

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	The Kyrgyz Republic	Project Title:	Skills and Entrepreneurship for Inclusive Growth
Lending/Financing Modality:	Sector Development Program	Department/Division:	CWRD/CWSS

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The economy of the Kyrgyz Republic has failed to provide sufficient higher value added and higher wage jobs while the education system has failed to produce the sufficient number of graduates whose skills match the demand of the labor market. The international community now recognizes that reducing unemployment while increasing the quality of employment is a requirement for sustainable poverty reduction. The program will support the government's effort to align the economic and education sectors' development with the Sustainable Development Goals (SDGs) for poverty reduction. The SDGs most relevant to technical and vocational education and training (TVET), skills, and employment are SDG4 (quality education), SDG8 (decent work and economic growth), and SDG9 (industry, innovation, and infrastructure) which include targets to ensure access to TVET, increase relevant skills for employment, decent job creation, and entrepreneurship.

The Project Preparatory Technical Assistance (PPTA) is intended to design a project that produces TVET graduates with skills that increasingly match the need for highly skilled workers by the current and future job market. This will reduce unemployment among skilled youth and transform them into the working non-poor.

The Sector Development Program (SDP) is consistent with ADB's draft Country Partnership Strategy (2013–2017) for the Kyrgyz Republic, which supports ADB assistance in the education sector. The SDP supports the Kyrgyz Republic's reform vision for the education sector as enunciated in the National Sustainable Development Strategy as the "revision of school education content, new generation standards and textbooks, and conditions for ICT development". The project will help improve the quality of education and will support the national education strategy in the following policy measures: (i) optimize and modernize the TVET infrastructure, (ii) improve the quality and relevance of training according to the needs of the labor market, (iii) improve management and financing of educational institutions, introduce programs of monitoring, reporting and evaluation, (iv) improve access to the TVET system (v) provide conditions for strengthening the role of social partners in TVET, (vi) support social partners' activity in the TVET system at institutional level, and (vii) provide operation of the TVET system as a flexible and open structure of manpower development responsive to the needs of economy, business and society as a whole.

B. Poverty Targeting:

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

While this project is proposed as a general intervention, the project will also contribute to target SDGs 4, 8, and 9: quality education; decent work and economic growth; and industry, innovation and infrastructure. The PPTA will design a project which outcome is to enhance the quality and relevance of the TVET system and produce graduates with skills relevant to the labor market. A better skills match will increase employability (including self-employment) of graduates in jobs which require higher skills and are paying higher wages. Interventions will be geographically distributed to ensure less well-off areas will be covered.

C. Poverty and Social Analysis

1. In the Kyrgyz Republic, rural poverty is 39.6% as compared to 35.4% in urban areas with regional specificities of also high urban poverty in Jalalabad province and the city of Osh. The SDP will strengthen the TVET system with an emphasis on vulnerable areas and their local economies in order to increase access, relevance, and quality of TVET. Special needs TVET will be provided to allow for certification in partial occupations.

The SDP will combine economic policy with human capital development when skills development will be directly linked to defined priority sectors of the economy. Graduates will enter the labor market more easily since they have been trained on the job and in training firms while training providers themselves have become more entrepreneurial or are part of enterprises themselves and are engaging in small scale production or provision of services. The TVET system will have increased management capacities (including the Ministry of Education and Science and Ministry of Economy).

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?

- Women excluded by law for certain professions

<ul style="list-style-type: none"> • Education systems are characterized by gender imparities (school management male, general education teachers female, practical instructors depending on occupations highly gender biased) • 'Female' and 'male' occupation stereotypes • Low female occupational mobility, while high male occupational mobility
<p>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?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The project has significant scope to address gender, inclusion and social protection by improving access to education services. A gender action plan will be prepared during PPTA.</p>
<p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>4. Indicate the intended gender mainstreaming category:</p> <p><input type="checkbox"/> GEN (gender equity) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming)</p> <p><input type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>

III. PARTICIPATION AND EMPOWERMENT
<p>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.</p> <p>Key stakeholders are the Ministry of Education and Science, Ministry of Economy, Ministry of Labor and Social Protection, public and private employers, schools, students, parents, and teachers. PPTA will conduct an analysis of stakeholder interests, perceptions, capacities, and resources as an important initial step in designing the SDP. This will involve multiple methods including country-wide consultation series. The initial stakeholder identification will be followed by an analysis of positive and negative impact of the SDP on the main stakeholders. For example, distance learning as a form of skilling in TVET colleges is likely to be affected by the SDP due to improved quality assurance mechanisms. The SDP design will include strategies to mitigate any adverse impact on key stakeholders. A stakeholder participation plan and communication strategy will be developed and implemented.</p>
<p>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?</p> <p>Consultations will be conducted with poor, vulnerable, and excluded groups through workshops, focus group discussions, and workshops, especially regarding entrepreneurial and technical skills needed. Based on needs assessment, relevant training sessions will be designed and implemented, if required. A project participation plan will be prepared along with a stakeholder communication strategy to help clients/ beneficiaries of the education system get involved in the SDP design and implementation. Special focus will be on including the industry and getting their ownership of the SDP. This will help finalize the SDP design which will include implementation of mitigation plans. The participation plan will also help develop a mechanism for continued stakeholder involvement as a dynamic tool to be updated over the course of the SDP implementation. The stakeholder capacity will be assessed to participate in the SDP implementation in a meaningful manner.</p>
<p>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?</p> <p><input checked="" type="checkbox"/> Information generation and sharing (H) <input checked="" type="checkbox"/> Consultation (M) <input checked="" type="checkbox"/> Collaboration (M) <input checked="" type="checkbox"/> Partnership (L)</p>
<p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>There are no specific issues in the SDP design which require distinctive participation of poor and excluded. However, all relevant stakeholders including students, parents, teachers, school directors, and civil society organizations will be actively consulted in urban and rural areas to ensure holistic program design.</p>
IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p>
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<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>

3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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
V. OTHER SOCIAL ISSUES AND RISKS
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 checked="" 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 _____
2. How are these additional social issues and risks going to be addressed in the project design? Improving the quality of education does not necessarily require increased tuition costs for the poorer students. Deepened financial autonomy should improve budget allocation. Increased operational efficiency including some expansion in enrollment and greater use for practical training of private sector facilities and the training centers run by the MOES can reduce operating costs and the need for capital investment. As the program will encourage a shift to hands-on training, operating costs will increase. Employment of highly qualified instructors will also increase the wage bill. The net effect on cost is uncertain. The PPTA will assess the affordability and cost sharing possibilities of improved technical education development. The schools will be assisted to develop mechanisms for generating additional funds such as small scale production and provision of services, fund raising drives, soliciting scholarships from potential employers, cooperation with local government, and other measures, provided they contribute to improving the quality of skilling.
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT
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 (v) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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 PPTA or due diligence? International and national consultants under performance-based TOR will be hired under the PPTA to cover poverty, social development, and gender issues in the SDP design. Budget has been allocated for surveys, consultants' local travel for undertaking consultation and training workshops, and hiring of resource persons to conduct training needs analysis and deliver required training programs.