

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Kyrgyz Republic	Project Title:	Central Asia Regional Economic Cooperation Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4
Lending/Financing Modality:	Project loan and grant	Department/Division:	Central and West Asia Department, Transport and Communications Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Targeting classification: general intervention
<p>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy</p> <p>In January 2013 the Kyrgyz Republic adopted a National Sustainable Development Strategy (NSDS) for 2013–2017, aiming at a successful and stable democracy with stable growth of domestic economy and household incomes. The NSDS’s main pillars are (i) achieving stable governance, (ii) alleviating poverty and minimizing socioeconomic regional disparity, and (iii) creating attractive environments for private sector investment. Those policy goals are in line with the long-term development framework of the Asian Development Bank (ADB), Strategy 2020,^a particularly inclusive growth, private sector development, and good governance. Furthermore, the transport sector is one of the key priority sectors in the ADB country partnership strategy, 2013–2017. This project will rehabilitate two sections of the Bishkek–Osh road: Bishkek–Kara-Balta, and Madaniyat–Jalal-Abad. The Bishkek–Osh road links the country’s main cities and is a vital national road, providing trade channels for agricultural, livestock and other products and sociocultural links across the country. The road is also important in regional contexts, and its rehabilitation will enhance international trade as it is a part of Central Asia Regional Economic Cooperation (CAREC) Corridor 3 and the Asian Highway network, and connects with neighboring countries—Russia and Kazakhstan in the north and Uzbekistan and Tajikistan in the south. The project is the fourth phase of the CAREC Corridor 3 Improvement Project and is expected to offer smoother, more efficient and more comfortable travel for passengers and enhance regional trade within and beyond the country.</p> <p>Such outputs will contribute to alleviation of poverty and improvement of quality of life in the region, and will lead to achievement of the development goals of the NSDS and the ADB country partnership strategy. The Bishkek–Kara-Balta section, located in a part of Bishkek city and Chui <i>oblast</i> (province), is in an area with active agriculture, trade, and industry sectors, and traffic volumes (passengers and freight) are high. The section needs urgent rehabilitation against further deterioration. On the other hand, the Madaniyat–Jalal-Abad section is located in the Jalal-Abad <i>oblast</i> where the main economic activities involve agriculture and livestock. The section is essential for farmers bringing their products to Osh, Toktogul, and Bishkek, and surrounding countries.</p>
<p>B. Results from the Poverty and Social Analysis during PPTA or Due Diligence</p> <p>1. Key poverty and social issues. The country’s national poverty ratio is 33.7%, while the population below the extreme poverty line is 6.7% (2010). Poverty is more prevalent in rural areas, where 59% of the population lives. Although the poverty ratio has improved slightly, the country was ranked 125th out of 186 countries in the human development index in 2012, and the main factor lowering the rank is income level. Gross domestic product per capita is \$1,143.5 with negative growth of –0.9%. To overcome such recent chronic poor conditions, the country urgently needs to rehabilitate basic infrastructure including roads, create more opportunities for income generation and industrial development, and facilitate domestic and international trade. These will contribute to promoting the country’s international competitiveness and inclusive growth. The Bishkek–Kara-Balta section is located in Chui <i>oblast</i> and Bishkek city, where the poverty ratios (21.5% in Chui and 15.0% in Bishkek) are lower than the national average of 33.7%, while the Madaniyat–Jalal-Abad section is in Jalal-Abad <i>oblast</i> where the poverty ratio is 44.7%, which is higher than the national average.</p> <p>2. Beneficiaries. The main direct beneficiaries are people living and working along and near the project roads, and those involved in international and domestic trade. Indirect beneficiaries include large sectors of the population who will gain from cheaper and more efficient availability of goods across the country, and from easier access to health, education and social facilities. The project road comprises 120 kilometers of the national road connecting Bishkek, the capital, and Osh, the third-largest city in the country. The section to be financed is a bottleneck because of the severely deteriorated surface, and has been impeding traffic and trade between Bishkek and Osh, while the other sections have been rehabilitated by ADB and other development partners. The project will also provide road safety campaigns for improving road safety in the country.</p> <p>3. Impact channels. By rehabilitating the Bishkek–Kara-Balta and Madaniyat–Jalal-Abad sections, the project is expected to contribute to (i) smoother travel on the improved surface, (ii) reduced travel and freight costs by reducing vehicle operation costs, and (iii) reduced road accidents by installing road safety facilities such as street lighting, crossings, signals, and pedestrianized roads. In addition, during the construction works, the local population will benefit through short-time employment opportunities and small-scale income generation for construction workers.</p> <p>4. Other social and poverty issues. None.</p> <p>5. Design features. The project aims to increase economic growth through enhancement of trade and traffic along the project roads. The project will benefit local communities along the road through greater access to markets and</p>

