



Initial Poverty and Social Analysis

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Kazakhstan: Central Asia Regional Economic Cooperation Corridors 1, 2, and 6 Connector Road (Kyzylorda–Zhezkazgan) Reconstruction Project

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CURRENCY EQUIVALENTS

(as of 1 July 2021)

Currency unit	–	tenge (T)
T1.00	=	\$0.00234
\$1.00	=	T426.83

ABBREVIATIONS

ADB	–	Asian Development Bank
TA	–	technical assistance

NOTE

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

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Republic of Kazakhstan	Project Title:	Central Asia Regional Economic Cooperation Corridors 1, 2, and 6 Connector Road (Kyzylorda–Zhezkazgan) Reconstruction Project
Lending/Financing Modality:	Project loan	Department/Division:	Central and West Asia Department/Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is designed to improve the efficiency, safety, and sustainability of a strategic 208 kilometers highway section between Kyzylorda and Zhezkazgan in central Kazakhstan. The project will contribute to fostering inclusive development and economic growth, and is aligned with the country's development strategy and ADB's country partnership strategy for Kazakhstan, 2017–2021. Kazakhstan's development strategy for 2050 aims to improve quality of life by (i) strengthening economic policy decision making; (ii) supporting entrepreneurship and the private sector; (iii) improving social protection; (iv) developing human capital; and (v) strengthening institutions, foreign policy, and culture, and the fight against corruption. ADB's country partnership strategy for Kazakhstan, 2017–2021, aims to (i) strengthen foundations for economic diversification; (ii) sustain inclusive development; and (iii) foster sustainable, green growth in response to climate change. Two crosscutting priorities directly relate to the transport sector: strengthening governance and institutions, and promoting regional cooperation and integration.

B. Poverty Targeting

General intervention Individual or household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc.)

The national poverty rate has markedly reduced from 46.7% of the population living below the poverty line in 2001 to 3.8% in 2012. While the poverty rate has stabilized since 2012, decreasing to 2.6% in 2017 and increasing to 4.3% in 2019, the coronavirus disease is expected to increase the poverty rate in 2020 and 2021. The poverty rates of 2.5% in the Karaganda oblast and 4.9% in the Kyzylorda oblast are in line with national averages; the prevalence of rural poverty, at 6.6%, is 2.8 times higher than the urban poverty rate of 2.4%. The project will upgrade infrastructure supporting the economic development of communities in the project area, and improve access to education, health, and social services. By increasing traffic and trade, the Karaganda and Kyzylorda oblasts will thus benefit from strengthened activity to larger economic centers, such as Karaganda, Nur-Sultan, Shymkent, Tashkent, and Turkistan. In turn, the project is expected to contribute to a general reduction in poverty in the project area.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The primary project beneficiaries are the 149,000 residents of Zhezkazgan city (Karaganda oblast) and 242,000 residents of Kyzylorda city (Kyzylorda oblast). In the Karaganda oblast, the nearby cities of Satpayev (70,000 inhabitants) and Ulytau (14,000 inhabitants) will benefit from the project. In the Kyzylorda oblast, the road will also benefit several smaller villages in the catchment area of Kyzylorda city, located along the Syr Darya river. There are no major communities of significance between Kyzylorda and Zhezkazgan, owing to a harsh environment and limited access to water resources. The settlement of Mybulak (700 inhabitants) is connected to the project road by a 40-kilometers access road, earning income through animal husbandry.

2. Impact channels and expected systemic changes. The improved road will enhance access to economic opportunities, markets, and administrative, health, and educational facilities. The project is expected to create direct and indirect employment opportunities for skilled and unskilled workers.

3. Focus of (and resources allocated in) the transaction TA or due diligence. Project preparation will focus on incorporating gender and pro-poor elements in the project design, with inputs of a national gender specialist. A gender transaction TA subproject will support the implementation of the ensuing project for gender design features that may not be covered by the project.

