

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Kyrgyz Republic	Project Title:	Second Issyk-Kul Sustainable Development Project
Lending/Financing Modality:	Project	Department/ Division:	Central and West Asia Department, Urban Development and Water Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Lake Issyk-Kul ("warm lake" in Kyrgyz) is the world's second largest saline lake; a Ramsar site of globally significant biodiversity; and a United Nations Educational, Scientific and Cultural Organization (UNESCO)-designated biosphere reserve. The lake forms a significant part of Issyk-Kul Oblast, and contributes to economic growth by providing tourism opportunities. The government of the Kyrgyz Republic has recognized the significant environmental and natural resource values of the Issyk-Kul region, and is committed to ensuring its long-term environmental sustainability. As a result, it has adopted the *National Sustainable Development Strategy for the Kyrgyz Republic for the Period 2013–2017*, which establishes tourism as a key pillar of economic development while specifically mentioning the Issyk-Kul region in the context of national development.^a

Building on previous and existing initiatives, the proposed project will support government's comprehensive development strategy for the Issyk-Kul region by assisting to develop the sewerage systems of Cholpon-Ata, Balykchy and Karakol, improve environmental monitoring procedures, and strengthen the institutional capacity of implementing and regulatory institutions. The project is consistent with the ADB's country operations business plan, 2016–2018 for the Kyrgyz Republic by building government capacity in project implementation, providing a sustainable wastewater model for future replication, and by indirectly supporting private sector development by increasing tourism industry sustainability through enhanced environmental protection. It is also consistent with the ADB's country partnership strategy, 2013–2017 by supporting inclusive economic growth to promote poverty reduction, and with the government's National Sustainable Development Strategy by improving people's living standards and contributing to the region's stable economic growth.^b

B. Poverty Targeting

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

Being of outstanding natural beauty, the Issyk-Kul lake and surroundings are one of the nation's most popular tourist destinations, with over 750,000 visitors in 2013, and over one million anticipated in 2020. Consequently, tourism has become an important economic driver for the region, and particularly for lakeshore areas. While the growth in tourism is destined to continue, its impact on the pristine and fragile environments and ecosystems of the lake and its vicinity are of increasing concern. Being both *oligotrophic* (nutrient-poor) and *endorheic* (lacking conventional outflows), the lake is extremely sensitive to elevated nutrient and contaminant inflows. Unchecked, it is therefore increasingly vulnerable to excessive liquid and solid waste pollution from the expanding human activity.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. During summer months, when around 80% of tourists visit the area (outnumbering the local population by a factor of four), the poor quality of wastewater management services leads to significant environmental degradation in the lake and surrounding communities. Residents experience high rates of water-borne diseases, and the very resource base by which many derive their living is degraded.

2. Impact channels and expected systemic changes. The project will improve basic urban infrastructure services in key towns of Issyk-Kul, improving access to sewerage collection and treatment. Further, cost recovery through an increased levy on tourism operators will ensure communities will not pay unfairly for the system peaks generated by an inflow of tourists during the summer. Water quality monitoring will ensure sustainability and responsiveness of wastewater services.

3. Focus of (and resources allocated in) the PPTA or due diligence. Due diligence will include the preparation of a gender equality and social inclusion action plan, and a consultation and participation plan.

4. Specific analysis for policy-based lending. n/a

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 gender analysis for the previous project identified that within households, women are most likely to be responsible for water supply and sanitation, and are therefore most likely to experience additional work, community conflict and time poverty when services are insufficient. Women are also likely to care for family members suffering the effects of water borne illnesses (diarrhea, skin conditions and others), which further contribute to time poverty as well as the total number

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of healthy working days for productive work for all family members (with impacts on income). Insufficient toilet facilities in schools and public buildings impact reproductive age women and girls and sometimes act as a disincentive for school attendance. There is a high level of female headed households in the region, with female headed households having a higher incidence of poverty than male. Tourism is a key seasonal employer in the region. The PPTA will analyze the extent to which the sector is important for women's employment, as well as collect baseline data for the issues above.

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. Gender analysis and preparation of a gender action plan are included in the scope of the PPTA.

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

Yes No Please explain. Where the project introduces new technology, facilities or procedures (water testing), there is potential for men to be employed unless the project specifically addresses the same.

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. Residents of Issyk-Kul Oblast, particularly the lakeside towns of Cholpon-Ata, Balykchy, and Karakol. PPTA will include consultations and key informant interviews.

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 with residents, tourism sector operators and their employees, as well as non-government organizations representing poor or vulnerable sections of the community.

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? There is a very active NGO community in Issyk-Kul which has established an Aid Coordination Platform for the stated aim of "improved aid effectiveness, strengthened local ownership and alignment, improved accountability as well as increased efficiency in use of administrative capatowns for aid coordination".^c ADB will take steps to coordinate with all organizations representing the Issyk-Kul stakeholders.

M Information generation and sharing M Consultation N Collaboration N 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 project design mainly addresses infrastructure requirements and institutional strengthening of the utility/service provider.

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 Minimal LAR is expected, with most works anticipated to be constructed on existing unencumbered state owned lands and easements. Some temporary impacts may occur to commercial and residential properties, most of which are anticipated to be manageable under the contractors' EMP. Any impacts identified that involve access to, or restriction of use of land, or land acquisition, or directly affect livelihoods, will be included in and mitigated in accordance with a resettlement plan, which will be prepared to address any unavoidable temporary or permanent land acquisition that becomes apparent as the design of the facilities progresses.

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 No indigenous peoples as defined under the ADB SPS 2009.

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

<p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p>V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design?</p> <p><input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify ___None anticipated._____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? N/a.</p>
<p>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <p>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 (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>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? One month of international social/gender specialist (separate from the resettlement specialist) will collect the information noted in Sections II and III of this IPISA, conduct gender analysis and prepare the Gender Action Plan and SPRSS.</p>

^a The 'National Sustainable Development Strategy for the Kyrgyz Republic for the Period 2013-2017' prepared by the National Council for Sustainable Development of the Kyrgyz Republic. The Issyk-Kul region is specifically identified in the strategy as the selected location on which to 'create an international forum-center on the shore of the lake Issyk-Kul to conduct political and economic (forums) and large national events'.

^b Approved by the President of the Kyrgyz Republic in January 2009.

^c <http://platform.kg/i/index.php/en/about-platform>