



# Initial Poverty and Social Analysis

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October 2018

## KGZ: CAREC Corridors 1 and 3 Bishkek Northern Bypass Road Project

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Asian Development Bank

**CURRENCY EQUIVALENTS**  
(as of 2 October 2018)

Currency unit	–	Som (SOM)
Som1.00	=	\$0.01443
\$1.00	=	Som69.2773

**NOTES**

In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Kyrgyz Republic	Project Title:	Central Asia Regional Economic Cooperation Corridors 1 and 3 Bishkek Northern Bypass Road Project
Lending/Financing Modality:	Grant/Loan	Department/ Division:	CWTC

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The proposed sector project is aligned with the top two priorities of the Kyrgyz Republic's medium-term strategy, *Unity, Trust and Creation (2018–2022)*, specifically (i) Enabling growth and macroeconomic stability, improving connectivity with regional markets, creating a conducive investment policy and implementing a program for small and medium enterprises (SMEs); and (ii) Developing agriculture and industry focusing on diversification, energy, transport, mining, tourism, textiles and construction. It also supports the implementation of the Kyrgyz government's national development strategy "40 Steps to New Era" (2018–2023), specifically Step 14: Transport and Road infrastructure, Step 8: Support to small and medium entrepreneurship, and Step 39: Environmental Sustainability. The project contributes to the achievement of the first strategic objective of the Kyrgyz–ADB Country Partnership, to achieve growth with economic diversification, through infrastructure investments in transport, institutional reform to improve sector efficiencies, and promote private sector development, as well as to the second strategic objective to enhance inclusion and environmental sustainability, through widened access to skills development and strengthened climate resilience.

#### **B. Poverty Targeting**

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

The Bishkek Northern Bypass Road Project will link the Bishkek Free Economic Zone (BFEZ) to the remaining parts of the country as well as to neighboring countries. Besides regional connectivity, it will contribute to the improvement in domestic connectivity of this major industrial park. The Dordoy Bazaar, which is located on the proposed project road, is one of Central Asia's greatest marketplaces, serving as a trading place for local wares as well as for goods from the People's Republic of China, the Russian Federation, Thailand, Turkey, and many other Asian nations. The project will contribute to poverty reduction, as it is envisaged to stimulate the growth of industries with more efficient transport of goods and services, thereby increasing the flow of goods and trade, increasing employment opportunities, especially for the communities in the project area, as well as benefit small entrepreneurs in the Dordoy market. The planned employment and livelihoods training will directly benefit the unemployed, specifically the youth, and women, as well as unemployed returning migrants, and those Dordoy entrepreneurs whose businesses are threatened with increased costs of trading.

#### **C. Poverty and Social Analysis**

1. **Key issues and potential beneficiaries.** The country's poverty level dropped to 25.6 % in 2017 from 32.1% in 2015. The poverty level in rural areas in 2017 is higher at 28.4% compared to the poverty level in urban areas which registered at 20.4% for the same year.<sup>1</sup> The unemployment rate is higher for females at 8.8% compared to the male unemployment rate of 6.2%. Unemployment among the youth seems worse, as 29% of females aged 15–24 years old and 12.1% of males of the same age are not in education, training, or employment. In 2016, the subsistence threshold or basic cost of living was KGS 4794.3 or \$ 69; while the minimum wage was KGS 970 or \$14 per month.<sup>2</sup> In the Kyrgyz Republic, 1.4% of the population live below the international poverty level of \$1.90 per day.

The proposed Bishkek Northern Bypass Road (34 km) will link the CAREC Corridors 1 and 3, Almaty-Bishkek Economic Corridor with the Bishkek-Osh Road and Bishkek-Torugart Road, while connecting with the BFEZ and Dordoy Bazaar. This is expected to improve the mobility of people, goods and services, and spur economic activities. A vocational training component will provide alternative livelihood opportunities for the people living in the project area. The development of an environmental buffer zone on both sides of the project road will mitigate urban sprawl and reduce congestion in future. The potential beneficiaries of the project are the people in communities in the project area, specifically local traders, entrepreneurs, employed population, as well as the unemployed women and youth who can directly access employment and livelihood opportunities that the project road can bring.

