

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Turkmenistan"/>	Project Title:	<input type="text" value="Power Sector Development Project"/>
Lending/Financing Modality:	<input type="text" value="Project Financing"/>	Department/ Division:	<input type="text" value="Central and West Asia Department/ Energy Division (CWEN)"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The national development program of Turkmenistan is the 2003 National program "Strategy of economic, political and cultural development of Turkmenistan for the period till 2020". Under this strategy, the government commits to raise national living standards to those of developed countries. In particular, gas, electricity, water and table salt are provided free to the population, and the government committed to increasing public financing of these resources by 5.3 times between 2000 and 2020.

The ADB country operations business plan (COBP), 2016–2017 for Turkmenistan was formulated in line with the draft interim country partnership strategy (CPS), 2013–2015. The COBP focuses on energy and transport, which are the priority areas for operations identified in the draft interim CPS, and provides support for reform efforts through policy and advisory interventions. Operations also promote regional integration under the Central Asia Regional Economic Cooperation (CAREC) program.

B. Targeting Classification

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

Turkmenistan is energy self-sufficient utilizing gas fired generation. Due to its small population (5.2 million), energy demand is relatively low. The country therefore depends on export of energy to generate funds for its generous social welfare program, to provide social pensions, and support the agriculture sector (Turkmenistan is food self-sufficient and half of its population lives in rural areas, undertaking agricultural livelihoods).

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Turkmenistan plans to maximize its energy export potential in the region through electricity export—as a value added product from natural gas. The country has the 4th largest gas reserves in the world, estimated at 8 to 26 trillion cubic meters. Most of the current system was constructed in the 1970s, therefore rehabilitation is a government priority. Government is investing heavily in additional generation, and expects an additional 2,000 MW to come online in 2020. The subject investment is to allow the evacuation of this excess power to the region, specifically Iran, Afghanistan, and subsequently Pakistan. Export revenues provide valuable foreign exchange, which allows Turkmenistan to rehabilitate a range of infrastructure and maintain an increasing living standard of its population.

2. Impact channels and expected systemic changes. The project is expected to provide equipment for 760km of transmission line from Mary to Ashgabat to Balkanabad, with additional connections to the borders with Iran and Afghanistan to facilitate power export. There will also be upgrade of 4 substations in Ashgabat, Serdar, Tejen and Balkanabad.

3. Focus of (and resources allocated in) the PPTA or due diligence. N/A, due diligence conducted by ADB staff (10 person team) on social/gender, environment, resettlement, economic, financial, procurement, technical and legal aspects of the project in May 2016.

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? Households in Turkmenistan have free access to energy. Women are working in the energy sector although in fewer numbers than men (e.g. 10% of technical positions at Serdar substation). In Turkmenistan, education is free and compulsory, resulting in no gender differences in literacy, which is universal according to national statistics. Gender differences appear in vocational school enrolment, with 60% of students being male. However, female enrolment did increase by 170% between 2007 and 2014. Women in vocational schools predominate in less technical areas such as education (90%), healthcare (84%), economy (64%), tourism (52%), art and cinema (52%). Women's labor force participation rate was 42.3% in 2014⁴. The birth rate in Turkmenistan is quite high, perhaps connected to a range of social subsidies which kick in for women with 3 or more children. Turkmenistan has a high percentage of women in

⁴ Statistical Yearbooks of Turkmenistan. The State Statistical Committee of Turkmenistan, Ashgabat, 2015.

leadership, for example women in Parliament increased from 18% in 1995 to 26% in 2014⁵. In August 2015, a new law “On state guarantees of equal rights and opportunities for women and men” was adopted, which legally provides for coordination and harmonization of national legislation on gender equality with international laws. The National Action Plan on Gender Equality in Turkmenistan for 2020–2015 was adopted in January 2015, outlining the overall state strategy and policy on gender equality.

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 Please explain. The subject project concerns transmission of electricity down the national backbone grid, and to the borders with Iran and Afghanistan for future export. There are no anticipated changes to the already high level of domestic access to energy. A small pilot project on solar energy kits may be included as a grant component to the project. If this pushes through, ADB will explore management and installation of such kits in a remote area by the local branch of the Turkmenistan Women’s Committee, since women manage household energy. To be explored further during the fact-finding mission.

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 theme) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements) The small component above will not be sufficient to upgrade the gender category to SGE however it is considered an important first step.

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.

This is very much a government project, assisting in the more efficient evacuation of power from domestic generation for national transmission and also export. There will be some indirect benefits in terms of short term construction work and capacity building of the utility in power system planning.

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?

The project has limited scope for stakeholder engagement outside of energy sector government employees.

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? There are no real civil society organizations in Turkmenistan.

L Information generation and sharing L Consultation L Collaboration L Partnership

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

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 Project will finance a 220 kV transmission line from Mary to Ashgabat and on to Balkanabad, with links from this main line down to the borders with Afghanistan and Iran. The lines will be roughly parallel to the existing lines, and located in the Karakom desert, which dominates central Turkmenistan. Given the scarcity of settlements and arable land (4-5% of the territory), it is very easy to avoid these areas when planning the transmission route.

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

Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

⁵ <http://www.turkmenistan.gov.tm/>

<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <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</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA 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>
<p>V. OTHER SOCIAL ISSUES AND RISKS</p>
<p>1. What other social issues and risks should be considered in the project design? <input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <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>The project will provide additional employment to local communities from 2017–2019 during construction and the usual covenants relating to labor standards will be included in the project legal documents.</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? There are no social issues currently identified at this stage.</p>
<p>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</p>
<p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>ADB staff fielded a 10-person mission in lieu of PPTA in May 2016 to conduct needed due diligence.</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 PPTA or due diligence? n/a</p>