

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Uzbekistan	Project Title:	Central Asia Regional Economic Cooperation Corridor 2 Karakalpakstan Road (A380 Kungrad to Daut-Ata Section) Project
Lending/Financing Modality:	Project Loan	Department/Division:	Central and West Asia Department/ Transport and Communications Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Poverty targeting: General intervention
<p>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy The government’s national development strategy, 2017–2021 focuses on five priority areas, including economic development and the development of social sectors, with an accent on poverty reduction.^a Under the priority area of economic development, one of the main components is the construction and/or reconstruction of road infrastructure, particularly regional roads to improve economic competitiveness. The project supports the implementation of the national development strategy, 2017–2021 by improving the country’s main trade and transit corridor, focused on creating advanced road transport infrastructure, introducing modern information and communication technologies, and generating employment in the provinces. The proposed project is in line with the Asian Development Bank (ADB) country operations business plan, 2020–2022 and country partnership strategy, 2019–2023;^b and is aligned with the government’s development strategy, 2017–2021 and road map.</p>
<p>B. Results from the Poverty and Social Analysis during PPTA</p> <p>1. Key poverty and social issues. The project road is located in the Republic of Karakalpakstan, a region of Uzbekistan which is spread over 166,600 square kilometers (km²) and constitutes 37% of the area of Uzbekistan. Karakalpakstan has a population of 1,881,900 persons, accounting for 5.6% of the population of Uzbekistan. Low-income families in Uzbekistan have less than 1.5 times the minimum wage per capita monthly income.^c With income defined as the total revenue for the last 12 months obtained by all family members from all kinds of economic activities and subsidies, and with the minimum wage following the November 2018 presidential order pegged at SUM202,730, low-income families are those with less than monthly per capita income of SUM304,095. ADB estimates that the proportion of the population living below the national poverty line in Uzbekistan has been reduced from 12.8 in 2015 to 11.4 in 2018.^d Socioeconomic surveys carried out in Jaslik and Karakalpakstan settlements in the project area indicate that 21.9% of households are in the low-income category, 10.5 percentage points higher than the 2018 estimate of ADB for Uzbekistan as a whole.^e Survey results indicate higher poverty in the project area. Poverty rates are also directly proportional to the size of the household—the larger the size of the family, the higher the incidence of poverty. The survey results reveal that educational attainment among low-income families is lower than in non-low-income families. Migration among low-income families is higher. Large-scale mining and industrial projects, including a cement plant, are being developed in the project area; and the project road will be critical in realizing these investment projects. These investments will help generate employment for local people. Local people also derive income from providing ancillary services to the traffic along the project road. The road improvement and the growth in traffic will contribute to increased income for the people. In addition, the service areas planned along the road will generate employment.</p> <p>2. Beneficiaries. The project will lead to increased investment in mining and other related industries, thereby creating more employment opportunities. It will benefit the community in the project area with improved access to better health care, quality higher education and employment/trading opportunities. The primary beneficiaries of the project are the people of Jaslik and Karakalpakstan, who will (i) use the project road for travel and trade, and (ii) be temporarily employed during construction and permanently employed for the operation of the subprojects. Women and other vulnerable groups (e.g., children, people with disabilities, and the elderly) will benefit from increased safety and security during travel, improved resting and sanitary facilities, improved economic opportunities, and better health services.</p> <p>3. Impact Channels. The project will help the communities access economic and social services, programs, and opportunities through faster and safer road travel. Better roads will attract commercial activities into the project communities as traders and service providers are able to reach surrounding communities in the project area.</p> <p>4. Other Poverty and Social Issues. The residents of the settlements in the project area noted the lack of public transport as a key challenge that hinders safe and efficient travel.</p> <p>5. Design features. The program is pro-poor, socially inclusive, and gender-responsive, and designed through stakeholder consultation and participation. The skills development component will be implemented by a local nongovernment organization (NGO). It will target women and other vulnerable groups, to enable them to establish their own livelihood activities or secure employment. Minimal resettlement impacts are envisaged and will be addressed through appropriate compensation, mitigation, and construction management measures.</p>
II. PARTICIPATION AND EMPOWERING THE POOR
<p>1. Participatory approaches and project activities. During the project preparatory technical assistance, consultants conducted consultations and focus group discussions with the Women’s Committee in Karakalpakstan and its departments in Kungrad district, as well as state local authorities, NGOs, and international organizations.</p>

A sample socioeconomic survey was carried out among 324 sample households spread across Jaslik and Karakalpakstan settlements. During the consultations they discussed issues and concerns including among others the lack of public transport, and need for skills development and economic opportunities.

