

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Uzbekistan	Project Title:	Western Uzbekistan Water Supply System Development Project
Lending/Financing Modality:	Project	Department/Division:	Central and West Asia Department Urban Development and Water Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: General intervention

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

The project supports the state programs on Aral Sea development ^a and the strategic priority of increasing the efficiency of infrastructure, including modernizing and developing drinking water supply infrastructure to promote social well-being and sustainable development. ^b The project is aligned with (i) the Developing Strategy, Road Map and Investment Program for the Water Supply and Sanitation Sector of the Republic of Uzbekistan until 2020;^c (ii) the Welfare Improvement Strategy; and (iii) ADB's country partnership strategy, 2012–2016 for Uzbekistan, which aims to provide continued ADB assistance to develop Uzbekistan's municipal infrastructure and services. The current country partnership strategy prioritizes ADB investments in water supply and sanitation, linked with regulatory and institutional reform, to ensure long-term sustainability. The project is one of the priority development programs covered in the country operations business plan, 2016–2018.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. A unified methodology for estimating a national poverty line has not yet been adopted in Uzbekistan. The national food poverty level reported by the State Statistics Committee in 2015 was 13.7%. ^d Using the 1.5 times the minimum monthly wage as a poverty threshold, the poverty and social assessment considered almost half of the project area's households poor.^e The project will contribute directly and indirectly to poverty reduction, especially in rural settlements. This project supports the government's goal of developing sustainable water supply infrastructure for the population of six districts of Karakalpakstan, which are suffering from the Aral Sea crisis and lack safe and reliable water supply. Providing project areas and residents with reliable and better quality water supply will improve health and living standards, the environment, and economic and employment opportunities. The provision of safe, potable water will significantly reduce the expenditure and time resources spent by households (especially women) and businesses to cope with water absence and shortages. The implementation of sanitation awareness and hygiene promotion activities will reduce the incidence of inflectional diseases and related medical expenses. Improving the institutional and management capacity of the TN and its district branches will enhance the provision of reliable water supply services, support fair and transparent billing, and reduce water supply conflicts. Currently, 37% of households in the project area have access to piped water. Households spent 2% of their monthly income on water delivered by water carriers and 5% of their monthly income on water from cleaning points and bottled water. Only 34% of households are satisfied with the quality of piped water quality. Only 21% of households in the project area have a bathroom with piped water supply, and only 2% have a flushed toilet. Social infrastructure facilities also suffer from water shortage. In the project areas, more than 450 state institutions and organizations are functioning with limited water and sanitation. Kindergartens, schools, colleges, inpatient medical institutions, and hospitals lack adequate water supply and improved sanitation facilities.

2. Beneficiaries. The primary beneficiaries of this project will be 357,477 end users, education and health establishments, and private enterprises in 116 rural settlements and six district centers. Almost 60,000 households (especially those suffering from non-working or interrupted and unreliable service) will benefit from connected water supply system. Currently, 80% of education establishments do not have a functioning water supply system and do not meet national sanitation and hygiene standards. Absence of and irregular water supply in medical institutions create problems for patients and medical staff, which is aggravated by poor toilet facilities. Water shortages also affect the development of local businesses and service infrastructure development.

3. Impact channels. Continuous provision of water on and installation of water meters will benefit all households in the project area financially, as they currently pay for inadequate water supply based on a fixed tariff. Community-based hygiene and sanitation training programs will reduce the incidence of intestinal infections, lowering households' expenditure on medical treatments. Modest direct short-term impacts on employment levels in the project area may be expected during the project's construction phase.

4. Other social and poverty issues. The Aral Sea environment and socioeconomic disaster caused by wind erosion, land salinization and degradation, air pollution, and irrigation water deficit—along with the consequences of climate change—should be addressed in a regional climate change adaptation strategy to ensure the long-term sustainability of the project results.

5. Design features. The project will finance improvements in the new groundwater sources, new and rehabilitated water treatment plants, and pipelines to ensure that a greater quantity and higher quality of water is supplied to new and existing customers in the six project districts. Existing underserved customers will gain improved access to a safe and reliable water supply, while existing customers will benefit from improved water services. The institutional capacity of TN will be enhanced to ensure effective delivery of water supply services. The gender mainstreaming activities will be part of TN's capacity building.

