

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Kazakhstan	Project Title:	Western Kazakhstan Transport Corridor (Aktobe–Makat) Improvement Project
Lending/Financing Modality:	Project Loan	Department/ Division:	Central and West Asia Department / Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

By 2013, the percentage of the Kazakhstan population living below the poverty line had fallen to 2.9% from 31.8% in 2000.¹ Despite its impressive growth and poverty reduction, regional and rural–urban disparities within Kazakhstan remain notable. More jobs need to be created which are crucial for inclusive growth. A strategic plan of development of Kazakhstan until 2020 was adopted in 2010.² This plan was conceived against the backdrop of the global financial crisis in 2008 and focuses on (i) post-crisis development, (ii) accelerated economic diversification, (iii) access to social services, and (iv) a stable external environment for development. Additionally, the government’s Accelerated Industrialization Development Program, 2010–2014³ supports growth and employment creation by identifying priority economic sectors and providing funds for improving access to infrastructure, modernization of enterprises, and building human resources. ADB’s Midterm Review of Strategy 2020⁴ is consistent with the government’s 2020 plan and the industrialization program. It commits ADB to support growth through investments in sectors such as transport and energy—the government’s strategy flags these sectors as critical to its industrialization program.

The current country partnership strategy (CPS) for Kazakhstan, 2012-2016 recognizes Kazakhstan’s differentiated needs as an upper middle-income country and aligns with the government’s strategy building on ADB’s comparative advantage and ongoing operations. The CPS introduces a sharpened operational focus on two key areas to support diversification and industrial development, one of which is modernizing infrastructure and utilities while seeking innovative and flexible solutions to narrow investment and viability gaps. The project falls within this intervention area. Through the reconstruction of a 300-kilometer (km) road section, the project will improve access to markets and social services for local communities and stimulate development of non-oil sector industries that in return create more job opportunities and improve the region’s living standards.

B. Poverty Targeting

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

The proposed project is a road infrastructure project aimed to reconstruct approximately 300 km two-lane republican road connecting main districts in the Aktobe and Atyrau provinces in west Kazakhstan. The proposed project will have no direct link with poverty reduction and therefore classified as general intervention. However, indirectly it will contribute to curb poverty in the project corridor with improved access to socio-economic opportunities in and beyond the project corridor. Better road infrastructure linking surrounding towns/villages in the region will support macroeconomic stability in the region and country wide.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The project does not include direct investment in ancillary community infrastructure or improved social services. However, improved access and reduced travel times to markets, schools, clinics and other services benefit local communities generally. The project road provides links between two CAREC corridors and improves connectivity between 3 secondary cities: Aktobe, Makat and Aktau port. The key benefits will be reduced travel times, reduced vehicle maintenance costs, and improved access to regional goods and services.

2. Impact channels and expected systemic changes.

As the main transport artery of the Aktobe and Atyrau provinces and connecting them to rest of the country, the poor service condition of the project road has caused negative social effects as the rural population feel somewhat disconnected and abandoned by the cities and district centers. Road connectivity has become a key development issue particularly for the western part of the country. The reconstruction of Aktobe–Makat road will be part of an overall network upgrade program that will also enhance existing links between Astana and the Caspian Sea port town of Aktau. The design features pavement and road safety improvement, bridges/culverts structural strengthening, and

¹ World Bank Statistics. <http://data.worldbank.org/country/kazakhstan>

² Government of Kazakhstan. Kazakhstan 2020 – new social turn. <http://egov.kz/wps/portal/>.

³ Government of Kazakhstan. 2010. Government Program on the Accelerated Industrial-Innovative Development of the Republic of Kazakhstan, 2010–2014. Astana.

⁴ ADB. 2014. Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific. Manila.

traffic capacity enhancement. Besides benefits (e.g., lowered transportation costs, reduced travel time and increased ride quality) accrued to regional trade and transit traffic, improvements to this road will also improve access to markets and social services for local communities and stimulate development of non-oil sector industries that in return create more job opportunities (apart from those generated as a result of road construction activities) and improve the region's living standards.

3. Focus of (and resources allocated in) the PPTA or due diligence.

\$400,000 is proposed to be allocated from TASF-Others. Resettlement/social development specialist will be recruited and will undertake group consultations with local communities, local stakeholder organizations, and district governments. Greater understanding of the impacts of the road reconstruction will be gained, such as impact on jobs, road safety, access to markets and education, provision of regional public transport.

4. Specific analysis for policy-based lending.

Not applicable.

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?

The improvement of large intercity highways has been a priority for Kazakhstan, but women prioritize the need to improve local roads that will facilitate their access to markets, health centers, schools, and government offices. The development of roads could lead to increased income-earning opportunities for women. While it is not common to see women in construction related occupations in Kazakhstan, they are numerous amongst the self-employed, particularly in trade and services, largely as a result of low formal labor force participation. The mining areas adjacent to the project roads provide jobs mainly to men, who predominate in the industrial fields, representing over three-quarters of employees in mining, transport, storage, and construction (ADB Country Gender Assessment 2013). The Kazakhstan Labor Code⁵ also has a list of 299 specific jobs that are prohibited for women, a considerable number of which are in the construction and transport sectors.

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

A gender assessment will be conducted under the PPTA, but the project team is realistic in that the majority of jobs will go to men, and the majority of motor vehicle owners and drivers, and companies utilizing the route, will be male/male owned. The project will create some employment opportunities for women, who will also gain improved access to larger markets for their produce, and to education and health facilities. Road safety activities will include quotas for including the participation of women in training. However given that the project is mainly about reconstruction of the existing regional road, it is not envisaged sufficient gender design elements can be incorporated to attain EGM. During the PPTA, efforts will be made to further identify potential positive impacts on women, and include gender design features in the project.

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

Yes No

No negative impact on women as the project involves the existing regional road.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) 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 would include local residents, central and local governments, civil society organizations and the people to be affected by civil works (if any). The potential primary beneficiaries of the project are road users, including local and/or transit vehicle drivers and transport operators, and local residents. Since the project will improve the road conditions, transport costs and travel time will be reduced after project completion.

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, NGOs and/or community-based organizations, and focus group consultations with local communities and/or affected people, supplemented by surveys, will be conducted. Issues to be discussed include, but are not limited to, resettlement compensation of affected persons (if any), protection of communities from construction and environmental disturbances, and of safety hazards to workers and the public during construction,

⁵ The Labor Code No. 251 of the Republic of Kazakhstan. 2007.

temporary employment opportunities, and how villages along and off the road can benefit from 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 (N) Partnership (N)

Identification of civil society organizations will be undertaken under the PPTA. Public consultations will be conducted during the project preparation as well as project implementation.

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 proposed activities will mainly involve reconstructing the existing 2-lane road. It is recommended to raise road safety awareness of local and/or transit drivers and people living along the road.

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

The reconstruction does not envisage road expansion and is largely within the existing right of way. Population in the immediate vicinity of the road is low, and some crop land may be temporarily impacted during construction. The due diligence work under PPTA will further verify before a resettlement plan is prepared.

2. What action plan is required to address involuntary resettlement as part of the PPTA 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

No indigenous peoples are living in the project area.

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

No indigenous peoples are 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 (Low) Adhering to core labor standards (Low) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (Low) 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?

An action plan will be developed during the design stage to provide employment opportunities so that local communities will be involved in the road construction to the extent possible. 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 risks of HIV/AIDS and other sexually transmitted infections and drugs.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (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 (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 participation plan during the PPTA or due diligence?

Social Development Specialist, 3 person-months.