



# Initial Poverty and Social Analysis

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## Uzbekistan: Dzhankeldy Wind Power Project

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**Asian Development Bank**

## ABBREVIATIONS

ADB	–	Asian Development Bank
CPS	–	country partnership strategy
CSO	–	civil society organizations
ESIA	--	environmental and social impact assessment
GoU	--	Government of the Republic of Uzbekistan
GRM	--	grievance redress mechanism
LLC	--	limited liability company
OHTL	--	overhead transmission line
NEGU	--	National Electric Grid of Uzbekistan
SEP	--	stakeholder engagement plan

## NOTE

- (i) In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Uzbekistan	Project Title:	Dzhankeldy Wind Power Project
Lending/Financing Modality:	Project Loan	Department/ Division	Private Sector Operations Department/ Infrastructure Finance Division 1

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The proposed loan to FE “ACWA Power Dzhankeldy Wind” Limited Liability Company will finance the construction and operation of a 500 MW wind power plant to contribute to increasing electricity production in the country from 12.9GW in 2019 to 29.3GW in 2030 to foster economic growth. It supports Uzbekistan’s 2030 Energy Strategy of developing and expanding renewables use and their integration into the unified power system. The transaction is consistent with two operational priorities of ADB Strategy 2030: (i) tackling climate change, and (ii) accelerating progress in gender quality<sup>a</sup>. The project also contributes to ADB’s country partnership strategy (CPS), 2019-2023 for Uzbekistan, by supporting the construction of infrastructure in energy that increases the country’s climate resilience and low-carbon development as well as supports the move toward a vibrant and inclusive market economy, modernizing energy infrastructure, and increasing energy efficiency.<sup>b</sup></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 will contribute to the urgent and much needed upgrading and augmentation of the ageing power supply infrastructures of the country. It will provide additional employment opportunities during construction and operation targeting to recruit at least 50% of its workforce from the local communities. The additional power generation will help support the development of new industries that would also improve employment among the population.</p>
<p><b>C. Poverty and Social Analysis</b></p> <ol style="list-style-type: none"> <li>1 Key issues and potential beneficiaries. Uzbekistan’s ageing and overloaded electricity system is highly dependent on inefficient and old power generation assets. Heavy dependence on natural gas has posed load management problems and resulted in frequent power demand-supply gap, especially in rural areas. There are blackouts for up to a few hours a day in rural areas and cities from December to February, when electricity demand is the highest. Schools and hospitals are unable to operate fully from November to February because of lack of affordable and reliable electricity, putting educational and health care systems at risk.<sup>c</sup> More than 32% of firms operating in Uzbekistan identify the lack of reliable electricity as a major constraint to doing business. According to the World Bank Enterprise Survey 2019, electrical outages happen twice a month, lasting 2.3 hours each. Losses caused by outages amount to 3.0% of enterprises’ annual sales. Small enterprises suffer more because of the expensive operating cost of diesel backup generators.<sup>d</sup> This lack of energy supply aggravates the urban-rural disparities in poverty. Poverty rate in rural areas is almost 6% higher than in urban areas.</li> <li>2. Impact channels and expected systemic changes. Access to reliable, clean and affordable electricity supply generated from the project will contribute indirectly to regional economic growth, an improved investment climate for the private sector, and enhanced job opportunities in productive sectors. The use of renewable energy sources such as wind will also reduce the threat of pollution and other environmental and health risks that could harm the social and economic life, particularly the poor and vulnerable.</li> <li>3. Focus of (and resources allocated in) the transaction TA or due diligence. The due diligence focuses on ensuring meaningful engagement of various stakeholders to the project, maximizing benefit to local communities and assessment and mitigation of impacts to land users to ensure that they are not worse-off as a result of the project and their livelihoods, if affected, are restored or improved.</li> <li>4. Specific analysis for policy-based lending. (Not applicable)</li> </ol>
<b>II. GENDER AND DEVELOPMENT</b>
<ol style="list-style-type: none"> <li>1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? Uzbekistan ranks 106th out of 189 countries in the 2020 Gender Inequality Index, with persistent challenges to reduce gender-based inequalities in reproductive health, empowerment, and economic activity.<sup>e</sup> Women’s economic participation in Uzbekistan remains low and unequal as compared with men. For instance, the employment to population ratio rate is much lower for women than for men (27,5% versus 56,5% in 2018<sup>f</sup>). In the energy sector, women represent on average 32% of the workforce on a global scale.<sup>g</sup> A study on women in wind energy conducted</li> </ol>

in 2019 showed that, even though women are perceived to hold valuable skills and knowledge, they only represent 21% of the workforce worldwide. Tangible obstacles to women's entry, retention, and advancement in the wind workforce in Asia and Pacific include the absence of support through networking, mentoring, training, opportunities for sharing work experiences, dedicated gender policies, internships, and dedicated seminars.<sup>11</sup> While gender disparities persist across the labor market, Uzbekistan prohibits violence against women and forbids discrimination in the workplace. In 2019, Uzbekistan secured key laws protecting women in the workplace by way of forbidding discrimination. The Government and the Parliament's Commission for the Protection of Gender Equality of Women approved two gender-related laws on (i) Guarantees of equal rights and opportunities for men and women; (ii) Protection of Women from Harassment and Violence.