II. PARTICIPATION AND EMPOWERING THE POOR

<p>1. Key impacts. The project involves no acquisition of privately owned land. Construction of new water supply facilities will be limited to barren lands belonging to the state land reserve and lands belonging to the water supply company. Rehabilitation of existing water supply facilities will be limited to the existing perimeters of such facilities. Construction and reconstruction of transmission mains and water networks will be limited to the existing right-of-way of roads.</p> <p>2. Strategy to address the impacts. No impacts, but a resettlement due diligence report and a resettlement framework were prepared as a prudent measure to address any unforeseen involuntary resettlement related issues during project implementation.</p> <p>3. Plan or other Actions <input checked="" type="checkbox"/> Resettlement framework <input checked="" type="checkbox"/> Resettlement due diligence</p>
<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. The project will not affect any indigenous peoples as defined in ADB's Safeguard Policy Statement (2009). Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. N/A</p> <p>3. Plan or other actions. <input checked="" type="checkbox"/> No action</p>
<p>V. ADDRESSING OTHER SOCIAL RISKS</p>
<p>A. Risks in the Labor Market</p> <p>1. Relevance of the project for the country's or region's or sector's labor market indicated as high (H), medium (M), and low or not significant (L). <input checked="" type="checkbox"/> H unemployment <input type="checkbox"/> L underemployment <input type="checkbox"/> L retrenchment <input type="checkbox"/> L core labor standards</p> <p>2. Labor market impact. The project will create a limited number of new jobs in conjunction with new water treatment plant and provide temporary employment for unskilled workers in the project area during construction works. No jobs will be lost in institutional restructuring of water supply utilities. Clauses requiring international core labor standards, compliance with national labor laws and regulations, avoidance of discrimination in employment, and equal pay for equal work for women will be included in the bidding documents. Project loan documents include covenants on adherence to core labor standards and compliance will be monitored under the project.</p>
<p>B. Affordability Limited access to adequate quality potable water by a significant share of the population of the project area results in a high proportion of people who support the project. It is expected that water supply services will be affordable for most users, although additional expenses for in-house connections may be problematic for some poor households. During the TA, community leaders assured community support for vulnerable families. The affordability analysis is available in the TA final report. Findings are incorporated into the project design.</p>
<p>C. Communicable Diseases and Other Social Risks</p> <p>1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA): <input type="checkbox"/> L Communicable diseases <input checked="" type="checkbox"/> NA Human trafficking <input checked="" type="checkbox"/> NA Others (please specify) _____</p> <p>2. Project construction labor is expected to be largely local and no influx of outside workers that could increase the risk of HIV/AIDS is anticipated.</p>
<p>VI. MONITORING AND EVALUATION</p>
<p>1. Targets and indicators. GAP-associated output indicators have been incorporated in the design and monitoring framework.</p> <p>2. Required human resources. A national social and gender specialist will be appointed in the PIU to coordinate GAP implementation and monitoring. A safeguard monitoring expert will be engaged to ensure compliance with ADB's Safeguard Policy Statement. These resources are budgeted and integrated in project implementation arrangements</p> <p>3. Information in the project administration manual. See PAM Section IX: Performance Monitoring, Evaluation, Reporting and Communication</p> <p>4. Monitoring tools. Quarterly, midterm, and final reviews, as well as a biannual GAP progress report.</p>

ADB = Asian Development Bank, CSO = civil society organization, GAP = gender action plan, NGO = nongovernment organization, PIU = project implementation unit, TA = technical assistance, TN = State Unitary Enterprise Department for Operation of Interregional Water Supply Tuyamuyun-Nukus, ToT = training of trainers, WIS= welfare improvement strategy, WTP =water treatment plant.

- ^a Resolution of the President of the Republic of Uzbekistan No. PP-2731 dated 18 January 2017 "On the national program for development of the Aral Sea region for the period 2017–2021."
- ^b Resolution of the President of the Republic of Uzbekistan No. PP-2910 dated 20 April 2017 "On the program of integrated development and modernization of drinking water supply and sanitation systems for 2017–2021."
- ^c Government of Uzbekistan. 2012. Road Map and Investment Program for the Water Supply and Sanitation Sector of the Republic of Uzbekistan till 2020. Tashkent.
- ^d Determined as the average cost of per capita daily food consumption of 2,100 calories.
- ^e In government terms, the poor are classified as a vulnerable and low-income group based on income of 1.5 times the official minimum wage per household member, which is adjusted regularly in accordance with inflation. The official minimum wage in January 2017 was set at SUM149,775 per month. In the absence of an official poverty line, 1.5 times the minimum wage of SUM224,662 per capita was used to calculate the percentage of poor beneficiaries. Source: Asian Development Bank estimates.