



## Initial Poverty and Social Analysis

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January 2020

### Uzbekistan: Central Asia Regional Economic Corridor (CAREC) Corridor 2 Karakalpakstan Road Project (A380 Kungrad to Daut-Ata Section)

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Asian Development Bank

**CURRENCY EQUIVALENTS**  
(as of 29 January 2020)

Currency unit	–	sum (SUM)
SUM1.00	=	\$0.0001049
\$1.00	=	SUM9534.17

**NOTE**

In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Republic of Uzbekistan	Project Title:	Third CAREC Corridor 2 Karakalpakstan Road Project (A380 Kungrad to Daut-Ata Section)
Lending/Financing Modality:	Project	Department/Division:	Central and West Regional Department Transport and Communications Division

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b>          The project will reconstruct 240 km of A-380 highway between Kungrad and Daut-Ata (on the Kazakhstan border) and          Will install an Intelligent Transport System (ITS) on a pilot section of Tashkent – Namangan road. The project will enhance Uzbekistan’s regional connectivity with main export destinations and help increase movement of goods and services. The project supports the priority areas on economic development and liberalization (priority area 3) and development of the social sphere (priority area 4) of Uzbekistan’s Development Strategy 2017-2021. Specifically, the priority area on economic development and liberalization cites the “further development of road transport infrastructure” under the sub-area on improving competitiveness of the economy through deepening of structural reforms, modernization and diversification of its leading industries. The priority area on development of the social sphere includes in its list the development and modernization of road transport, specifically, the construction and reconstruction of road infrastructure- the development of regional roads, overhaul and repair of off-farm rural roads, streets in settlements.<sup>1</sup> The project is aligned with the Country Partnership Strategy 2019-2023, as the reconstruction of the highway will help enhance the enabling environment for private sector development, promote regional connectivity along CAREC corridors, and reduce the distance between rural and urban areas.</p>
<p><b>B. Poverty Targeting:</b></p> <p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p> <p>The project aims to increase economic growth through enhancement of trade and traffic along the project roads. The project will benefit local communities as they will be able to transport goods and services. Men and women from the project area will have greater mobility. The connectivity will also enhance networking among people from different localities.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p>1. <u>Key issues and potential beneficiaries.</u> Uzbekistan’s economy has grown in the last 10 years. The key contributor to the growth of the economy was expansion of the services sector followed industry. Agriculture continues to contribute a significant share to the economy accounting for 19.2 percent in the gross domestic product (GDP).<sup>2</sup> Data as of 2018 note that the percentage of the population below the national poverty line is at 11.4 percent.<sup>3</sup> Poverty is higher in rural areas than urban areas. An estimated 70% of the poor in Uzbekistan live in the rural communities, majority of whom are employed in agriculture. Among the drivers of poverty are the low agricultural productivity, limited access to productive access such as infrastructure, water, land, technical and financial services, and high level of informality in rural labor markets which particularly impact negatively on women and young people<sup>4</sup> Eight out of 13 provinces of Uzbekistan registered poverty levels higher than the national average. These include among others, the remote provinces of Karakalpakstan, Khorazm, Jizzakh, Namangan, and Surkhandarya—areas with small populations most of whom are employed in agriculture.<sup>5</sup> The main beneficiaries are the road users from the local communities and the regional traders, as they will have greater access to various markets, services, as well as social and economic opportunities.</p> <p>2. <u>Impact channels and expected systemic changes.</u> The program is expected to benefit local population and regional/international traders through (i) smoother travel on the improved surface, (ii) reduction of travel costs by reducing vehicle operation costs, (iii) installation of road safety and monitoring features, (iv) increased access to markets and opportunities. In addition, local communities may benefit from employment opportunities during road construction.</p>

<sup>1</sup> *The Tashkent Times*. 2017. [Uzbekistan’s Development Strategy for 2017-2021 has been adopted following public consultation](#). 8 February.

<sup>2</sup> Food and Agriculture Organization of the United Nations. 2019. *Gender, Agriculture, and Rural Development in Uzbekistan*. Budapest. <http://www.fao.org/3/ca4628en/ca4628en.pdf>

<sup>3</sup> ADB. 2019. [Basic Statistics 2019](#). Manila.

<sup>4</sup> See footnote 2.

<sup>5</sup> World Bank. 2019. [Toward a New Economy Country Economic Update Summer 2019](#). Uzbekistan

3. Focus of (and resources allocated in) the TRTA or due diligence. Poverty and social analysis shall be carried out in the course of safeguard planning. In particular, assessment on social impacts during construction and operation shall be carried out to identify appropriate mitigating measures. Other social issues pertaining to construction workers, HIV/AIDS, human trafficking shall be assessed.