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 access to and use of opportunities, services, resources, assets, and participation in decision-making  Yes  No

The project has strong potential to enhance gender equality results at plant level by providing adequate infrastructure and safe working conditions for female staff and in support of women's economic participation in the energy sector. Gender due diligence will look into gender design features that would support and grow the female workforce and enhance gender equality features in corporate policies – particularly from an anti-sexual harassment perspective.

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 EMPOWERING THE POOR

1. Who are the main stakeholders of the project, including beneficiaries and affected people? Explain how they will each participate in the project's design. The main stakeholders of the project are the LLCs which are the primary land leaseholders of the sites allocated for the wind farms and sections of the overhead transmission lines and herders who graze on these plots. Other stakeholders are the owners of some private plots that will also be affected by the OHTL. Other stakeholders include residents from nearby communities, municipalities, the Sericulture Committee, Ministry of Energy, NEGU and other government agencies that manage certain areas along the OHTL. All affected stakeholders were consulted as part of the ESIA process and resettlement plan preparation to ensure that impacts were avoided or at least minimized. A Stakeholder Engagement Plan (SEP) has been developed to manage their engagement. The project has also developed a grievance redress mechanism (GRM) to address concerns or feedback from affected people/communities and various stakeholders.

2. Who are the key, active, and relevant CSOs in the project area? In addition to the makhalla which is the state-supported community-based organizations in the project area, there are at least 5 local NGOs with relevant interests to the project including the Emirates Center for Conservation of Bustard Beauty, Uzbekistan Society for the Protection of Birds, Civic Initiatives Support Center, Republican Center for the Study of Public Opinion and Oydin Nur NGO. International CSOs operating in the area also include Bank Watch, IUCN, and Bird Life International.

3. Are there issues during project design for which participation of the poor and vulnerable is important?

Yes  No If yes, what are these issues? Opportunities for employment for the local people, men and women alike, as well as use and access to land by vulnerable people affected by the project are the key issues requiring engagement with various stakeholder groups.

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

The company, through its consultant, has conducted disclosure meetings and consultations since the scoping for the ESIA in 2021 and the resettlement plan preparation. Information materials about the project and its grievance redress mechanism have also been produced and disseminated in various occasions. These actions, including plans for further consultations/engagement, are reflected in the Stakeholder Engagement Plan (SEP) that was prepared for the project.

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

   Information generation and sharing    Consultation    Collaboration    Partnership

Face-to-face and virtual meetings were conducted with identified CSOs to inform them about the project and obtain their feedback/concerns. Information materials (including links to disclosed documents) were also provided.



2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis; and the participation plan during the transaction TA or due diligence? The project sponsor (ACWA) has engaged a consultant to prepare the ESIA and related documents. A lenders technical adviser was also engaged to assess gaps in the environment and social safeguards/social development related documents with the lenders' requirements. ADB, along with other lenders, will work closely with the client's consultants and independent consultants during the due diligence process.

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<sup>a</sup> ADB. 2018. Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific. Manila.

<sup>b</sup> ADB. 2019. Uzbekistan, 2019-2023 – Supporting Economic Transformation. Manila.

<sup>c</sup> ADB. 2020. *Uzbekistan: Quality Job Creation as a Cornerstone for Sustainable Economic Growth*. Manila.

<sup>d</sup> The World Bank. 2019. *Enterprise Surveys: Uzbekistan 2019 Country Profile*. Washington, DC.

<sup>e</sup> United Nations Development Programme. United Nations Development Programme. [Human Development Reports](#).

<sup>f</sup> ILO. 2020. [Women and the World of Work in Uzbekistan. Towards Gender Equality and Decent Work for All](#). Geneva.

<sup>g</sup> International Renewable Energy Agency (IRENA). 2019. [Renewable Energy: A Gender Perspective](#). Abu Dhabi.

<sup>h</sup> International Renewable Energy Agency. 2020. [Wind Energy: A Gender Perspective](#). Abu Dhabi.