SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country: Republic of Kazakhstan

Project Title: Central Asia Regional Economic Cooperation Corridors 1 and 6 Connector Road (Aktobe–Kandyagash) Reconstruction 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

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

The proposed project is in line with the government’s strategy, which has five priorities: (i) accelerated technological modernization of the economy; (ii) massive improvement and expansion of the business environment; (iii) macroeconomic stability; (iv) improvement in the quality of human capital; and (v) institutional transformation, security, and anticorruption efforts. The project is in line with priorities in the country partnership strategy for Kazakhstan, 2017–2021 of the Asian Development Bank (ADB), which has three strategic pillars: (i) strengthening foundations for economic diversification; (ii) sustaining inclusive development and reducing inequality; and (iii) fostering sustainable, green growth in response to climate change. Further, it adds five crosscutting priorities, of which two are relevant to the transport sector: strengthening governance and institutions, and promoting regional cooperation and integration.

The project will upgrade the 89-kilometer republican road (Aktobe-Kandyagash section) to category I in Aktobe oblast (province). The project road section passes oblast cities and administrative centers, and is a part of the Central Asia Regional Economic Cooperation corridors 1 and 6, forming the route connecting Nur-Sultan and the Caspian Sea, which indicates the section’s strategic importance. The project will contribute to economic growth in the oblast and its surrounding regions through enhancing regional and domestic trade, particularly related to the agriculture sector, which is a key driver for the growth and diversification of the economy.

B. Results from the Poverty and Social Analysis during Project Preparatory Technical Assistance or Due Diligence

1. Key poverty and social issues. Kazakhstan was ranked 58th according to the Human Development Index (2018). The poverty rate of Kazakhstan (i.e., the share of population below the national poverty line) improved to only 2.6% by 2016, which was the lowest among the 10 Central and West Asian countries. Most people living below the poverty line reside in rural areas; they are isolated from the economic mainstream and earn daily income by pursuing small-scale farming activities. The rural population also has less access to information and resources as well as to modern road infrastructure to ease travel and mobility for income generation or formal employment. Entrepreneurship is an important opportunity, particularly for people in rural areas and women. In order to reduce some of the structural inequalities between urban and rural and high- and low-income groups, the country has made efforts to diversify its economy and move to developing agriculture and other industries.

2. Beneficiaries. The main beneficiaries are road users in the project area, the populations of the surrounding villages, entrepreneurs and commercial entities with economic interests, and operators of public transport services. The project will provide better access to two provincial capitals of Aktobe and Atyrau, leading to enhanced socioeconomic networking and improved access to better income-earning opportunities.

3. Impact channels. The project is expected to create direct and indirect employment opportunities for skilled and unskilled workers, most of whom are expected to reside along the project road. In addition, better road conditions will reduce travel time for locals and vehicle operation costs, which will enhance individual mobility and trade efficiency.

4. Other social and poverty issues. The poverty analysis identified two major issues: (i) safety of the local population and travelers along the road; and (ii) adverse impacts of the poorly conditioned road on the quality of life of the local population, including noise, and safety hazards for daily mobility and access to services.

5. Design features. Safety measures will be included in the project road’s engineering design, which will reduce accidents and fatalities after the project. Further, roadside facilities such as bus stops and gender-segregated restrooms will be provided to enhance the convenience of road users, particularly long-distance travelers.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. KazAvtoZhol National Joint Stock Company (KazAvtoZhol) conducted public consultations to explain details of the project, leading to the timely completion of the land acquisition and resettlement process. KazAvtoZhol ensures to continue the consultations with the persons affected by the project during implementation.

2. Civil society organizations. Other than the local consultations with community groups, civil society organizations were also consulted, such as the Coalition for Green Economy and G-Global Development, Women Learning Partnership Forum, and the Agrarian Union of Women of Kazakhstan. Local councils, nongovernment organizations, and civil society organizations will be engaged, as appropriate, to hold further public consultations.

3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):
A. Key issues. Kazakhstan was ranked 52nd in the Global Gender Gap Report 2017, higher than most Central Asian countries. However, gender issues remain, such as a higher unemployment rate among women (5.8%) than men (4.2%), lower political representation among women (22% of parliamentarians and 13% of ministers are women), and the gender wage gap (wherein women earned 57% of what men earned in 2017, in the category of workers earning less than $75,000 per year). Working women are overrepresented in the service and social industries (71%), and to far lesser extent in nontraditional industries such as construction (3.3%) and transportation, storage, mining, and quarrying (less than one-fifth). Gender norms are quite rigid and women are largely responsible for running the household.

The project area includes two towns and seven villages, consisting of 24,900 households, 20% of which are female headed. All households have access to piped water, sanitation, electricity, and gas, as well as to primary education and primary healthcare facilities. However, access to upper and higher education, technical and vocational education, and tertiary hospitals (which are mostly located in cities) is limited because of the irregularity of public transport and poor road conditions. Results of focus group discussions reveal that residents, especially women, take public transportation and, if this is unreliable, are forced to take more expensive private taxis to go to work and/or do personal chores, which include going to the market, bringing children to school or to health facilities, or attending social and private functions. Men mainly drive their own cars to work. Women travel to Aktobe city once or twice a week, and it takes them 1 to 2 hours each way. Women produce sellers in the focus group discussions emphasized the need for a safe and accessible place to sell their produce, while working women and housewives said they prefer to have more accessible markets to buy local produce for household consumption. Road safety was another major concern of the residents. In 2018, 114 road accidents were recorded in the Aktobe region, with 200 injuries and at least 47 deaths. No sex-disaggregated data are available. The transport sector is also male-dominated. KazAvtoZhol has a total staff size of 811 with 32% women, who are mostly in lower and nontechnical positions. Only 23% of the total 212 engineers are women, and only 28% of the 155 management positions are occupied by women as of May 2019.

