



Initial Poverty and Social Analysis

March 2020

Uzbekistan: Central Asia Regional Economic Cooperation Corridor 2 (Bukhara–Miskin–Urgench– Khiva) Railway Electrification Project

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CURRENCY EQUIVALENTS

(as of 17 February 2020)

Currency unit	–	sum (SUM)
SUM1.00	=	\$0.0001048
\$1.00	=	SUM9,539.16

NOTE

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

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Uzbekistan	Project Title:	Central Asia Regional Economic Cooperation Corridor 2 (Bukhara–Miskin–Urgench–Khiva) Railway Electrification Project
Lending/Financing Modality:	Project Loan	Department/Division:	Central and West Asia Department/Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>The government’s Development Strategy for 2017–2021 is aimed at creating a vibrant market economy and transformation of the state’s role, with the ultimate objectives of improving the quality of people’s lives and enabling the creation of quality jobs.¹ ADB’s Country Partnership Strategy for Uzbekistan, 2019–2023² aims to support these goals by providing policy advice, investments, and capacity development in three strategic areas: (i) supporting private sector development, (ii) reducing economic and social disparities, and (iii) promoting regional cooperation and integration. Improvement of transport infrastructure and services is key to enabling all three areas.</p>
<p>B. Poverty Targeting</p> <p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p> <p>The proposed project has no direct impact on poverty reduction. The project is aimed at reducing transport costs and increasing access of the local population in the Khorezm region, home to about 1.8 million people, through the provision of fast, affordable and safe railway transport links to the rest of the country.</p>
<p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries.</p> <p>The geographic distance of Khorezm from other urbanized areas of Uzbekistan is large. The distance between Urgench, the regional capital of Khorezm, with Bukhara is over 420 kilometers, requiring about 6 hours by road. This vast economic distance hinders economies of scope and scale, and keeps Khorezm as a lagging area. Gross domestic product per capita of Khorezm is only at 56 percent of the national average, and only 28 percent of that of the capital city of Tashkent.³ One of the key limiting factors to the reduction of this economic distance is the lack of fast, affordable and safe transport links. On the other hand, Khorezm is rich in agricultural, industrial and tourism assets. In terms of tourism, it is home to the ancient city of Khiva, accredited as a world heritage site by the United Nations Educational, Scientific and Cultural Organization. As part of a nationally coordinated effort, Khorezm has already begun to exploit such cultural assets to develop the tourism industry. The primary beneficiaries of the project will be local passengers, providers of tourism services (both direct and indirect), freight transporters and agro-industrial producers.</p> <p>2. Impact channels and expected systemic changes</p> <p>The project will fundamentally change the economic geography of Khorezm, by shrinking the temporal distance to other urbanized areas of Uzbekistan. High-speed transport which will be made possible through the project will reduce travel times between Urgench and Bukhara to 2 hours, compared to the current 6 by road. Thanks to the high-speed rail links already present from Bukhara to Samarkand and further to Tashkent, the total journey from Urgench to Tashkent will be made possible in approximately 6 hours, well within a daily commute. With such drastic improvements to journey times, a number of impacts will be felt. First, industrial development in Khorezm will be spurred in favor of higher value-added sectors such as the tourism sector. The development of tourism is expected to come with several multiplying effects on the local population, as many locals including women are and will increasingly be employed in the tourism industry. Traditional sectors of agriculture and manufacturing will also increase in their value proposition. For example, higher value agricultural produce will be able to be exported faster and further, including through the use of refrigerated wagons. Second, women and children will have improved access to safer transport, with gender-inclusive facilities in trains and at modernized stations which are already in place. Third, the project will significantly increase the accessibility of the population of Khorezm to jobs, markets, healthcare and education facilities within the region and in other parts of the country. Based on past project experience, there is no foreseen direct and indirect negative impacts on the local population.</p> <p>3. Focus of (and resources allocated in) the transaction TA or due diligence.</p>

¹ Government of Uzbekistan. 2017. *Uzbekistan’s Development Strategy for 2017–2021*. Tashkent.

² ADB. 2019. [Country Partnership Strategy: Uzbekistan, 2019–2023](#). Manila.

³ State Committee of the Republic of Uzbekistan on Statistics. 2018. [Gross Regional Product](#). Tashkent.