2. **Civil society organizations.** Consultations and discussions were conducted with residential community associations called *mahalla* committees, as well as with women's committee representatives, nonprofit organizations, representatives of NGOs who participated in United Nations Development Program projects in Nukus city, and other interested parties. The consultations asked about their perception of and possible participation in the project. The participation of civil society organizations and other stakeholders helped in information dissemination, collaboration with communities, and mobilization of support for the project.

3. The following forms of civil society organization participation are envisaged during program implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

(H) Information gathering and sharing (H) Consultation (M) Collaboration (M) Partnership

4. **Participation plan.** Yes No

The ADB' NGO Center will support the implementation of the project. The Business Women's Association of Uzbekistan will be engaged in the activities under the project's GAP.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective gender mainstreaming

A. Key issues. Socioeconomic surveys reveal that women account for 48% of the members of the households surveyed, with 17% of households headed by women. The proportion of girls educated beyond fourth grade is higher than boys. The share of women employed in the public sector is higher (18%) than other occupations, such as entrepreneurs (2%), private sector employees (1%). More women are unemployed (29%) than men (11%), and no women are in the category of unregistered entrepreneur and nonagricultural laborer. About 99% of the women gave birth in government hospitals, with the remainder (1%) in private hospitals. The response from the sample survey indicated that the two settlements (Jaslik and Karakalpakstan) have achieved 100% institutional delivery. However, Karakalpakstan has a higher infant, child, and maternal mortality rate compared to Uzbekistan as a whole. Residents of Karakalpakstan and Jaslik reported that access to the central market at Kungrad city is a major challenge, given the irregular public transport and poor road condition. Women in Jaslik said that they spend more than SUM100,000 for a trip to Kungrad city. Each family goes to the market at least once a week. The lack of regular public transport and the long distance to Kungrad city's market greatly affects the mobility of the people of Jaslik.

Limited job opportunities. Agriculture is not feasible in the project area as the soil is not suitable for cultivation and the weather is cold. Further, poor educational attainment and lack of opportunities are a deterrent for women. The survey and consultations reveal that women interested in skills training preferred sewing, followed by nursing. About 11% of the women surveyed were interested in pursuing higher education—7% each in accounting and cooking— while the rest were interested in other courses.

B. Key actions. The project will build two multipurpose community complexes with facilities for livelihood training. The NGO engaged in an ADB-supported technical assistance will conduct the livelihood training the community complexes will house telemedicine facilities to facilitate consultations by members of the community with health professionals. Local health care professionals in the local government will coordinate this.⁹ The project will also build five rest stops, with market stalls for women and separate sanitary facilities. The intelligent transport system component will install CCTV to monitor critical incidents, including those involving women, the elderly, children, and persons with disabilities; and will submit yearly reports on sex-disaggregated data on road crashes by type of incident and road user as well as on critical incidents. The project will conduct road safety programs; and awareness raising programs on sexually transmitted infections, human trafficking, sexual harassment, exploitation, and abuse in the context of travel and safety. It will ensure compliance with core labor standards.

Gender action plan Other actions or measures No action or measure

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. **Key impacts.** The project will permanently acquire 0.0613 hectares (ha) of land used for commercial purposes and 313.18 ha of barren and nonagricultural state-owned land, and temporarily use 915.77 ha of barren and nonagricultural state-owned land for the open pits. Another 1.67 ha will be provided by the Uzavtyoul regional department for two of the proposed new weigh-in-motion facilities. One owner of a commercial structure will be permanently affected and one business owner will be temporarily affected because of the relocation of utilities.

2. **Strategy to address the impacts.** A land acquisition and resettlement plan has been prepared based on the detailed design. The disbursement of compensation is a condition for the commencement of civil works.

