



Initial Poverty and Social Analysis

April 2020

Tajikistan: Power Sector Development Program

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 1 April 2020)

Currency unit – somoni (TJS)

TJS1.00 = \$0.0980

\$1.00 = TJS10.2000

ABBREVIATIONS

ADB	–	Asian Development Bank
EBRD	–	European Bank for Reconstruction and Development
MW	–	megawatt
SOPI	–	Sector Operational Performance Improvement
TA	–	technical assistance

NOTE

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

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Tajikistan	Project Title:	Power Sector Development Program
Financing Modality:	Sector development program	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 National Development Strategy (NDS) for 2016–2030 identifies energy security and efficient use of electricity as one of the four strategic priorities of the country,^a which will lead to the ultimate goal of improving the population's living standards through sustainable economic growth. This goal is aligned with the Tajikistan country partnership strategy 2016–2020,^b where investment in energy and transport is one of the three pillars of inclusive growth. The country partnership strategy aims to (i) support sustained and inclusive growth that is less susceptible to external shocks, and (ii) create higher paying jobs. The Tajikistan country operations business plan provides for continued investments in energy and transport infrastructure, areas where ADB has had a lead role.^c Under the program, Tajikistan's energy sector will be rehabilitated through policy reforms that will unbundle the sector, restructure Barqi Tojik's debt, and invest in infrastructure.

B. Targeting Classification

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

Policy reforms and improvements in energy infrastructure are expected to significantly improve the efficiency of the power subsector, which will improve its quality of services, allowing for increased access and use of energy for economic development and poverty reduction, which will benefit the whole population.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. There has been sustained poverty reduction in Tajikistan since 1999 when income poverty level was 81.0%; it was 29.6% in 2018.^d However, regional disparities persist. In 2013, when national poverty incidence was 35.6%, the urban poverty rate was 29.0%, while rural poverty was 40.0%.^e Hence, almost half of the rural population lives in poverty. The global food security index that covers 109 countries and measures food affordability, availability, quality, and safety assigned a low score of 38.3 for Tajikistan (between Mali at 38.5 and Bangladesh at 37.4) in 2014. The whole country, except Dushanbe, experienced extreme energy shortage up until 2017. The winter energy shortage in 2015 was estimated at 9% of annual consumption. Improving energy infrastructure to minimize energy losses and operational and management costs will increase the reliability of electricity supply, and enable businesses and industries to function efficiently, which will benefit all citizens, especially in rural areas.

2. Impact channels and expected systemic changes. Under the program, the aim is to improve the energy sector by (i) unbundling the power subsector, (ii) restructuring Barqi Tojik's debt, (iii) introducing a sustainable management structure, and (iv) improving the metering infrastructure.

3. Focus of (and resources allocated in) the transaction technical assistance (TA) or due diligence. As part of due diligence, the program will look into social, poverty, and gender issues relevant to the power subsector, specifically (i) possibilities of increasing women's employment in the sector through technical trainings; (ii) identifying ways to increase women's participation in the sector, especially in distribution companies that provide direct services to end users; (iii) identifying the size, extent, and kinds of energy users, e.g., households by income level, types of businesses and industries, etc., and determining the impact of the program in terms of quality of access and cost of electricity services; and (iv) determining the impact of smart metering on households and small entrepreneurs.

4. Specific analysis for policy-based lending. For the policy-based component, the technical assistance facility will explore the effects of the unbundled generation, transmission, and distribution companies on the employment situation, and identify ways by which displaced employees, especially women, can be retrained to take on jobs in the newly established entities. It is envisaged that the regulatory reforms will produce energy policies that incorporate a gender focus in terms of structure of the new operational entities, and in providing the needed services to end users.

