



# Initial Poverty and Social Analysis

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## UZB: Regional Gas Transmission Efficiency Enhancement Project

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Asian Development Bank

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Uzbekistan	Program Title:	Regional Gas Transmission Efficiency Enhancement Modernization Project
Lending/Financing Modality:	Project Loan	Department/Division:	Central and West Asia Department Energy Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The government of Uzbekistan adopted the Strategy of Actions on Further Development of Uzbekistan which outlines the national development strategy for 2017–2021 and acknowledges the importance of energy sector in promoting economic development. The Asian Development Bank's (ADB) country operations business plan (COBP), 2018-2020 for Uzbekistan fully supports the strategy that includes support for energy development.

The project is aligned with the aim to promote energy efficiency and regional energy trade in the country as indicated in COBP 2018-2021. It is also among the regional cooperation projects considered under the Central Asia Regional Economic Cooperation (CAREC) Program.

Uzbekistan is one of the fastest-growing economies in Central Asia and aspires to become an industrialized, upper middle-income country by 2030. For the last decade, Uzbekistan was successful in lifting a significant number of the population out of poverty, and poverty has declined steadily from 26% in 2005 to 13.5% in 2015. Its main challenge is to sustain economic growth to create more quality jobs and improve the welfare of citizens. Uzbekistan's development strategy for 2017–2021 envisages national development through inclusive economic growth and targets to increase real income (implying income growth averaging 6% annually), and create 500,000 jobs annually. The proposed project will contribute to a more reliable energy supply through the national transmission system. Reliable and affordable energy supply is central to the national welfare improvement strategy of the country and key to security, job creation, and rural development. The project will benefit the poor and vulnerable groups in the rural and remote areas.

#### B. Poverty Targeting:

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

The project benefits the general public through improved power supply reliability and increased energy trading. It will provide more reliable access to energy, contribute to economic growth, and enhance the quality of life particularly in the rural and remote areas.

#### C. Poverty and Social Analysis

##### 1. Key issues and potential beneficiaries.

The project will benefit the general population and industries of Uzbekistan, and to some extent, the population of its neighboring countries, through improved reliability of energy supply. In Uzbekistan, energy poverty coincides with economic poverty, especially in rural areas with over 42% of population. Despite having an overall gasification rate of 70%, only less than half of the country's rural population has uninterrupted access to gas which makes them vulnerable to heating and cooking difficulties in case of energy fluctuations especially during winter. Availability of energy in rural areas will not only ensure reliable energy supply for heating and cooking, but will also increase household income through extended period of agricultural productivity. As such, the project is expected to reduce rural-urban disparities. Moreover, it will benefit women and children who are usually most affected by energy poverty. Uninterrupted gas supply also sustains essential community infrastructure like schools and hospitals in winter, contributing to the development of sustainable communities. In the absence of investments in gas transportation and increased output through newer technologies, the supplies are leveled off and shortfalls increase to critical levels in winter.

##### 2. Impact channels and expected systemic changes.

The project will directly benefit the population of the Samarkand and Bukhara regions as short-term skilled and unskilled workers will be hired to carry out the civil works needed for excavation, rehabilitation and construction works. Livelihood training will be provided to the community to optimize the use of energy supply for income-generating activities.

3. Focus of (and resources allocated in) the TA or due diligence.  
 Uzbekneftegaz will ensure compliance with core labor standards and/or national labor laws. The due diligence consultant will conduct the rapid poverty and social analysis. A survey will be conducted to determine the exact number of beneficiaries, and a social development agenda will be identified.

**II. GENDER AND DEVELOPMENT**

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this program or program?  
 Energy supply interruptions and/or shortages increase women’s poverty as they spend more time to gather fuel for lighting, cooking, and heating. This in turn leaves them little time for educational and training pursuits, income-generating opportunities, and even leisure. They are also often exposed to indoor air pollution when using coal and wood for cooking. In addition, unreliable energy supply in health centers prevents longer storage of vaccines to support them in times of pregnancy making them susceptible to sickness and diseases. The TRTA will conduct a rapid gender analysis and assess opportunities to design project intervention, which will promote women employment and career development as part of capacity development.

2. Does the proposed project 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

The project will not have direct gender equality benefits. Indirectly, however, the project will improve households’ access to energy, which in turn is expected to reduce the burden and drudgery of women performing housework, by reducing the time needed to collect traditional fuel and enabling households with appliances to use them more often. Improved access to electricity will also improve the services provided by health centers and schools by making heating more efficient, and electricity-run equipment more reliable. This will improve health and education of household members, and indirectly help women who are responsible for looking after the health and welfare of family members. Improved energy access also has the potential for women to start energy-based livelihoods.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  
 Yes     No

The project will not adversely affect women. On the contrary, it will provide indirect benefits to women and young girls.

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.  
 General households, communities in the project area, business community, community-based organization, local governments.

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 stakeholders will be consulted through meetings, interviews, workshops and surveys throughout project design by the executing agency, especially the project affected persons, including the poor and vulnerable groups in the project areas.  
 The project consists of civil works with at least 3 years of excavation, rehabilitation, and construction activities with simple and unskilled processes requiring a lot of laborers which will help the poor, vulnerable and excluded groups.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of CSO participation in the project design?  
 Information generation and sharing     Consultation     Collaboration     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  
 Uzbekneftegaz to ensure compliance with core labor standards and/or national labor laws. A social and poverty analysis will be conducted to assess impact channels of the project and identify opportunities to develop inclusive design features to assure that all segments of the population benefit from this project.

**IV. SOCIAL SAFEGUARDS**

**A. Involuntary Resettlement Category**  A  B  C

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes  No

Rehabilitating and modernizing the gas transportation system are generally confined within the existing site and transmission routes.

Some land acquisition will be needed for constructing new pipelines and temporary works. As part of the project preparation due diligence, the project team will confirm the extent of any land acquisition and/or involuntary resettlement, and if there is, appropriate measures will be discussed and agreed with Uzbekneftegaz in accordance with ADB's SPS (2009) and national laws and regulations.

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

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

**B. Indigenous Peoples Category**  A  B  C

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?  Yes  No  
The project will not involve or affect any ethnic minority or indigenous peoples, as defined by ADB's Safeguard Policy Statement.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?  Yes  No

3. Will the project require broad community support of affected indigenous communities?  Yes  No

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?

- Indigenous peoples plan  Indigenous peoples planning framework  Social impact matrix  
 Environmental and social management system arrangement  None

**V. OTHER SOCIAL ISSUES AND RISKS**

1. What other social issues and risks should be considered in the project design?

- Creating decent jobs and employment  Adhering to core labor standards  Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS  Increase in human trafficking  Affordability  
 Increase in unplanned migration  Increase in vulnerability to natural disasters  Creating political instability  
 Creating internal social conflicts  Others, please specify \_\_\_\_\_

2. How are these additional social issues and risks going to be addressed in the project design?

Uzbekneftegaz to ensure compliance with core labor standards and/or national labor laws. A social and poverty analysis will be conducted to assess impact channels of the project and identify opportunities to develop inclusive design features to assure that all segments of the population benefit from this project.

**VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT**

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?  
 Yes  No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analyses, and participation plan during the transaction TA or due diligence?

International and national social safeguard specialists will be recruited to prepare poverty assessment and gender analysis, as well as relevant land acquisition and resettlement plan as appropriate. International and national environmental safeguard specialists will be recruited to prepare of environmental impact assessment, and environmental management plan or framework as appropriate.