3. Plan or other Actions.

Resettlement plan Combined resettlement and indigenous peoples plan
 Resettlement framework Combined resettlement framework and Indigenous peoples planning framework
 Environmental and social management system arrangement
 No action Social impact matrix

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 of the affected households belong to the indigenous peoples category.			
2. Strategy to address the impacts. Not applicable			
3. Plan or other actions.			
<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan		
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework		
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary		
<input type="checkbox"/> Social impact matrix			
<input checked="" type="checkbox"/> No action			
V. ADDRESSING OTHER SOCIAL RISKS			
A. Risks in the Labor Market			
1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).			
(L) unemployment (L) underemployment (L) retrenchment (M) core labor standards			
2. Labor market impact. The project will enable new mining companies to operate and provide job opportunities. During road construction, local persons and affected households will be given preference for temporary jobs. This provision will also be included in the terms of reference for the contractors. The project bidding documents will be prepared to ensure that contractors (i) comply with applicable international core labor standards and national labor laws; (ii) do not differentiate payment between men and women for work of equal value; (iii) do not utilize child labor in construction and maintenance activities; (vi) allow freedom of association; and (vii) maximize, to the extent possible, the employment of local poor and disadvantaged persons for project construction purposes if the requirements for the job and efficiency are adequately met.			
B. Affordability			
The project will not cause any extra financial burden nor cost for the use of the road.			
C. Communicable Diseases and Other Social Risks			
1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): (M) Communicable diseases (L) Human trafficking (H) HIV-AIDS (NA) Others (L) Health and Safety			
2. Risks to people in project area. The government will ensure that appropriate entities disseminate information on the risks of sexually transmitted infections, including HIV, to the employees of civil works contractors engaged under the project and to members of the local communities surrounding the project area, particularly women.			
VI. MONITORING AND EVALUATION			
1. Targets and indicators. The project will generate construction jobs for the local community, and the supervision consultants will monitor core labor standards. HIV/AIDS awareness campaigns will be conducted for local populations, along with public consultations.			
2. Required human resources. The project management unit, State Road Committee, will engage a construction supervision consultant team that will monitor the project impacts and the progress of activities related to land acquisition and resettlement.			
3. Information in the project administration manual. The Committee for Roads will submit a social safeguard monitoring report to ADB twice a year on the project impacts and progress of activities related to land acquisition and resettlement, and disclose it on the ADB website as required by ADB's Access to Information Policy. ^h			
4. Monitoring tools. Baseline data disaggregated by sex, ethnicity, and socioeconomic status for output and outcome indicators will be updated and reported every quarter. The project management unit, assisted by the project management and supervision consultant, will be responsible for preparing the GAP progress report and safeguard monitoring reports on a quarterly basis. A midterm review mission and the project completion report will be undertaken following ADB's standard procedures.			

^a Presidential Decree of the Republic of Uzbekistan No. UP-4947 dated 7 February 2017. [The strategy of actions for further development of the Republic of Uzbekistan](#). Tashkent

^b ADB. 2019. [Country Operations Business Plan: Uzbekistan, 2020–2022](#). Manila; and ADB. 2019. [Country Partnership Strategy: Uzbekistan, 2019–2023—Supporting Economic Transformation](#). Manila.

^c Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 44 dated. [About approval of the Regulations on procedure for appointment and payment of social benefits and financial support to needy families](#). Tashkent

^d ADB. 2018. [Country Operations Business Plan: Uzbekistan, 2019–2021](#). Manila.

^e Sheladia Associates, Inc. Uzbekistan. Draft Poverty and Social Assessment Report. UZB: Third CAREC Corridor Road Investment Program, Phase 1 Karakalpakstan Road Project. Unpublished.

^f Livelihood training courses will be conducted by the local NGO (Businesswomen Association) supported by ADB. 2019. [Deepening Civil Society Engagement for Development Effectiveness Subproject 3: Deepening Civil Society Engagement in ADB Operations](#). Manila (TA 9769-REG).

^g The project will coordinate with the local government for the provision of health and other relevant community programs and services.

^h ADB. 2018 [Access to Information Policy](#). Manila