II. GENDER AND DEVELOPMENT

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

Women tend to be more socioeconomically vulnerable than men, and the women's labor force participation is only 63.7%, compared to 75.3% for men. While it is uncommon to see women in construction related occupations in Kazakhstan, women regularly engage in ancillary activities relating to trade and services. At the project preparatory stage, sex-disaggregated data on relevant socioeconomic indicators will be collected, with focus on the needs, demands, and constraints faced by the poor, women, and vulnerable groups in the project area. Public consultations

will assess the social and economic concerns and needs of women and other vulnerable groups (elderly, children, and persons with disability), including livelihood and employment, prevalent health concerns and risks including HIV/AIDS, gender-based violence, mobility and travel-related concerns including road safety issues. The consultations will also seek recommendations from the community to address the identified issues and concerns. The poverty, social, and gender analysis (PSGA) report will be prepared to document the community consultations and will include relevant sex-disaggregated socio-economic data from the project areas. This will also include an institutional assessment of the gender-responsiveness of the relevant policies, programs, mechanisms of the executing agency/implementing agency that impact on women staff and the communities covered by its projects.

2. Does the proposed project or program have the potential to contribute 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

The project is expected to improve women's connectivity and their access to services and economic services. Opportunities to strengthen gender measures in the project design will be pursued.

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

Yes No

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.

The main stakeholders include local residents, business owners, industry, trade and agricultural sector workers, and central and local government agencies and officials. The primary beneficiaries of the project are road users, including local and transit vehicle drivers and operators.

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?

Consultations will be conducted with local governments, nongovernmental organizations and/or community-based organizations, and local communities, including women and vulnerable people. Issues to be discussed include potential project impacts such as road construction impacts, environmental disturbances, and road safety.

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?

Relevant civil society organizations (CSOs) include the Urban Forum Kazakhstan and Common Road NGO, plus road user associations such as the Union of International Road Carriers of the Republic of Kazakhstan. CSOs will be consulted during project preparation, notably for issues related to road safety, trade, and logistics.

M Information generation and sharing **M** Consultation **L** Collaboration **N** Partnership

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

The project does not entail involuntary resettlement, and vulnerable and poor people will not be directly nor negatively impacted.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

The road section proposed for ADB financing does not involve involuntary resettlement. One government land plot is expected to be transferred for the road construction. Due diligence will be conducted during project preparation to confirm that there are no involuntary resettlement impacts.

2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?

Resettlement plan Resettlement framework Social impact matrix

Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

There are no indigenous peoples identified along the project area.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

3. Will the project require broad community support of affected indigenous communities? Yes No

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?

Indigenous peoples plan Indigenous peoples planning framework Social impact matrix

Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

M Creating decent jobs and employment **M** Adhering to core labor standards **L** Labor retrenchment

L Spread of communicable diseases, including HIV/AIDS **L** Increase in human trafficking

M Affordability **L** Increase in unplanned migration **L** Increase in vulnerability to natural disasters

L Creating political instability **L** Creating internal social conflicts **M** Others: community road safety

2. How are these additional social issues and risks going to be addressed in the project design?

The project may lead to the risks of noncompliance to core labor standards and road safety hazards to the community along the corridor; the project road is a long, mainly straight road which can increase over speeding and drowsiness risks. The increase in hazards of communicable diseases and human trafficking is expected to be marginal. Negative environmental impacts are expected to be mainly linked to road construction, but potential impacts will be assessed in greater details during due diligence. An action plan will be prepared to provide employment opportunities so that local communities will be involved in the road construction. Due diligence will be conducted during project preparation for adherence to core labor standards. The project design will include measures to raise public awareness of the risks of HIV/AIDS, sexually transmitted infections, gender-based violence, and sexual exploitation, abuse, and harassment.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA 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? Yes No

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 transaction TA or due diligence?

The government completed feasibility and detailed design studies, and social safeguards risks were found to have been properly assessed. The project preparation includes inputs of a social development specialist (gender), who will review the project design features, review the social, poverty, and gender analysis, assess potential to strengthen stakeholder engagement and the positive project impacts, and assess mitigation actions for any negative impacts that may be identified.