II. GENDER AND DEVELOPMENT

<p>1. What are the key gender issues in the sector or subsector that are likely to be relevant to this program? Because of their roles in households, women are disproportionately affected by limited or unreliable access to electricity through increased time spent collecting and preparing traditional fuels (coal briquettes or dry dung) for cooking and heating water for bathing. Unreliable energy supply also negatively impacts businesses, especially small and home-based enterprises in which women are typically involved. In terms of participation in the energy sector, women comprise only a very small proportion; the average number of men employed in electricity, gas, and water supply is more than five times greater than the average number of women.¹</p> <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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The program will address gender equity issues on two levels: corporate and community. At the corporate level, the reorganized companies are expected to (i) identify ways to increase women's employment, especially in technical positions; (ii) adopt gender-fair employment policies; (iii) ensure participation of women staff in skills training; and (iv) conduct gender-related awareness-raising activities. At the community level, the program will ensure that poor households, including households headed by women and other vulnerable households, as well as small businesses, are provided with affordable quality electricity services as well as be fully informed of their benefits from the program. The program will also explore possible collaboration of the energy entities with Technical and Vocational Education and Training (TVET) institutions to help produce more women technical workers in the energy sector.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. Indicate the intended gender mainstreaming category: GEN (gender equity theme) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming) SGE (some gender elements) 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. The stakeholders of the program include (i) the population, especially the households who are the end users of energy services; (ii) the private sector, including small entrepreneurs whose businesses are dependent on a consistent supply of energy; (iii) the government, especially the energy sector, and its employees; and (iv) big industries. Intensive consultations will be conducted and will include the communities, especially vulnerable members such as the poor and women.</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? Meetings with stakeholders, including local governments, non-government organizations (NGOs) and community-based organizations, and consultations with local communities and/or affected people, will be conducted. Issues to be discussed include resettlement compensation of affected people (if any), protection of communities from construction and environmental disturbances, and safety hazards to workers and the public during civil works, including how to minimize risks of HIV/AIDS and human trafficking. All consultations will ensure the significant and meaningful participation of women.</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? <input checked="" type="checkbox"/> Information generation and sharing (M) <input checked="" type="checkbox"/> Consultation (M) <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</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>
IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category A <input type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> FI <input type="checkbox"/></p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> All program works will be conducted within the premises of existing grid stations, existing transmission towers, and beneficiary households (advanced meters). Thus, since only existing premises will be utilized for the program activities, no land acquisition or resettlement impacts are expected.</p> <p>2. What action plan is required to address involuntary resettlement as part of the due diligence process? <input 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 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>

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
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 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:
- The program will provide additional employment to local communities in 2019–2022 during construction and the usual covenants relating to labor standards will be included in the program legal documents.
2. How are these additional social issues and risks going to be addressed in the project design? The potential displacement of workers during the unbundling of the subsector will be mitigated through retraining.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the TA (or other due diligence) contain key information needed to be gathered during the TA or due diligence process to better analyze (i) the poverty and social impact, (ii) the gender impact, (iii) participation dimensions, (iv) social safeguards, and (vi) 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 a participation plan during the project preparatory TA or due diligence? Consultants who will conduct the poverty, social, and gender analysis will be engaged, as well as the social safeguards resettlement consultants.

- a Three other strategic priorities identified in the National Development Strategy for 2016–2030 are (i) ensure food security and population access to quality nutrition, (ii) remove communication deadlock and turn the country into a transit country, and (iii) expand productive employment.
- b Asian Development Bank (ADB). 2016. *Country Partnership Strategy: Tajikistan 2016–2020*. Manila.
- c Tajikistan: Country Operations Business Plan (2018–2020). Retrieved from <https://www.adb.org/documents/tajikistan-country-operations-business-plan-2018-2020>
- d Agency on Statistics under the President of the Republic of Tajikistan. The thresholds of the national poverty line on monthly consumption are less than TJS162 for poor people, less than TJS230 for vulnerable people, and less than TJS294 for middle-class people.
- e Footnote b. *Poverty Analysis (Summary)*.
- f State Statistics Agency. 2012. *Women and Men of the Republic of Tajikistan*. Dushanbe, as cited in Tajikistan CGA (footnote h).