



## Initial Poverty and Social Analysis

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August 2019

# Uzbekistan: Climate Adaptive Water Resources Management in the Aral Sea Basin Sector Project

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Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 15 July 2019)

|               |   |                      |
|---------------|---|----------------------|
| Currency unit | – | uzbekistan sum (SUM) |
| SUM1.00       | = | \$0.0001165724       |
| \$1.00        | = | SUM8,578.36          |

## **ABBREVIATIONS**

|     |   |                         |
|-----|---|-------------------------|
| ADB | – | Asian Development Bank  |
| ha  | – | hectare                 |
| I&D | – | irrigation and drainage |
| TA  | – | technical assistance    |

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## INITIAL POVERTY AND SOCIAL ANALYSIS

|                             |             |                      |   |
|-----------------------------|-------------|----------------------|---|
| Country:                    | Uzbekistan  | Project Title:       | Climate Adaptive Water Resources Management in the Aral Sea Basin Sector Project          |
| Lending/Financing Modality: | Sector loan | Department/Division: | Central and West Asia Department Environment, Natural Resources, and Agriculture Division |

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|--|
| <b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>   |
| <p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The proposed Climate Adaptive Water Resources Management in the Aral Sea Basin Sector Project supports the Strategy of Actions on Further Development of Uzbekistan (2017), which includes: (i) introduction of water saving technologies and adoption of systemic measures to mitigate the negative impact of climate change and drying of the Aral Sea; (ii) further improvement of irrigated lands and development reclamation and irrigation facilities; and (iii) modernization of agriculture by reducing areas of cotton and cereal crops to expand horticulture production.<sup>1</sup> The project also supports the country partnership strategy for Uzbekistan, 2019–2023 (under ADB management approval) and the country operations business plan for Uzbekistan, (2019–2021). It complements ongoing ADB investments in the country for high-value crop production including the Horticulture Value Chain Development and Horticulture Value Chain Infrastructure projects.<sup>2</sup> The proposed project aims to increase agricultural water use productivity by providing climate resilient and modernized irrigation and drainage (I&amp;D) systems in selected subprojects within the Amu Darya and (selective reaches of the) Zarafshan River Basins in Uzbekistan.</p>   |
| <p><b>B. Poverty Targeting</b></p> <p><input type="checkbox"/>General Intervention <input type="checkbox"/>Individual or Household (TI-H) <input checked="" type="checkbox"/>Geographic (TI-G) <input type="checkbox"/>Non-Income MDGs (TI-M1, M2, etc.)</p> <p>The project will be implemented in provinces within the Amu Darya and (selected reaches of the) Zarafshan river basins. These provinces have been prioritized by the Ministry of Water Resources, Government of Uzbekistan as requiring urgent investments to improve I&amp;D infrastructure. They have been historically less focused upon for implementation of I&amp;D investments. Irrigated agriculture is the main source of living and employment of the population. Therefore, lack of irrigation water and deterioration of the network adversely affects the well-being of the rural population. Improvements in irrigation supplies and drainage will promote strengthening of farm enterprises and socio-economic development in the command area. The project will address poverty by supporting women and the rural population involved in the agriculture sector to increase productivity thereby positively impacting on household incomes. It will also consider improved economic opportunities and livelihood opportunities for women who are engaged in irrigated agriculture. The proposed technical assistance (TA) will undertake socio-economic baseline surveys on representative subprojects for which feasibility studies will be prepared. These will identify the most vulnerable segments of the community and consider opportunities to support through project activities.</p> |
| <p><b>C. Poverty and Social Analysis</b></p> <p><b>1. Key issues and potential beneficiaries.</b> Of Uzbekistan's population of 30.8 million, 49.2% live in rural areas. In 2015, about 12.8% in Uzbekistan lived below the national poverty line.<sup>3</sup> Some of the main challenges faced are the lack of employment opportunities, and a high disparity in living standards between rural and urban areas. Agriculture and forestry are the biggest employers, with 48.3% of employed women and 51.7% of employed men. I&amp;D improvements directly related to agriculture have positive impacts on rural communities engaged in agriculture by increasing production and supporting crop diversification. The government has committed to converting 170,000 hectares (ha) of cotton and 50,000 ha of wheat to horticulture and livestock from 2016 to 2020.<sup>4</sup> The shift in cropping is already visible in some provinces like the Ferghana valley. The project will support men and women farmers improve agriculture production by: (i) improved reliability and adequacy of irrigation water supplies to farmer fields by modernizing irrigation systems, (ii) measurement of supplies to ensure adequate amount of water supplied, (iii)</p>   |

<sup>1</sup> Government of Uzbekistan. 2017. *Presidential Decree No. UP-4947*. Tashkent. Under this decree, the government adopted a program of actions for the development of Uzbekistan.

<sup>2</sup> ADB. 2016. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of Uzbekistan for the Horticulture Value Chain Development Project*. Manila; and ADB. 2018. *Report and Recommendation of the President to the Board of Directors: Proposed Loan for Additional Financing to the Republic of Uzbekistan for Horticulture Value Chain Development Project*. Manila.

<sup>3</sup> ADB. 2017. *Basic 2017 Statistics*. Manila.

<sup>4</sup> Presidential Decree PP-2460. *On further measures of reforms and development of agriculture for 2016–2020*. 29 December 2015.

improved main system to field conveyance of water, and (iv) skills training in on-farm water application methods. This will support a shift from traditional cropping of wheat and cotton to higher value crops.