B. Key actions. The project is expected to improve access condition and road safety, especially for the communities in the project area. While much of the project road bypasses urban centers and small communities, some sections will pass two major towns except for the village of Bestamak, where the road will go through the village. Road safety features that are friendly to women, children, the elderly, and the disabled will be incorporated, such as raised sidewalks with pram and wheelchair accessibility; covered bus stops with benches for pregnant women, the elderly, and the disabled; pedestrian crossings; streetlights and road signs; and rest stops with separate toilets for men and women. The project will also provide livelihood opportunities for small entrepreneurs (most of whom are women) at rest stops. An extensive road safety campaign supporting women’s active participation is also included. Efforts to increase women’s participation in the project include hiring at least 30% women staff in the social and environment unit to be established in KazAvtoZhol, ensuring women staff’s participation in technical trainings, integrating gender indicators in the project monitoring system, and conducting gender trainings for KazAvtoZhol staff.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

1. Key impacts. The government had reached a mutual agreement on compensation with the potentially affected households and entities and compensations were fully paid in 2016–2017. When the final design was completed, 21 affected households were identified to be impacted by the project, including 4 affected households who were found to be severely impacted. During the discussion between those affected households and the government, 13 affected households waived their entitlements to be financially compensated for their nonproductive lands. During the fact-finding mission in September 2018, the right-of-way of the project road was confirmed to be fully possessed by the government.

2. Strategy to address the impacts. The land acquisition and resettlement process was amicably completed, and there is no foreseen impact. Nonetheless, during implementation, KazAvtoZhol is required to continue monitoring and conducting consultations with the affected households. Further, several institutional efforts are planned to materialize proper safeguards management during implementation, such as assigning a full-time social safeguards specialist of the executing agency for the project, including mitigation measures in the bidding documents for civil works.

3. Plan or other actions.

   - Resettlement plan
   - Resettlement framework
   - Environmental and social management system framework and indigenous peoples planning framework
   - Social impact matrix

B. Indigenous Peoples

1. Key impacts. Is broad community support triggered? The project areas do not contain a distinct, vulnerable, social, and cultural group self-identifying as a distinct indigenous cultural group and recognized as such by others along the project roads.

2. Strategy to address the impacts. Not applicable.

3. Plan or other actions.

   - Indigenous peoples plan
   - Combined resettlement plan and indigenous peoples planning framework
The monitoring results:

1. Relevance of the project for the country’s, regions, or sector’s labor market, indicated as high (H), medium (M), and low or not significant (L).
   - ☒ (L) unemployment  ☐ (Not applicable) underemployment  ☐ (Not applicable) retrenchment  ☐ (L) core labor standards

2. Labor market impact. The project is expected to generate employment opportunities for skilled and unskilled workers in local communities during implementation. ADB’s Core Labor Standards will be fully adhered to and the executing agency will ensure with the construction supervision consultant that the civil works contractor complies with the country’s applicable labor laws, particularly child labor, during civil works.

B. Affordability

Affordability has been taken into account, as the road improvement will reduce travel costs and time and accident risks, and will increase the mobility of the local population.

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  ☒ (M) Others: Road safety
2. Risks to people in the project area. Not applicable. However, contractors will be obliged to carry out necessary information dissemination activities to its workers and (if appropriate) residents on potential risks related to human trafficking and sexually transmitted and/or communicable diseases and preventive measures to be taken against those risks during its assignment, which will be included in the civil works contract. Such activities should be monitored and recorded in regular progress reports by the construction supervision consultant during implementation.

VI. MONITORING AND EVALUATION

1. Targets and indicators. In line with ADB’s Safeguard Policy Statement (2009), KazAvtoZhol is responsible for monitoring any impacts triggered by the project and/or concerns raised by the localities with the help of the construction supervision consultant. Further, KazAvtoZhol will be responsible for implementing and monitoring the project’s gender features in accordance with the project’s design and monitoring framework.

2. Required human resources. Safeguard-related monitoring works will be done primarily by a full-time social safeguards specialist of the executing agency and by the construction supervision consultant. The monitoring results should be documented and submitted to ADB as stipulated in the loan agreement and project administration manual. Further, an environmental and social safeguards unit will be established during implementation, which is expected to perform monitoring functions related to safeguards. ADB’s social safeguards team will supervise the agency’s monitoring works and help the executing agency establish the unit. Likewise, ADB’s gender team will provide necessary supports to the executing agency to achieve the project targets.

3. Information in the project administration manual. Monitoring instruments, including indicators and frequency of measuring and documenting, and safeguards and gender-related implementation arrangements, are provided in the project administration manual.

4. Monitoring tools. The construction supervision consultant is required to address whatever it notices and/or observes in the project area in its progress report during implementation. The timing of the submission of such progress reports and their contents should be clearly stated in the contract between the consultants and KazAvtoZhol, and in the project implementation manual.

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