



Initial Poverty and Social Analysis

Project Number: 54272-001
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Uzbekistan: Climate-Smart Water Management Improvement Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 12 April 2023)

Currency unit	–	sum (SUM)
SUM1.00	=	\$0.000088
\$1.00	=	SUM11,409.43

ABBREVIATIONS

ADB	–	Asian Development Bank
AMS	–	asset management system
COVID-19	–	coronavirus disease
IFI	–	international financial institution
IFRS	–	international financial reporting standards
IoT	–	internet-of-things
IT	–	information technology
O&M	–	operation and maintenance
NRW	–	nonrevenue water
OP	–	operational priority
TA	–	technical assistance
UJSC	–	Uzsuvtaminot Joint Stock Company

NOTES

- (i) The fiscal year (FY) of the Government of Uzbekistan ends on 31 December.
- (ii) In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Uzbekistan	Project Title:	Climate-Smart Water Management Improvement Project
Lending/Financing Modality:	Project Loan	Department/Division:	Central and West Asia Department / Urban Development and Water Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is consistent with the five-year Development Strategy for 2022–2026. The project supports ADB’s indicative country pipeline and monitoring report (ICPM) for Uzbekistan, 2022–2024, which aims to provide continued assistance to develop Uzbekistan’s municipal infrastructure and services. The project is fully consistent with the municipal services sector prioritized in the CPS which calls for ADB investments in water supply and sanitation, linked with regulatory and institutional reform, to ensure long-term sustainability. The project will also contribute to the achievement of the Sustainable Development Goals, to which the Government of Uzbekistan and ADB are committed.

B. Poverty Targeting

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

The government is committed to achieving the sustainable development goals by 2030, particularly SDG 1 to end poverty. Its efforts have reduced the national poverty rate from 24% in 2000 to 11.1% in 2019 (using the poverty line of \$1.9/day purchasing power parity), lifting more than 2.2 million people out of poverty. However, COVID-19 has countered these gains increasing poverty to 11.5%. The COVID-19 had a significant impact on household incomes. Based on the financial status assessment, the performance of water utilities – *Suvtaminots* are substantially affected in 2020 and 2021. The project will improve the financial performance of the *Suvtaminots*, assist the government to set an appropriate tariff setting mechanism to balance the pro-poor and other vulnerable groups, and minimize the regional disparity. The project DMF will include targets for vulnerable groups including women.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The provision of safe drinking water and sanitation is essential to reduce waterborne diseases and minimize the outbreaks of communicable diseases. These have been proven in many countries, in particular, during the COVID-19 pandemic. Large number of population is expected to be benefited from the project including the residents, entrepreneurs, tourists, and service operators of utilities. Basic WSS services including piped water supply, proper treatment of wastewater will be expanded and quality improved. The total number of the project’s direct and indirect beneficiaries will be confirmed during project processing.

2. Impact channels and expected systemic changes. The project is designed to (i) improve overall WSS infrastructure and services provision to citizens and efficiency which will in turn improve the sustainability of the utilities, and (ii) create direct short-term employment for rehabilitation and construction. The project will contribute to poverty reduction by improving the quality of life of the population who will benefit from improved water supply and sanitation services, and poverty reduction. Community WASH+H and COVID-19 prevention and awareness campaigns supported by the project will contribute to the opportunities for skills development and training related to O&M of infrastructure facilities management, and employment in the *Suvtaminots* will provide long-term capacity building and female employment, to poor and vulnerable groups.

3. Focus of (and resources allocated in) the transaction TA or due diligence. The project design is pro-poor, socially inclusive, and gender responsive. The project aims to cover 100% poor and vulnerable households in the project areas. The TA consultants will conduct a poverty, social and gender analysis and address social safeguards. A socioeconomic survey and poverty and gender assessment, stakeholder workshops, focus group discussions, and key informant interviews will be conducted. This will be conducted among women, low-income, elderly, disabled, and youth to understand their specific experiences and ideas for the project.

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

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?

The key gender issues include: (i) limited access to basic urban services such as solid waste, water and sanitation with frequent disruptions in these services which disproportionately impact women and girls at the household level and as employees and users of educational and health institution facilities; (ii) affordability of such services for poor and poor female-headed households; (iii) low participation of women in the decision making activities at community and city levels; (iv) lack of livelihood skills, particularly digital, technical, managerial, and entrepreneurship skills; (v) unsafe urban public space; and (vi) increased domestic abuse at home during COVID-19 period. Access to basic urban services is a key component of the draft National Plan for sustainable development up to 2030. The reliability of WSS infrastructure has significant impacts on children’s and family’s health, which in turn impacts women’s time spent on household work including caregiving, constraining women’s participation in income activities. Women are underrepresented in the staff of the WSS sector, both in lower-level positions and at the managerial and decision-making levels. Senior and mid-level management staff, and most economists, engineers, and operators in the sector

are males. Women mostly work in junior, low-paying technical positions, such as controllers, laboratory assistants, and also cleaners. In 2021, in the UJSC's central apparatus in Tashkent, women represent only 12.6% (10 out of 79) of staff members. In total, 20,181 people are employed in the regional water supply and sanitation organizations, although the share of women is only about 17%.

