

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Kazakhstan	Project Title:	CAREC Corridor 3 (Shymkent–Tashkent Section) [Link to the Western Europe–Western People's Republic of China International Transit Corridor] Road Improvement Project
Lending/Financing Modality:	Project Loan	Department/ Division:	Central and West Asia Department/ Transport and Communications Division, CWRD

### I. POVERTY ANALYSIS AND STRATEGY

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

Kazakhstan has reduced the poverty rate by almost 90% since 1999. Since the implementation of the state poverty reduction programs (starting from 2002), the share of people with income lower than subsistence declined dramatically. Poverty was significantly cut from about 46.7% in 2001 to about 6.5% in 2010 and severity was reduced by more than 4.9 times from 2005 to 2010. The extreme poverty rate for South Kazakhstan Oblast (region) was significantly reduced from 20.6% in 2001 to 1.3% in 2010.

The project will improve cross-border and in-country transport services, reduce transportation costs and time required for travel, and support development of the South Kazakhstan Oblast area. The project fully complies with Strategy 2020 of the Asian Development Bank (ADB)<sup>a</sup> and is consistent with the National Development Strategy, Kazakhstan 2030,<sup>b</sup> which declares infrastructure and especially transport among the long-term priority goals and strategies, as well as with the country's Transport Strategy<sup>c</sup> stipulating progressive development of transport and communications. The project also directly responds to ADB's partnership priorities for Kazakhstan highlighting ADB's focus on the transport sector (Annual Report 2010) and connecting the country with its neighbors (Annual Report 2011). The new country partnership strategy to guide ADB's operations in Kazakhstan during 2012–2016 (currently being developed) will also consider the transport sector as a core area for ADB operations.

For poverty reduction and sustainable development, the government aims to ensure a reliable, safe, and speedy transport corridor. Through improvement of a 37-kilometer (km) section of the Shymkent–Tashkent road, the project will contribute to the government's development program. After completion of the road improvement works, poor residents of the project area will have increased opportunities for easier and comfortable travel to social services and workplaces, and thereby be more actively involved in economic activities to raise their incomes.

#### B. Poverty Analysis Targeting Classification: General Intervention

1. **Key issues.** Kazakhstan has a land area of 2,724,900 square km (km<sup>2</sup>) and in 2011 a total population of 16,442,000. Since 2000, Kazakhstan's remarkable economic growth has averaged 6.5% per annum, fuelled by the extractive industries, especially oil, gas, and minerals. This strong growth has contributed to reducing the incidence and depth of poverty by providing employment opportunities, reducing under- and unemployment; providing access to capital, social and economic infrastructure, and services; and increasing income per capita. This has resulted in remarkable improvements in living standards and households. In 2010, the national poverty rate was 6.5%; it was 11.5% for South Kazakhstan Oblast. The national extreme poverty rate was 0.4%; it was 1.3% for South Kazakhstan Oblast.

The project is located in South Kazakhstan Oblast, the southern region of the country. The second smallest oblast in the country, South Kazakhstan has a total area of 117,300 km<sup>2</sup> 4.3% of Kazakhstan's territory. It has a population of 2,567,700 (1,269,400 men and 1,298,300 women); the population density per km<sup>2</sup> is 21.9 people/km<sup>2</sup>. The center of the oblast is Shymkent town with a population of 629,100. The population of the oblast includes Kazakhs (72.3%) and Uzbeks (16.3%), followed by Russians, Tajiks, and Azeris.

The orientation of the oblast is industrial–agrarian: 9% of gross regional product is from agriculture, 26.6% from industry, 8% from trade, 7.5% from transport and communication, 8.3% from construction, and 36.2% from services. The oblast contributes 5.5% of the gross national product. Agriculture is predominant in rural rayon (districts) while industry is mostly located in towns. In 2010, approximately 1,091,700 were employed—73.2% in rural areas; 7,069 (5.9%) were unemployed. The project will offer employment opportunities created during construction.

The project is a general intervention. However, it is expected to provide direct employment and income opportunities during construction, and will improve transportation and access to health and education institutions and workplaces, thereby indirectly contributing to poverty reduction. By completing the section of the Central Asia Regional Economic Cooperation (CAREC) Corridor 3 in South Kazakhstan Oblast, the project will contribute to the efficient transport network in South Kazakhstan, and contribute to regional cooperation and sustainable economic growth by helping the country's economy integrate with the global economy.

2. **Design features.** The project will support road transport in Kazakhstan. It supplements the existing road rehabilitation along corridor 3 aimed at contributing to sustainable economic growth by providing support for physical infrastructure and development, institutional capacity development, and regional cooperation. The project has no direct poverty reduction impact and is hence classified as a general intervention. It is expected to contribute to poverty reduction by improving the transport of goods and people, and access to social system and services. In addition, it will create jobs during road construction, as well as reduce transportation cost and travel time during operation.

## II. SOCIAL ANALYSIS AND STRATEGY

### A. Findings of Social Analysis

**Key issues.** Adverse impacts of the civil works on the population along the 37 km road corridor considered for ADB financing is expected to be minimal. No settlements are located on this section and construction will be limited to the existing road alignment. The few structures located within the boundaries of the right-of-way for the road are located outside of construction limits and will not be affected during construction. Land acquisition and resettlement (LAR) impacts are expected in the 62 km road section proposed for parallel financing by the European Bank for Reconstruction and Development (EBRD).

The rural population within the project area is mainly involved in agriculture and livestock, while the urban population is involved mostly in industrial activities. The area is a major manufacturer and supplier of cotton; leather; vegetable oils; fruits; vegetables; grapes; tobacco; brewing products and soft drinks; as well as lead, cement, and petroleum products. The area is also rich in mineral resources.

