separate washrooms and inspection lanes, adequate health and quarantine inspection facilities, designated nursing space, and shelter for human trafficking victims.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: ☐ A ☒ B ☐ C ☐ FI

1. Key impacts. In the Kyrgyz Republic, the land needed for the project is state owned pasturelands. However, 0.45 hectare is leased by 3 households from Karamyk village for up to March 2016 to cultivate crops such as potato, wheat and fodder both for sale and home consumption. As a result of the expected termination of lease by March 2013, each household will lose a source of income and livelihood. In the Republic of Tajikistan, there will be no resettlement.

<p>2. Strategy to address the impacts. A draft Resettlement Plan was prepared, in consultation with the local government and affected persons (APs). The APs will be provided with cash compensation to cover the loss of income. The APs will also be provided with additional cash assistance to improve their livelihood. The State Customs Service of the Kyrgyz Republic, as the key project implementing partner, will make the funds available to implement the Resettlement Plan.</p> <p>3. Plan or other Actions.</p> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> No action </div> <div> <input type="checkbox"/> Combined resettlement and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Social impact matrix </div> </div>	
B. Indigenous Peoples	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
1. Key impacts. None.	
2. Strategy to address the impacts. None.	
<p>3. Plan or other actions.</p> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action </div> <div> <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary </div> </div>	

V. ADDRESSING OTHER SOCIAL RISKS
A. Risks in the Labor Market
<p>1. Relevance of the project for the country's or region's or sector's labor market.</p> <input checked="" type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards
<p>2. Labor market impact. Employment opportunities will be generated for local communities during construction as workers and service providers in transport and other areas (e.g., vehicle repair, refueling, trade logistics facilities, restaurants, and convenience stores) after completion.</p>
B. Affordability
<p>No impact. The project will not cause additional fees and charges for NSW and BCP services. Adoption and use of NSW systems will reduce compliance and transaction costs.</p>
C. Communicable Diseases and Other Social Risks
<p>1. low (L). Increased trade could cause an increase in human trafficking, as well as the rate of transmission of HIV/AIDS and other communicable diseases.</p> <input checked="" type="checkbox"/> Communicable diseases <input checked="" type="checkbox"/> Human trafficking <input type="checkbox"/> Others (please specify) _____
<p>2. Increased trade could cause an increase in drug and human trafficking, as well as the rate of transmission of HIV/AIDS and other communicable diseases. Mitigation activities include health testing, counseling, and referrals at project sites, and availability of condoms; awareness and prevention of HIV/AIDS/STD and human trafficking campaigns; provision of training on inspection for border staff, including women border staff; and provision of poster and pamphlets at BCPs for people crossing borders. A social development action plan (SDAP) was prepared and made part of the project administration manual (PAM).</p>
VI. MONITORING AND EVALUATION
<p>1. Targets and indicators: The project will generate about 70 jobs for local communities during BCP construction and about 620 person-months of locally sourced consultants for NSW development as indicated in SDAP.</p> <p>2. Required human resources: The project implementation units in project countries will have a project performance monitoring specialists to monitor and evaluate the compliance with the resettlement plan and SDAP.</p> <p>3. Information in PAM: The executing and implementing agencies will ensure the timely implementation of resettlement plan and SDAP, and the submission of semi-annual progress reports to ADB.</p> <p>4. Monitoring tools: The SDAP includes indicators in monitoring the targeted job creation during BCP construction and NSW establishment, control of HIV/AIDS, and human trafficking, construction safety, and provision of gender-sensitive BCP facilities. The financing agreements and PAMs have provisions for the responsibility of the executing and implementing agencies to implement and monitor the resettlement plan and SDAP.</p>

^a ADB. 2010. *Country Partnership Strategy: Tajikistan, 2010–2014*. Manila.

Source: ADB estimates; consultant reports for ADB. 2010. *Technical Assistance for Preparing the Central Asia Regional Economic Cooperation–Transport and Trade Facilitation: Border Crossing Point Improvement and Single Window Development Project*. Manila; World Bank Africa Trade Policy Note #27 (November 2011)