A social development specialist will be recruited and public consultations with local people, local Civil Society Organizations (CSOs) and authorities will be conducted. The specialist's work will also identify ways in which the project can maximize the further development of the tourism industry, and with it, the further socioeconomic development of Khorezm.

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? There is a significant gender asymmetry in the transport sector, where women only occupied 12% of the workforce.⁴ Women in rural areas of Uzbekistan are less likely to own and drive private cars and mostly travel by public transportation. Women are often tasked with transport of children to schools, and elders to healthcare establishments. Women are also heavily involved in retail activities near train stations. These activities provide them with opportunities to contribute to family income and empower them to participate equally to decision-making at household level. The project is expected to expand benefits to females in terms of more frequent, fast train journeys and low-cost tickets. Moreover, women staff of the executing agency could be trained in areas of tourism promotion and marketing. Importantly, the TRTA will identify ways in which the project can support women's empowerment through their further employment in the tourism industry, which will be boosted by the project. Other key issues and possible entry points to facilitate gender benefits will be examined during the TRTA.

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.

A gender assessment will be conducted under the TRTA, and actions will be identified to ensure the maximization of benefits to women.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No Please explain

No negative impacts on women are expected.

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.

Apart from the beneficiaries of the project listed in section I-C, the state-owned railway company O'zbekiston Temir Yo'llari (UTY) will be the main stakeholder as the executing agency. The Ministry of Investments and Foreign Trade, Ministry of Transport, Ministry of Finance, Ministry of Economy and State Committee of Land Resources, State Committee for Tourism Development, Geodesy, Cartography and State Cadastre and other authorities of the Government of Uzbekistan will support the design and implementation of the project. The Women's Committee of Uzbekistan, local khokimiyats/authorities (especially in Khorezm region), the local population living in the project area, and foreign/national tourists will be consulted through meetings and briefings, during the project design. Such consultations will particularly be important for those households that may directly be affected by involuntary land acquisition and resettlement, although such negative impacts are expected to be minimal.

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?

Meetings with local governments, focus groups and affected people will be conducted. Consultations with local communities will include but not be limited to (i) the project's potential to boost tourism in Khorezm in such way as to maximize positive impacts to the local population (such as sustainable/eco tourism) (ii) resettlement compensation if any, (iii) protection from safety risks and disturbances during construction (iv) railway safety during and after construction, (v) temporary and permanent employment opportunities, and (vi) improved access for the mobility impaired. The project offers limited opportunities for CSO engagement, as few CSOs operate in this part of Uzbekistan on any of the issues raised in the project.

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?

Information generation and sharing (M) Consultation (M) 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

⁴ Women and men of Uzbekistan, Republican Statistic Committee, 2015, Tashkent.

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

Land acquisition and resettlement will be minor, as the project from a physical point of view mainly involves the electrification and electrification of existing railway lines. Notwithstanding, there will be additional land acquisition required in relation to the new traction substations which are envisaged to be constructed along the line (mostly in non-populated areas), as well as the external power supply lines which link these traction substations to the main electricity grid. Based on this initial assessment, it is proposed to classify the project for the involuntary resettlement safeguard as category B, according to ADB's Safeguard Policy Statement (2009).

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

A draft land acquisition and resettlement plan (LARP) will be prepared with a focus on the two traction substations and external power supply as indicated above. This will be translated into provisionally two implementable LARPs as follows:

LARP 1: For the traction substations

LARP 2: For the external power supply lines

To ensure high level of project readiness, implementable LARPs shall be made ready during TRTA stage.

B. Indigenous Peoples Category A B C 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? Yes No

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

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

4. What action plan is required to address risks to indigenous peoples as part of the PPTA 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 (L) Adhering to core labor standards (L) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (L) 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?

During the design stage, the project will consider employment opportunities for local citizens which may be created through construction, operation and maintenance. Due diligence will be conducted during project preparation for adherence to core labor standards. The project design will include measures to raise public awareness of the risk of HIV/AIDS and other sexually transmitted infections and drugs.

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 analysis, and participation plan during the Transaction TA or due diligence?

A social development specialist will be recruited to conduct poverty, social and gender analysis through public consultations with local people, local CSOs and authorities.