**ADB**

# Initial Poverty and Social Analysis

# Uzbekistan: Integrated Urban Development Project

Asian Development Bank

## ABBREVIATIONS

| ADB | – | Asian Development Bank |
| COVID-19 | – | coronavirus disease |
| SWM | – | solid waste management |
| WASH+H | – | water, sanitation, hygiene, and health |

## NOTES

(i)      The fiscal year (FY) of the Government of Uzbekistan and its agencies ends on 31 December.

(ii)      In this report, "$" refers to United States dollars.

## INITIAL POVERTY AND SOCIAL ANALYSIS

| Country: | Uzbekistan | Project Title: | Integrated Urban Development Project |
|---|---|---|---|
| Lending/Financing Modality: | Project | Department/ Division: | Central and West Asia Department / Urban Development and Water Division |

| I.     POVERTY IMPACT AND SOCIAL DIMENSIONS |
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**A.   Links to the National Poverty Reduction Strategy and Country Partnership Strategy**

The Government of the Republic of Uzbekistan (GoU) is implementing an urbanization strategy targeting 60% urbanization by 2030 as part of its goal for becoming an upper-middle income country. In 2019, recognizing the role well planned and efficient cities play in accelerating growth, reducing poverty, and achieving balanced regional development the government issued Presidential Decree 5623 focusing on the integrated development of lagging cities and regions. It established the Department for Urban Policy under the Ministry of Economic Development and Poverty Reduction to oversee this agenda, which is pursuing decentralization to foster local ownership. The project is aligned with the (i) Action Strategy for the Five Priority Areas of the Republic of Uzbekistan (2017–2021), (ii) ADB country partnership strategy for Uzbekistan, 2019–2023, and (iii) ADB's Strategy 2030 by making cities more livable particularly post- coronavirus disease (COVID-19).

**B.   Poverty Targeting**

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

The government is committed to achieving the sustainable development goals by 2030, particularly SDG1 to end poverty. Its efforts have reduced the national poverty rate from 24% in 2000 to 10.0% in 2020 (using the poverty line of $1.9/day purchasing power parity), lifting more than 2.2 million people out of poverty. However, COVID-19 has countered these gains increasing poverty to 10.6%. As a result, up to 200,000 more people are likely to fall into poverty, with many more at risk of facing considerable hardship. Based on the project preparation study (PPS) in project cities of Khiva, Djizzak, Yangiyer, and Havast, the highest level of poverty in the project cities is in Khiva and Yangiyer (46% and 41%, respectively), while 30% of surveyed households reported incomes too low for basic food compared to 9.0% prior to the pandemic. COVID-19 had a significant impact on household incomes. Project cities are confronted by constrained economic growth and competitiveness, and social inclusivity. Key factors include (i) inadequate, aging infrastructure; (ii) limited revenues investment and O&M; (iii) weak urban planning and management; and (iv) the economic slowdown due to the COVID-19. In Djizzak, in-migration from the rural areas and smaller cities are contributing to socioeconomic concerns. In Khiva, the city's narrow tourism value chains prevent more diversified and inclusive growth. Weak competitiveness and low livability in Yangiyer and Havast which are neighboring border towns, suffer from limited enterprise development and green spaces. Many residential districts and public spaces are blighted, needing rehabilitation and/or redevelopment. Infrastructure deficits, particularly water supply and sanitation (WSS) and solid waste management (SWM) are an overarching issue requiring immediate investment to accelerate economic growth and protect environmental and public health. The project is considered as a general intervention as it will benefit a total of 341,437 people as follows: (i) 177,700 people, including over 23% of poor, through water supply improvements in Djizzak; (ii) 341,437 people, including over 36% of poor, through solid waste management improvements in all towns; and (iii) 24,000 residents living in Ittifoq, Dostlik and Yoshlik *mahallas* in Djizzak and 92,400 people in Khiva through urban regeneration interventions. The project design and monitoring framework (DMF) will include targets for vulnerable groups including women.

**C.   Poverty and Social Analysis**

**1. Key issues and potential beneficiaries.** In 2019, the Ministry of Health recorded 1,308 cases of acute diarrheal disease and 729 cases of viral hepatitis in the project cities. The provision of safe drinking water and sanitation is essential to reduce waterborne diseases while proper disposal of solid waste will reduce outbreaks of communicable diseases. With growing urbanization expected, the lack of quality urban services will create increasing socioeconomic concerns. It is expected that the key beneficiaries of the project will be the residents, business owners, visitors, and service operators of project cities. The project is classified as a general intervention for poverty reduction; thus, the key issues to be addressed will be the provision of accessible and affordable urban infrastructure and services, and opportunities for employment, particularly for the poor and women.

**2. Impact channels and expected systemic changes.** The project is expected to bring human development and economic growth potential, unlocked through universal coverage of piped water supply and SWM in project areas. The project will contribute to poverty reduction by improving the quality of life of the urban population in the four project cities by way of improved water supply, sanitation, SWM, urban regeneration and business and tourism development opportunities, reduced time poverty, and stimulating economic growth by improving infrastructure services and public open spaces, and supporting inclusive governance. Community WASH+H and COVID-19 prevention and awareness campaigns under the project will involve women as change agents to raise awareness on how improved water supply systems ensures better hygiene and health of people in Djizzak. Opportunities for business and skills development related to sector management and employment in the project facilities are expected to facilitate skill building and female employment, the poor and vulnerable groups.

