

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<div>Republic of Tajikistan</div>	Project Title:	<div>Access to Green Finance Project</div>
Lending/Financing Modality:	<div>Project</div>	Department/ Division:	<div>Central and West Asia Department / Public Management, Financial Sector, and Trade Division</div>

### I. POVERTY ISSUES

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

Tajikistan's development goals are articulated in its 10-year National Development Strategy (NDS) 2006-2015, which identifies promotion of economic growth as the main development objective and the basis for the Poverty Reduction Strategy (PRS) 2010-2012<sup>1</sup>. The PRS has a Functional Pillar, a Production Pillar, and a Social Pillar. The proposed project is linked to the Functional Pillar given its focus on private sector development. It is also related to the Production Pillar through its focus on energy security. The proposed project is in line with the Country Partnership Strategy 2010-2014 that has an explicit focus on private sector development.<sup>2</sup> It is also included in the Country Operational Business Plan.<sup>3</sup>

#### B. Targeting Classification

☒ General Intervention ☐ Individual or Household (TI-H) ☐ Geographic (TI-G) ☐ Non-Income MDGs (TI-M1, M2, etc.)

The project is expected to have an indirect impact on poverty, mainly through income, health, and child education benefits. Income opportunities will arise if increased access to electricity is used for creating livelihoods. Substitution of kerosene by solar energy will improve health conditions at home. Children at school age will be able to study for longer periods of time. The project will help improve living standards. The pilot project is not targeted to geographic areas with a significantly higher poverty incidence than the national average, although it is envisioned that demand for solar electricity solutions may be higher in rural areas.

#### C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?  
N.a.

2. What resources are allocated in the PPTA/due diligence?

A social analysis will be conducted by the processing team during fact-finding. As part of due diligence, a nationwide household survey will be conducted and will include energy consumption patterns.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

The impact on poverty is expected to be largely indirect. Rural households rely on imported and expensive kerosene and/or candles for lighting needs and wood and cow dung for heating water and cooking.

### II. SOCIAL DEVELOPMENT ISSUES

#### A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The primary project beneficiaries will be the households and micro and small enterprises that purchase solar electricity solutions with credit (Green Finance).

2. What are the potential needs of beneficiaries in relation to the proposed project?

The beneficiaries require a loan structure (i.e. tenor, collateral, and interest rate) that is affordable and competitive.

<sup>1</sup> Government of the Republic of Tajikistan. 2010. *Poverty Reduction Strategy (PRS-III) 2010-2012*. Dushanbe.

<sup>2</sup> ADB. 2010. *Tajikistan: Country Partnership Strategy 2010-2014*. Manila.

<sup>3</sup> ADB. 2011. *Tajikistan: Country Operations Business 2012-2014*. Manila.

The beneficiaries also require available maintenance services for solar electricity solutions and warranty to protect against the risk of technical failure of solar electricity solutions products.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

The project will select suppliers of solar electricity solutions that have the capacity to install, provide after sales service and a warranty to beneficiaries who will be trained to properly use the equipment.

## B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Potential stakeholders include loan recipients (households and micro and small enterprises, with a focus on women borrowers), participating PFIS and suppliers and the central and local governments.

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

Meetings will be conducted with all stakeholders to share information about the project and to seek feedback. A household survey will be conducted to assess household needs.

3. What level of participation is envisaged for project design?

☒ Information sharing    ☒ Consultation    ☐ Collaborative decision making    ☐ Empowerment

4. Will a C&P plan be prepared during the project design for project implementation? ☐ Yes    ☒ No Please explain.

No formal C&P plan will be prepared, since no significant social safeguard issues are expected. An information campaign will be launched to promote public awareness of the technical, financial, economic and social benefits of solar electricity solutions.

## C. Gender and Development

**Proposed Gender Mainstreaming Category:** Effective Gender Mainstreaming

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?

Female-headed households are increasingly common in rural areas of Tajikistan given the increased labor migration during the last decade and the effects of the civil war. Women head 19.4% of households in Tajikistan, of which the majority are widows under the age of 60. Households headed by women in Tajikistan are 28.6% more likely to be poorer than those headed by men. Twenty three percent of female-headed households receive remittances, against only 9.7% of male-headed households.<sup>4</sup> Tajikistan has a formal legal system that provides for women to exercise property rights. However, customary norms undermine many of these formal legal protections and do not allow many women to have any role in the management or disposition of household property. Women are rarely the legal holders of title to any land; nevertheless, women have access to land resources via the household unit in which males hold formal rights (if such rights exist and are registered). Three percent of male-headed households and 2.3% of female-headed households use loans.<sup>5</sup> For microfinance institutions, women comprise 38% of disbursements by number and 31% by amount. The average microloan to a woman is \$810 compared to \$1,090 to a man. Among the PFIs, women receive 34% of total number of microcredit disbursements and 20% of total value of disbursements. The average PFI loan to a woman is \$2,220 compared to \$4,650 for a man.<sup>6</sup> Importantly, the project will help women reduce the time spent on securing household energy needs and exposure to air pollution from kerosene, wood and dung burning, and thereby increase their productive time for income earning and health prospects.

2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?

☒ Yes    ☐ No

A minimum of 20% of the loans will be made to female-headed households. A gender action plan will be prepared during fact-finding to maximize the benefits to female-headed households. A household survey

<sup>4</sup> H. Shahriari, A.M. Danzer, R. Giovarelli, and A. Undeland. 2009. Improving Women's Access to Land and Financial Resources in Tajikistan. Report financed under the World Bank Group Gender Action Plan.

<sup>5</sup> Ibid.

<sup>6</sup> D. Lucock, G. O'Keeffe, G. Fatkullina, and S. Mueffelmann. 2011. Country Assessment Tajikistan. Paper financed under the Asian Development Bank's Regional Technical Assistance: Financial Sector Development in Central and West Asia.

collecting information including that on knowledge, affordability of female headed households for solar electricity solutions needs is currently in progress.

3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?

☐ Yes ☒ No

### III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/No Impact/Not Known	Plan or Other Action Required
<b>Involuntary Resettlement</b>	Resettlement is not expected, since the CARES are home-based solutions	No impact	<input checked="" type="checkbox"/> None
<b>Indigenous Peoples</b>	There is no expected negative impact on indigenous peoples	No impact	<input checked="" type="checkbox"/> None
<b>Labor</b> <input type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	The project is expected to generate livelihood opportunities from extended working hours due to additional lighting	No issue	<input checked="" type="checkbox"/> No Action
<b>Affordability</b>	Loan recipients need a loan structure that is affordable. Monthly installments should be paid using the cost savings brought by the replacement fossil fuels with renewable energy.	Limited. Loan structure will be designed in collaboration with participating financing institutions, taking into account the household survey results.	<input checked="" type="checkbox"/> Action
<b>Other Risks and/or Vulnerabilities</b> <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	Not applicable.	Not applicable.	<input checked="" type="checkbox"/> No Action

### IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s?

☒ Yes ☐ No

2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? ☒ Yes ☐ No

Due diligence and social analysis will be conducted by the processing team. A gender expert engaged under the TA 7563-REG Promoting Gender Inclusive Growth in Central and West Asia is located in the Tajikistan Resident Mission and will be involved in processing to explore gender-related measures.