social service facilities and will enhance their community networking. It will also benefit regional transporters of goods.
II. PARTICIPATION AND EMPOWERING THE POOR
<p>1. The project is the 4th phase of the reconstruction of the Bishkek–Osh road. Since the preparatory stage, public consultations have been held continuously to disseminate project-related information and issues. Consultations with nongovernment organizations were conducted in June 2013. There has been general support for the project.</p> <p>2. Civil society has been consulted during project preparation to ensure project inclusiveness. During project implementation, public consultations will be held regularly to disseminate project implementation status information.</p> <p>3. In addition to public consultation specifically for land acquisition and resettlement, extensive public consultations have been held since June 2013 to disseminate project information, including potential impacts during construction. Such information dissemination activities will be continued during project implementation.</p> <p>4. What forms of civil society organization participation is envisaged during project implementation? <input checked="" type="checkbox"/> Information gathering and sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Partnership</p> <p>5. Will a project-level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons, particularly the poor and vulnerable? <input checked="" type="checkbox"/> Yes. A project communication plan has been prepared to ensure stakeholders are aware of and engaged with the project, especially in the areas of resettlement planning, consultation, and grievance redress. <input type="checkbox"/> No.</p>
III. GENDER AND DEVELOPMENT
Gender mainstreaming category: No Gender Elements.
<p>A. Key issues. In the Kyrgyz Republic, gender equality has been actively pursued by both the public and private sectors. A presidential decree (On Measures to Advance Gender Policy) in 2006 and a law (On State Guarantees of Equal Rights and Opportunities for Men and Women) in 2008 were adopted to ensure equality of rights and opportunities of women and men in public bodies. Further, the new National Strategy of the Kyrgyz Republic for Achieving Gender Equality to 2020 was also promulgated in 2012, together with the National Action Plan for 2012–2014. Despite these initiatives however, there are significant gender discrepancies, such as a female-to-male labor ratio of 0.720 and female average earnings of 77.0% of men's (2012)^b. Women tend to be employed in the informal sector without written employment contracts or social protection.</p> <p>Along the road sections to be rehabilitated under the project, there are several markets where women are active in selling agricultural and livestock products. They play a major role in the local economy, although their employment is again mostly in the informal sector. Hence, their income tends to fluctuate according to season, economic conditions, and road conditions. The all-weather roads to be provided by the project will contribute to increasing and stabilizing their income and ensure access to those market places located along these sections.</p>
<p>B. Key actions. The project will involve construction works utilizing heavy machinery to rehabilitate the project roads. During construction there will be potential income-generation opportunities for women through short-term employment on project works, and roadside sales of food and produce to construction workers and others. During project implementation, women residing along the project roads will be encouraged to attend public consultations, and awareness-raising campaigns on sexually transmitted infections and human trafficking. Separate restrooms will be built along the corridor to accommodate female travelers and workers, and road safety facilities will be installed as necessary. Those will improve safety and comfort for women travelers and enhance women's socioeconomic activities along the sections, and will eventually extend to the entire Bishkek–Osh road.</p> <p><input type="checkbox"/> Gender action plan <input checked="" type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p>
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES
<p>A. Involuntary Resettlement Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. For the Bishkek–Kara-Balta road section, according to the results of the detailed measurement survey (DMS) and valuation based on project preliminary design, (i) two houses (with approximately 10 persons) will be severely impacted; (ii) 38 shops, cafes, and kiosks will experience temporary business interruption; and non-significant partial impacts on (iii) two petrol stations, (iv) a government structure and a shed, and (v) 58 secondary structures (concrete fences, gates, stone paving, etc.) will be moved out of the existing right of way. For the Madaniyat–Jalal-Abad road section, according to the results of the DMS and valuation based on project preliminary design, (i) four houses (with approximately 20 persons) will be severely impacted; and non-significant partial impact on (ii) 12 shops, cafes, and kiosks, and (iii) 103 secondary structures (metal shade, gate, fence, etc.) will be moved out of the existing right of way. Further validation of this information will be undertaken during the finalization of the resettlement plan or land acquisition and resettlement plan (LARP) when final project detailed design for both road sections becomes available. The project affects neither indigenous peoples nor vulnerable groups.</p>
<p>2. Strategy to address the impacts. The involuntary resettlement impacts of the two road sections will be mitigated by implementing an approved LARP and will be monitored during its implementation. The draft LARPs have been prepared, based on preliminary project design, under the project preparatory technical assistance in accordance with the relevant policies of ADB and the government, and contain socioeconomic information, consultation and participation documentation, grievance redress mechanisms, entitlement and benefits, livelihood assistance and rehabilitation, institutional arrangements, and schedule for the implementation. The draft LARPs were disclosed on the ADB website. To ensure the ADB Safeguard Policy Statement (2009) requirements of replacement value for all affected land and assets are met, a thorough assessment of valuation was undertaken by independent valuers.</p>