**3. Focus of (and resources allocated in) the transaction TA or due diligence.** The project design is pro-poor, socially inclusive, and gender responsive. The project aims to cover 100% poor and vulnerable households in the project areas. During project preparation extensive consultations with the targeted beneficiaries along with sample

household level primary survey to understand baseline and current issues in service delivery were conducted. Where necessary, and depending on travel restrictions, further consultations could be undertaken either through face-to-face consultation, virtual meeting with CSOs, or online key informant interviews. This will be conducted among women, low-income, elderly, disabled, and youth to understand their specific experiences and ideas for the project.

**4. Specific analysis for policy-based lending.** Not applicable.

## 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?**

The growth of urban settlements without adequate infrastructure services is an area of concern with strong gender implications. Key gender issues include: (i) limited access to basic urban services such as water, sanitation, solid waste, energy with frequent disruptions in these services which disproportionally impact women at the household level; (ii) affordability of such services for poor and poor female-headed households; (iii) low participation of women in the decision making activities at community and city levels; (iv) lack of livelihood skills,[1] particularly digital, technical, managerial, and entrepreneurship skills; (v) unsafe urban public space; and (vi) increased domestic abuse at home during COVID-19 period.[2] Access to basic urban services is a key component of the draft National Plan for sustainable development up to 2030. The reliability of WSS infrastructure has significant impacts on children's and family's health, which in turn impacts women's time spent on household work including caregiving, constraining women's participation in income activities. In addition, 40% of women in project cities are working in kindergartens, schools, and hospitals. They bear the responsibility to fetch water and remove liquid and solid waste (72 kindergartens, 78 schools, 14 colleges and 204 hospital/health centers in project cities). Women are also underrepresented in decision-making and leadership positions in urban services due to (i) lack of technical skills and managerial experience, (ii) low awareness about career opportunities including tourism, and (iii) limited higher education opportunities from time poverty and increased caregiving due to mandated national lockdowns.

**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

The project has the potential to be categorized as Effective Gender Mainstreaming (EGM). The project will reduce women's time poverty in accessing basics services, construct a visitor center for tourists with women-friendly travel services and facilities, a business training center in Havast for women's livelihood trainings, and employment support for tourism-related livelihoods in Khiva. A gender action plan will be prepared with adequate budget provisions

**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: EGM**
☐ 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.** Citizens including women, local leaders, and civil society are key stakeholders to be consulted during project preparation and implementation. Key stakeholders include the project beneficiaries and *mahalla* (community) - mahallas and their elected committees are key beneficiaries of the project and will be consulted during project design and participate in city-level PIUs, - project representatives of government agencies (local, regional, central), and other entities (consultants, contractors, project non-government organizations [NGOs], etc.). A consultation and participation plan will be developed.

**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 stakeholder participation and communication strategy will target participation of the poor and women to ensure inclusion and sustainability. A detailed stakeholder analysis was undertaken during project preparation to identify roles and responsibilities of key stakeholders and their relationships; and to understand their issues requiring special measures. Opportunities for engagement with CSOs/NGOs in the design of awareness campaigns, tariff setting, and inclusive local governance will be explored to engage the poor and vulnerable. Participatory stakeholder consultations will be conducted during the initial stages of project design to gauge beneficiary expectations for participation in project implementation followed up by collaborative decision-making where feasible.

**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?**
☒ M Information generation and sharing ☒ M Consultation      ☒ L Collaboration        ☒ L Partnership

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[1]  CDIA. 2020. *Project Preparation Study for Integrated Urban Investment Project – Final Report.* Manila.
[2]  The official statistics on gender-based violence in the country are not publicly available. However, according to the Ministry of Internal Affairs (police), around 14,800 protection orders were issued to survivors of gender-based violence between January and December 2020, to ensure their security and interests.

CSO's, including Mahallas who are considered by ADB as civil society in Uzbekistan, are consulted and collaborated with as a key stakeholder group during the project design and preparation stage. There are several active community-based organizations, women NGOs, and youth and women's groups in the project area, whose participation is envisaged for information dissemination, grievance redressal, and community mobilization. Adequate resources will be allocated along with a well-defined institutional structure to ensure meaningful stakeholder participation. Collaboration with the newly established Ministry for Support of Mahalla and Family and with the Youth Foundation will bring inclusive project design mechanisms for community-based COVID-19 campaigns.

**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

The project focuses on underdeveloped mahallas and will support women and vulnerable groups. A communication and outreach strategy will be prepared to ensure continued participation of key stakeholders. Consultation and continued information sharing, with support of PIU and consultants, throughout the project period will occur to ensure continued feedback. Participation of CSOs, and poor and vulnerable groups throughout the project cycle will be essential for effective design, implementation, and sustainability. Adequate funds will be allocated under the project for such continued consultation activities. A project performance monitoring system will develop indicators to strengthen inclusion and participation of the poor and the vulnerable and ensure they are achieved.

## 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 There will be resettlement issues in Khiva related to roads subprojects including the temporary and permanent economic and residential displacement of affected persons. These impacts are expected to be minor and will be further assessed during social safeguards due diligence.

2. What 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 ☐ 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

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?**
☒ M Creating decent jobs and employment ☒ H 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?** The impact assessment for the project will consider the presence and availability of skilled-unskilled workers in the local area. ADB will encourage the owner's engineer to employ local workers (percentage to be arrived during project preparation) and to ensure decent accommodation and facilities are provided as necessary. Core labor standards are part of contracts. Contractors and workers will be made aware of communicable diseases, including HIV/AIDS and COVID-19 risks. The project will disseminate information on COVID-19 risks and other communicable diseases for labor and communities in and around construction sites. ADB will also ensure contractors consider measures to avoid the occurrence of sexual exploitation and harassment among workers and with communities.

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