4. Specific analysis for policy-based lending. Not applicable.

## II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? The Food and Agriculture Organization (FAO) in its report<sup>6</sup> cited sex-disaggregated 2017 estimates for Karakalpakstan. Women in the rural areas of the province constitute 458,000 while men numbered 464,000. In the urban areas, men and women constitute an equal number estimated at 447,000. Across the country, the average age for females in rural areas is 27.5 years (30.7 years in urban areas) and for males it is 26.6 years (29.0 years for urban males; State Committee of the Republic of Uzbekistan, 2017b). The lack of employment opportunities for the young labor force is fueling migration which impacts on the household structure. With regard to travel and mobility, the report indicated that while there are no restrictions for women on driving, the social norms in rural areas associate driving as a male task or occupation, hence, women traditionally rely on men to drive for them. It also noted that limited long-distance transport, high cost of travel are hindering factors that affect girls from remote rural areas from pursuing higher education. The lack of mobility due to poor transport options affect women's ability to travel to markets to sell their farm produce and local products.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?  Yes  No

There will be potential to support and facilitate income generation opportunities for women through livelihood training, provision of selling spaces, among others. During project implementation, women residing along the project roads will be encouraged to attend public consultations, disseminations of project information, and awareness-raising campaigns on STIs and human trafficking. Where applicable, separate restrooms will be built along the corridor to accommodate female travelers and workers, and road safety facilities will be installed as feasible. This will improve safety and comfort for all travelers including women and enhance women's socio-economic activities along the road.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  Yes  No

Adverse gender impacts are not expected.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity)  EGM (effective gender mainstreaming)  
 SGE (some gender elements)  NGE (no gender elements)

## III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

Main beneficiaries are population residing and working in adjacent areas, and international/domestic traders using the project roads. The involuntary resettlement impact of the program is expected to be limited. Through public consultations with different stakeholders, their views and interests shall be considered in the design.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

Since the project is of general intervention type, public consultations shall be facilitated with different stakeholders from different levels of the government and broader civil society.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing (M)  Consultation (M)  Collaboration (N)  Partnership (N)

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed?  Yes  No

All stakeholders shall be consulted and their views and interests shall be considered in the design. Where there are CSOs, they shall also be consulted.

<sup>6</sup> See footnote 2.

<b>IV. SOCIAL SAFEGUARDS</b>	
<b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI	
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?    <input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No    This information shall be thoroughly studied during the further processing.</p> <p>2. What action plan is required to address involuntary resettlement as part of the TRTA or due diligence process?  <input checked="" type="checkbox"/> Resettlement plan                      <input type="checkbox"/> Resettlement framework                      <input type="checkbox"/> Social impact matrix  <input type="checkbox"/> Environmental and social management system arrangement                      <input type="checkbox"/> None</p> <p>The project involves permanent acquisition of land under private use measuring 0.0613 ha belonging to 1 owner, acquisition of 311.62 ha of valley and other land plots not used in agriculture and 1.5 ha of valley and other land plots for construction of training centers at Jaslik and Karakalpakstan, totalling 313.18 ha and owned by the State. Further, the project will involve temporary acquisition of 915.77 ha of valley and other land plots not used in agriculture for the open pits and owned by the State. In addition, two of the proposed new WIM facilities will involve use of 1.67 ha of land, which is currently managed by Uzavtyoul regional department, a unit of State Committee of Roads, being land parcels abetting the highway and free from encumbrance. The improvements proposed for the third existing WIM facility involves only installation of equipment within the available facility. The permanent acquisition of land for the road project will cause economic displacement to 2 families, comprising of 1 structure owner who would be losing the rental income derived from the structure that will be affected and 1 tenant who is having a restaurant in the affected structure. Further, 1 motel-owner will face non-significant impact by way of temporary disruption during shifting of water and gas supply pipeline to his motel as part of utility shifting. There is no impact to common property resource in this project. Altogether the project will cause impact to 2 families and temporary disruption to 1 family.</p>	
<b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI	
<p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    <input type="checkbox"/> Not applicable</p> <p>3. Will the project require broad community support of affected indigenous communities?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    <input type="checkbox"/> Not applicable.</p> <p>What action plan is required to address risks to indigenous peoples as part of the TRTA or due diligence process?  <input type="checkbox"/> Indigenous peoples plan                      <input type="checkbox"/> Indigenous peoples planning framework                      <input type="checkbox"/> Social Impact matrix  <input type="checkbox"/> Environmental and social management system arrangement                      <input checked="" type="checkbox"/> None</p>	
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>	
<p>1. What other social issues and risks should be considered in the project design?  <input checked="" type="checkbox"/> Creating decent jobs and employment (L)    <input checked="" type="checkbox"/> Adhering to core labor standards (M)    <input type="checkbox"/> Labor retrenchment  <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L)    <input type="checkbox"/> Increase in human trafficking    <input type="checkbox"/> Affordability  <input type="checkbox"/> Increase in unplanned migration    <input type="checkbox"/> Increase in vulnerability to natural disasters    <input type="checkbox"/> Creating political instability  <input type="checkbox"/> Creating internal social conflicts    <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? During the course of project processing, the mitigation measures relevant to other social issues and risk shall be defined in applicable environment and social management plan. Specific assurances for core labor standards will be included in the loan covenants due to documented problems in Uzbekistan in this respect.</p>	
<b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>	
<p>1. Do the terms of reference for the TRTA (or other due diligence) contain key information needed to be gathered during TRTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?  <input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis and participation plan during the TRTA or due diligence? The TRTA will include a team of international and national safeguards specialists and gender specialists to carry out poverty, social and gender analysis, social safeguards due diligence and prepare safeguards frameworks and plans. The TRTA will also include socio-economic surveys which will cover the above thematic areas for the project.</p>	