A monitor will be engaged during LARP implementation to ensure that all of its provisions are complied with and the status of affected people is restored to its pre-project level. Finalized LARPs will be endorsed by the government, disclosed to affected persons and local stakeholders, and posted on the ADB website.	
3. Plan or other Actions.	
<input checked="" type="checkbox"/> Land acquisition and resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Social impact matrix	<input type="checkbox"/> Social impact matrix
<input type="checkbox"/> No action	
B. Indigenous Peoples	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
1. Key impacts. None.	
2. Strategy to address the impacts. None.	
3. Plan or other actions.	
Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<input type="checkbox"/> Social impact matrix	
<input checked="" type="checkbox"/> No action	
V. ADDRESSING OTHER SOCIAL RISKS	
A. Risks in the Labor Market	
1. Relevance of the project for the country's or region's or sector's labor market	
<input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input type="checkbox"/> core labor standards	
These will be closely monitored as the United States' Department of State ^c warns that the Kyrgyz Republic is a source and transit country for persons subjected to forced labor, including in the construction industry in the country.	
2. Labor market impact. Employment opportunities will be generated for local communities during construction as workers and service providers in transport and other areas (e.g., vehicle repair, refueling, trade logistics facilities, restaurants, and convenience stores) after completion.	
B. Affordability	
No adverse impact on people's livelihoods is expected. Rather, the project will reduce travel costs and increase income-generation opportunities by generating employment during construction and improved economic opportunities along the road.	
C. Communicable Diseases and Other Social Risks	
1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):	
<input type="checkbox"/> Communicable diseases <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others: None	
2. Describe the related risks of the project on people in project area.	
The prevalence rate of HIV/AIDS in the country is 0.03% (2010) and relatively low, while the rate has been slightly increasing and mitigation measures are needed. In the project, there are potential risks of prevailing HIV/AIDS and other sexually transmitted infections posed by the influx of construction workers at the project site. Further, the expected increase of region-wide population movements will involve an increasing risk of human trafficking, particularly of socially vulnerable peoples. Such risks will be minimized by conducting awareness campaigns targeting construction workers and local populations during the project implementation. The contractor will be required to conduct these campaigns and such requirement will be included in the civil works bid documents and contract.	
VI. MONITORING AND EVALUATION	
1. Targets and indicators: The project will generate around 570 construction jobs for works and 32 jobs for locally engaged supervision consultants (monitoring of core labor standards is included in the construction supervision consultant's Terms of Reference in the project administration manual (PAM). HIV/AIDS awareness campaigns will be conducted for local populations, with public consultations.	
2. Required human resources: The MOTC will engage a construction supervision consultant team. The team will include at least one international project performance monitoring specialist supported by a national specialist to monitor and evaluate compliance with the LARP and any impact to be identified during and/or after the project.	
3. Information in PAM: The social safeguard monitoring report will be submitted by the MOTC to ADB on a biannual basis to inform of project impacts and progress of activities related to land acquisition and resettlement, and disclosed on the ADB website as required by ADB's Public Communication Policy (2011).	
4. Monitoring tools: Monitoring requirements are stipulated in the design and monitoring framework, PAM, financing agreement, and LARP.	

^a ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

^b World Economic Forum. 2013. *The Global Gender Gap Report for 2012*. Geneva.

^c United States Department of State. 2013. *Trafficking in Persons Report 2013*. Washington.

Source: Asian Development Bank estimates.