<sup>1</sup> Kyrgyz Republic, National Statistical Committee. 2017. Bishkek.

<sup>2</sup> <https://www.minimum-wage.org/international/kyrgyzstan>

**2. Impact channels and expected systemic changes.** Increased mobility of people and the faster movement of goods and services especially along the roads accessible to BFEZ and Dordoy Bazaar, are expected to diversify livelihoods, stimulate the growth of local enterprises, increase regional connectivity, and increase international trade. These in turn, will have positive impacts on the wider population.

**3. Focus of (and resources allocated in) the transaction TA or due diligence.** In addition to the preparation of the engineering design and the procurement documents, TRTA will assess safeguards and environmental impacts, as well as conduct a poverty, social and gender assessment of the project areas.

**4. Specific analysis for policy-based lending.** N.A.

## 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?**

Among the key gender issues that the project has the potential of addressing include, (i) women's limited mobility, (ii) high cost of transportation for women and other poor members of the community, who have to bring their few goods and produce to sell in the market, (iii) women's limited employment and livelihood opportunities, (iv) lack of skills training, and (v) women's limited involvement in the road and transport sector.

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

A preliminary assessment of the social and gender situation shows the possibilities for direct gender benefits in the form of employment and livelihood training for women, women's participation in the development and maintenance of environmental buffer zone, and incorporation of gender in road safety.

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 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.**

The main stakeholders of the project are the local population in the surrounding communities, traders, small entrepreneurs, freight forwarders, transport operators, road users, and the government, specifically the Ministry of Transport and Roads, and the Ministry of Finance. The TRTA will identify the affected people and measures will be put in place to address their needs. Regular consultations with the stakeholders will be conducted, ensuring the meaningful participation of the poor and vulnerable members, as well as women. The Project design will be prepared in consultation with all stakeholders.

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? Social safeguards issues related to loss of livelihood or land will be addressed. Direct project benefits for the local population will be assessed during TRTA and due diligence.

Community consultations will include focus group discussions, workshops, community mobilization, in-depth interviews and consultations and will address needs of the community and other social related issues such as HIV/AIDs, human trafficking, child labor etc.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

Active CSOs/NGOs will be identified and, if required, engaged in consultative process during project preparation and implementation.

H Information generation and sharing  H 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 should they be addressed?  Yes  No Specific issues that affect the community, such as potential loss of livelihoods, right of way, safety, and other health risks will require extensive consultations with the poor and excluded.

<b>IV. SOCIAL SAFEGUARDS</b>	
<b>A. Involuntary Resettlement Category</b> <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI	
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>It is expected that the road construction will affect more than 50 privately-owned assets and agricultural land plots. In addition, since Dordoy Bazaar, one of the greatest market-place in Central Asia, is located on the proposed road section, more impacts on businesses could be identified through the due diligence processes. Thus, the number of severely affected persons is expected to be greater than 200.</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix  <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>	
<b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI	
<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 transaction TA or due diligence process?</p> <p><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>	
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>	
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> (H) Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards <input checked="" type="checkbox"/> (L) Labor retrenchment  <input checked="" type="checkbox"/> (M) Spread of communicable diseases, including HIV/AIDS <input checked="" type="checkbox"/> (M) Increase in human trafficking <input type="checkbox"/> (N.A.) Affordability  <input type="checkbox"/> (N.A.) Increase in unplanned migration <input type="checkbox"/> (N.A.) Increase in vulnerability to natural disasters <input type="checkbox"/> (N.A.) Creating political instability  <input type="checkbox"/> (N.A.) Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? Measures to address these will be identified during TRTA.</p>	
<b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>	
<p>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?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</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 transaction TA or due diligence?</p> <p>Financial and consultant resources will be provided for the conduct of poverty, social, and gender assessment, as well as for the development of the consultation and participation plans.</p>	