The project will not impact indigenous peoples. Around 70% of the population in the project area are Kazakhs; other major groups include Uzbeks and Russians. People living along the project road have full and equal access to services and opportunities provided by local authorities.

Highway construction and development of international transit routes usually promote transmission and spread of HIV/AIDS. No official records are available on HIV/AIDS cases in the project area. According to the republican center of AIDS control under the Ministry of Health, as of 1 January 2012, 17,763 people were infected with HIV, of which 12,444 (70.7%) were men, 5,319 (27.6%) women, and 369 (2.1%) children under 14 years. The influx of construction workers and increased mobility usually contribute to increased risk of human and/or drug trafficking. During road construction and operation, special precautions and an awareness campaign will be provided to prevent the spread of HIV/AIDS, raise public awareness on human and drug trafficking, encourage civil society engagement to protect potential victims of trafficking, and aid efforts to detect and stop traffickers. Respective provisions and mitigation measures will be incorporated in the contracts for civil works.

### B. Consultation and Participation

1. A public consultation related to the presentation of the initial environmental examination (IEE) findings was conducted in Shymkent on 24 May 2012. Details on the date and venue of the consultation were announced in local newspapers on 4 May 2012. The scope of the consultation was to introduce the project to the interested public, to present main findings of the EIA, and to obtain feedback from stakeholders on potential environmental and social impacts from the project. Follow-up discussions were carried out in Rabat, Mambetov, and Akzhar communities on 6 of June 2012 to inform the population about project activities and to obtain their feedback on potential environmental and social impacts.

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

Consultations were carried out as part of preparing the EIA for the project. The grievance redress procedure developed for the project will be made available to communities located near the road section, local self-governmental entities, district and provincial local governments, the South Kazakhstan Committee on Roads, and nongovernment organizations. This mechanism will allow the affected population to appeal any disagreeable decision, practice, or activity causing land use, social, or environmental impacts. In addition, due communication and consultation with the population of the project area will be ensured at all stages of project planning and implementation.

### C. Gender and Development

**1. Key issues.** According to the National Statistics Office, women constitute 51.8% of the total Kazakhstan population. The unemployment rate for women is 6.6% and 4.9% for men. Women are represented in the low-paid sectors, where average salaries are 66% of men's salaries.

Risks of unequal payment and exclusion of vulnerable people need to be addressed. Due attention should be given to human trafficking and HIV/AIDS, as road construction can spread sexually transmitted infections. The Ministry of Transport and Communications will ensure that the works contracts incorporate provisions requiring contractors to (i) comply with applicable core labor standards, labor laws, and workplace occupational safety norms; (ii) pay men and women equally for work of equal value; (iii) not employ child labor; and (iv) maximize the employment of local poor and disadvantaged people if they can do the work. Further, the ministry will disseminate information on the risks of sexually transmitted diseases.

During project implementation, women will be invited to public consultations in the same manner as men, civil work contracts will include provisions to encourage the employment of women without any wage disparity to men's employment, and, where possible, opportunities will be created for women to continue their work after project completion.

**2. Key actions.** Measures included in the design to promote gender equality and women's empowerment—access to and use of relevant services, resources, assets, or opportunities and participation in decision-making process:

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

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Significant, Limited, No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
<b>Involuntary Resettlement</b>	Significant impact. (No LAR impact is expected within the 37 km section to be financed by ADB. However, significant impacts are anticipated along the 62 km where EBRD is providing parallel financing. However, these two sections (components) are treated as one integrated project. The impact is significant (category A) due to the inclusion of the EBRD section of the road.	As a safeguard measure if LAR impacts are identified after completion of detailed design or during project implementation in the ADB-financed section, a resettlement framework was prepared and agreed with the government. A resettlement plan is being prepared for the EBRD section	<input checked="" type="checkbox"/> Resettlement framework
<b>Indigenous Peoples</b>	No impact		<input checked="" type="checkbox"/> No action
<b>Labor</b> <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Core labor standards	The project will create temporary employment opportunities for the local population during construction. Provisions will be established requiring contractors to meet all labor law standards.		<input checked="" type="checkbox"/> Other action
<b>Affordability</b>	No tolls will be charged on the project road. Reduced vehicle operating costs will lower transport costs.		<input checked="" type="checkbox"/> No action
<b>Other Risks and/or Vulnerabilities</b> <input checked="" type="checkbox"/> HIV/AIDS <input checked="" type="checkbox"/> Human trafficking <input checked="" type="checkbox"/> Others: Safety	Limited risk of HIV/AIDS transmission and human trafficking increase during construction and operation.	The project includes measures to mitigate the risks of sexually transmitted infections and drug or human trafficking. Provisions in civil work contracts mitigate such risks. Contractors will be required to train employees on health and safety rules during construction. A public awareness campaign on human and drug trafficking will be conducted. Contractor activities during the implementation of civil works will be monitored to prevent illegal labor exploitation. The technical specifications include provisions on labor engagement, HIV/AIDS prevention, health and safety (including proper lighting of construction areas, presence of first-aid kit and fire-fighting equipment, proper delineation of construction sites).	<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 project implementation? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>			

<sup>a</sup> ADB. 2008. *Strategy 2020: Working for an Asia and Pacific Free of Poverty*. Manila.

<sup>b</sup> Government of Kazakhstan. 2008. *Kazakhstan-2030: Prosperity, security and improved living standards for all Kazakhs*.

<sup>c</sup> Government of Kazakhstan. 2006. *Transport Strategy of the Republic of Kazakhstan (second phase 2011–2015)*. Astana.