2. **Impact channels and expected systemic changes.** The project will help farmers generate higher incomes from improved agricultural production (increased yields) and crop diversification. It will also mitigate their vulnerability to climate change with resilient I&D systems which will reduce conveyance losses and improve field application efficiencies.

3. **Focus of (and resources allocated in) the transaction TA or due diligence.** International and national consultants will be engaged to prepare the project design. The project has a potential impact on poverty reduction and the TA consultant team will explore ways to maximize this impact.

## 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?** In 2016, agriculture accounted for 32% of the total workforce (or about 10 million people), of which men accounted for 54% and women 46%. Despite their prominent roles in agricultural production, women are mainly engaged in simple and nontechnical fieldwork or cultivation of family-owned gardens. Rural areas are associated with more conservative gender norms (especially about women's role in families). Limited access of the rural communities to information, education, and social infrastructure reduces female opportunities for gender-equitable models of behavior. Women farmers have less access to quality inputs, information on improved land and water management practices, engagement on decision making in water resources management, and skills training for increasing crop productivity and diversification. These factors predetermine the low representation of women at the decision making level in water resources management and agriculture sector in relevant organizations. Representation of women-led farmer enterprises is also low (5% on average) and have regional differences with the highest percentage (14%) in the Republic of Karakalpakstan, and the lowest (0.75%) in Syrdarya region.<sup>5</sup>

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

The TA will consider opportunities to enhance women's improved access to inputs for increased productivity and/or crop diversification as well as adoption of I&D systems and technologies in women-headed and/or women-owned farms. It will also develop suitable programs for improved engagement and access to services and skills for agricultural production and making in subproject design and water resources management. The TA will undertake sex-disaggregated assessment of beneficiary communities and relevant institutions for water management (e.g. Ministry of Water Resources, basin irrigation system authorities, etc.) to better understand the engagement of women and improved representation.

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 include farm owners and/or operators and associated farm businesses. Climate resilient and modernized I&D systems will improve opportunities for increasing agricultural production and a shift to high value cropping like horticulture.

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?** Consultations will be conducted with the poor, vulnerable and excluded groups to assess their needs for improved on-farm water management practices and economic activities. The TA consultants will explore if relevant training programs or specific initiatives can be designed for these groups and be delivered during project implementation.

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?** These will be examined by the TA consultants.  
 M  Information generation and sharing    M  Consultation    M  Collaboration    M  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  
 The TA consultants will examine various issues as appropriate.

<sup>5</sup> ADB. 2016. *Horticulture Value Chain Development Project: Gender Action Plan*. Manila.

| <b>IV. SOCIAL SAFEGUARDS</b>   |  |
|--|--|
| <b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI  |  |
| 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  |  |
| 2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?  |  |
| <input checked="" type="checkbox"/> Resettlement plan  | <input checked="" type="checkbox"/> Resettlement framework           |
| <input type="checkbox"/> Environmental and social management system arrangement  | <input type="checkbox"/> Social impact matrix                        |
|  | <input type="checkbox"/> None  |
| <b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI  |  |
| 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  |  |
| 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  |  |
| 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"/> Environmental and social management system arrangement  | <input type="checkbox"/> Social Impact matrix                        |
|  | <input checked="" type="checkbox"/> None                             |
| <b>V. OTHER SOCIAL ISSUES AND RISKS</b>  |  |
| <b>1. What other social issues and risks should be considered in the project design?</b>   |  |
| <input type="checkbox"/> Creating decent jobs and employment   | <input checked="" type="checkbox"/> Adhering to core labor standards |
| <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS   | <input type="checkbox"/> Labor retrenchment                          |
| <input type="checkbox"/> Increase in unplanned migration   | <input type="checkbox"/> Increase in human trafficking               |
| <input type="checkbox"/> Increase in vulnerability to natural disasters  | <input type="checkbox"/> Affordability                               |
| <input type="checkbox"/> Creating internal social conflicts  | <input type="checkbox"/> Creating political instability              |
| <input type="checkbox"/> Others, please specify _____  |  |
| The project will not have any adverse social issues and risks. The project will comply with applicable labor laws and core labor standards including prohibition of child labor as defined in national legislation. The socio-economic baseline survey will include specific questions relating to evidence of forced labor. Any subprojects with forced labor in cotton cultivation will be excluded.                                       |  |
| <b>2. How are these additional social issues and risks going to be addressed in the project design?</b> The project design will closely follow the International Labor Organization's methodologies and ensure compliance with the core labor standards.   |  |
| <b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>  |  |
| <b>1. Do the terms of reference for the transaction TA (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?</b>   |  |
| <input checked="" type="checkbox"/> Yes  | <input type="checkbox"/> No  |
| <b>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?</b> A social development specialist (national) will be engaged to conduct social and gender analysis. A socio-economic baseline survey will also be conducted of representative subprojects to be studied to feasibility stage. |  |

<sup>a</sup> Government of Uzbekistan. 2011. *Presidential Decree No. PP: 1474 On Further Strengthening Micro, Small, and Medium Enterprises Development*. Tashkent; Government of Uzbekistan. 2010. *Presidential Resolution No. 1438 On Priority Areas for Further Reforms and Sustainability Improvement of the Country's Finance and Banking System in 2011–2015 and Achieving High International Ratings*. Tashkent.

<sup>b</sup> Government of Uzbekistan, State Committee on Statistics. 2013. *Statistical Review of the Republic of Uzbekistan*. Tashkent.