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 has the potential to be categorized as Effective Gender Mainstreaming. Under the program, women's employment opportunities increased, women's promotion to mid- and senior-level technical and managerial positions encouraged, and gender-specific elements incorporated into hygiene awareness campaigns. A gender action plan will be prepared with adequate budget provisions.

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: EGM

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

III. PARTICIPATION AND EMPOWERING THE POOR

1. Who are the main stakeholders of the project, including beneficiaries and affected people? Explain how they will participate in the project design. Citizens including women, local leaders, and civil society are key stakeholders to be consulted during project preparation and implementation. Key stakeholders include the project beneficiaries and *mahalla* (community) - mahallas and their elected committees are key beneficiaries of the project and will be consulted during project design and participate in the *Suvtaminots*, - representatives of government agencies from local to central governments, and others (project NGOs, etc.). Lessons learned from prior interventions suggest that assistance will need to be directed towards building the capacity of communities and implementing partners, so that both government and community may be equipped to effectively engage each other on a mutual cooperative undertaking. The local populations will be engaged in the identification of suitable locations for infrastructure, including pipelines, household connections and communal facilities, and participation will continue to be undertaken in all phases of the project from planning, implementation and monitoring and evaluation.

2. Who are the key, active, and relevant CSOs in the project area?

There are several active community-based organizations, women NGOs, and youth and women's groups in the project area, whose participation is envisaged for information dissemination, grievance redressal, and community mobilization.

3. Are there issues during project design for which participation of beneficiaries and affected people, particularly the poor and vulnerable is important? Yes No

The project focuses on underdeveloped mahallas and will support women and vulnerable groups. A communication and outreach strategy will be prepared to ensure continued participation of key stakeholders. Consultation and continued information sharing, with support of PIU and consultants, throughout the project period will occur to ensure continued feedback. Participation of CSOs, and poor and vulnerable groups throughout the project cycle will be essential for effective design, implementation, and sustainability. Adequate funds will be allocated under the project for such continued consultation activities. A project performance monitoring system will develop indicators to strengthen inclusion and participation of the poor and the vulnerable and ensure they are achieved.

4. How will the program ensure the participation of beneficiaries and affected people, particularly the poor and vulnerable and/or CSOs, during project design to address these issues?

CSOs who are considered by ADB as civil society in Uzbekistan, are consulted and collaborated with as a key stakeholder group during the project design and preparation stage. Adequate resources will be allocated along with a well-defined institutional structure to ensure meaningful stakeholder participation. Collaboration with the newly established Ministry for Employment and Poverty Reduction and with the Youth Foundation will bring inclusive project design mechanisms for community-based COVID-19 campaigns.

5. What level of CSO participation is planned during the project design?

 M__ Information generation and sharing M Consultation NA__ Collaboration NA__ Partnership

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 only physical component of the project is the installation of bulk meters which will happen on existing facilities of water utilities (pipelines, plants, reservoirs, wells, etc.) which are within the water utilities owned land. For the big pipelines, a chamber/manhole will have to be constructed to protect and make the meter accessible. This may involve compensation for temporary disruption of land.

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

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

The project has no indigenous people's impact, as Uzbekistan does not have indigenous peoples communities as defined in ADB's Safeguard Policy Statement for operational purposes and the project does not involve heavy physical works.

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

The project is mainly targeting institutional improvement of O&M practices of water utilities

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 H Adhering to core labor standards Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS Increase in human trafficking Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts Others, please specify _____

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

The impact assessment for the project will consider the presence and availability of skilled-unskilled workers in the local area. ADB will encourage the owner's engineer to employ local workers (percentage to be arrived during project preparation) and to ensure decent accommodation and facilities are provided as necessary. Core labor standards are part of contracts. Contractors and workers will be made aware of communicable diseases, including HIV/AIDS and COVID-19 risks. The project will disseminate information on COVID-19 risks and other communicable diseases for labor and communities in and around construction sites. ADB will also ensure contractors consider measures to avoid the occurrence of sexual exploitation and harassment among workers and with communities.

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? A social and gender development specialist will be recruited to conduct poverty, social and gender analysis through public consultations with local people, local CSOs and authorities and prepare GAP. TA consultants will also carry out human resource analysis of the UJCS and 17 Suvtaminots to provide useful information for tackling the issues of low female participation in the sector and help to address it in the GAP and revise DMF gender related performance indicators with realistic targets.

COVID-19 = corona virus disease; CPS = country partnership strategy; CSO = civil society organization; DMF = design and monitoring framework; GAP = gender action plan; NGO = nongovernment organization; O&M = operation and maintenance; TA = technical assistance; PIU = project implementation unit; UJSC = Uzsvtaminot Joint Stock Company; WASH+H = water, sanitation, hygiene, and health; WSS = water supply and sanitation.