

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Uzbekistan	Project Title:	Horticulture Value Chain Infrastructure Project
Lending/Financing Modality:	Project Loan	Department/Division:	Central and West Asia Department/ Environment, Natural Resources, and Agriculture Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Poverty targeting: General intervention
A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy
<p>The main strategic document that guides reforms in the country's economic diversification, including agriculture, is the Presidential Decree No. UP-4707.^a The Government of Uzbekistan has set specific goals for improving labor efficiency and income generation through development of intensive agriculture and agro-processing and improved infrastructure. More efficient labor use is expected to lower production costs, thereby enhancing competitiveness in local and export markets. The project is in line with the Asian Development Bank (ADB) country partnership strategy, 2012–2016 and country operations business plan, 2017–2019,^b which emphasize private sector development, agriculture value chain, productivity growth, poverty reduction, and job creation. Support for the key drivers of change—private sector development, regional cooperation, governance, knowledge management, gender equity, and climate change and the environment—is integrated into the ADB's country assistance.</p> <p>The proposed project will finance the establishment of agro-logistic centers (ALCs), initially for horticulture, in two locations—Andijan and Samarkand—taking into account international best practices. The ALCs will provide all necessary facilities and services under one roof, e.g., storage, auction, food safety certification, customs clearance, quarantine, transport, shipping, expert market advice, trade finance, and commercial banking. Significantly larger volumes of products with improved quality could be marketed with better post-harvest logistics, notably cold storage and transport integrated with quality and safety standard certification, customs clearance, and quarantine provided through wholesale and export processing facilities in the vicinity of production areas. This will in turn promote long-term economic and environmental sustainability and enhance profitability for farmers and agribusiness enterprises.</p>
B. Results from the Poverty and Social Analysis during PPTA or Due Diligence
<p>1. Key poverty and social issues. Uzbekistan's national poverty line is based on consumption of 2,100 kilocalories per day and has been calculated since 2001. According to official estimates, in 2001 the poverty headcount ratio was as high as 27.5%. The poverty rate fell to 17.7% in 2010 and to 12.8% in 2015 because of robust economic growth during 2000–2015, as gross domestic product per capita increased from \$558 in 2000 to \$2,200 in 2017. Of Uzbekistan's population of 33 million in 2017, almost half (49.4%) lived in rural areas. Rural poverty in 2016 was significantly higher (17.0%) than urban poverty (11.0%)</p> <p>The socio-economic reform processes in rural areas face significant challenges, chief among them being lack of employment opportunities. Youth unemployment, defined for the age group 15–24, is especially high at 17%–19%. The project will support poverty reduction by enhancing horticulture development that promotes quality job creation, entrepreneurship for farmers, and agribusinesses. This will enhance profitability for farmers and enterprises, increase farmers' capacity, and increase gender awareness among beneficiaries and other stakeholders.</p> <p>2. Beneficiaries. The project's beneficiaries include farmers and their employees, agro-processing enterprises, owners and operators of cold storage facilities, and trading and logistics service suppliers in the horticulture value chain.</p> <p>3. Impact channels. The project will help increase capacity among beneficiaries, stakeholders, farmers (male and female), and <i>dehkan</i> (small-scale) farmers through horticulture business development and management training, establishing a platform for communication, and supporting low- and middle-income small businesses, especially female-owned and rural businesses.</p> <p>4. Other social and poverty issues. Labor migration and access to markets are two issues which need attention. Literature reviews and field surveys indicate that young rural people tend to migrate and find jobs in large city centers because of the lack of job and market opportunities in their localities.</p> <p>5. Design features. Project funds have been allocated to support capacity building in horticulture business development and management for existing and potential start-up female entrepreneurs, and to increase gender awareness through training workshops.</p>
II. PARTICIPATION AND EMPOWERING THE POOR
<p>1. Participatory approaches and project activities. During project design, ADB extensively consulted with beneficiaries (commercial and <i>dehkan</i> farmers, women entrepreneurs, unemployed people, and nongovernment organizations) to identify and address any design issues. During implementation, there will be close coordination with civil society, especially women's organizations such as the Women's Committee of Uzbekistan and Business</p>

3. Plan or other Actions. <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		<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	
B. Indigenous Peoples		Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C	
<p>1. Key impacts. There will be no impacts on indigenous people, as Uzbekistan does not have indigenous peoples as defined in ADB's Safeguard Policy Statement for operational purposes.</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. None.</p> <p>3. Plan or other actions.</p> <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			
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, indicated as high (H), medium (M), and low or not significant (L). M <input checked="" type="checkbox"/> unemployment L <input type="checkbox"/> underemployment L <input type="checkbox"/> retrenchment M <input checked="" type="checkbox"/> core labor standards</p> <p>2. Labor market impact. Agriculture remains the main livelihood source for rural communities and is a major employer. However, job opportunities in agriculture are limited, therefore most of the people employed in farming have low incomes and low job security. The project will create direct employment opportunities in the project areas and indirectly improve wages and employment opportunities. The project will enforce core labor standards and hence will improve the compliance with labor standards in the project areas by providing decent jobs and adequate social protection to ALC employees.</p>			
B. Affordability <p>The project is economically sustainable and socially desirable since it directly reduces unemployment by hiring currently unemployed people, provides livelihood opportunities to households, and improves labor standards in the project areas. The project will be inclusive for poor people and other vulnerable groups such as women and youth.</p>			
C. Communicable Diseases and Other Social Risks <p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): NA <input type="checkbox"/> Communicable diseases NA <input type="checkbox"/> Human trafficking NA <input type="checkbox"/> Others (please specify) _____</p> <p>2. Risks to people in project area. No risks to people in the project areas are expected.</p>			
VI. MONITORING AND EVALUATION			
<p>1. Targets and indicators. Performance targets are presented in the GAP.</p> <p>2. Required human resources. The project management office has allocated funds to recruit a full-time national social and gender officer to implement the GAP in close cooperation with ALC management company, the Women Committee of Uzbekistan, the council of farmers, and local <i>khokimiyats</i> (municipal governments).</p>			

^a Government of Uzbekistan. 2015. *Presidential Decree No. UP-4707*. Tashkent. Under this decree, the government set out a program of measures for structural reforms, modernization, and diversification of production for 2015–2019.

^b ADB. 2012. *Country Partnership Strategy: Uzbekistan, 2012–2016*. Manila; and ADB. 2016. *Country Operations Business Plan: Uzbekistan, 2017–2019*. Manila.