



## Initial Poverty and Social Analysis

---

July 2019

### UZB: Infrastructure for Rural Productivity Enhancement Sector Project

This document is being disclosed to the public in accordance with ADB's Access to Information Policy.

Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 5 July 2019)

Currency unit	–	sum (SUM)
SUM1.00	=	\$0.000117
\$1.00	=	SUM8,574.74

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
TRTA	–	transaction technical assistance

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Uzbekistan	Project Title:	Infrastructure for Rural Productivity Enhancement Sector Project
Lending/Financing Modality:	Sector Loan	Department/Division:	Central and West Asia Department Environment, Natural Resources, and Agriculture Division

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>Since 2017, Uzbekistan has embarked on significant reforms aimed at improving the livelihoods of the population, development of businesses, and expanding trades. The scale of changes is unprecedented. The government's reform agenda aspires to modernize the country and to move towards upper middle-income status. The Country Partnership Strategy is to support the country's movement towards a vibrant market economy, including transformation of the role of the state. The government's ultimate objectives of improving the quality of peoples' lives and creation of decent jobs can only be achieved by developing a robust private sector and reducing the state's pervasive footprint in the economy. The project will assist by providing productive infrastructure investments, and capacity development to promote private sector development, and reduce economic and social disparities. It will fund a series of subprojects aimed at modernizing and upgrading medium-scale rural infrastructure such as inter-community roads, irrigation facilities, water supply and sanitation, solid waste, and rural markets, among others. It is expected that approximately 50% of the subprojects will be roads to improve access to markets, employment opportunities, health centers, and schools by reducing isolation and remoteness of rural communities. It is also expected that another 30% of the subprojects will be irrigation schemes that will increase the productivity of agriculture. Improving access to safe water supplies and sanitation will reduce health and hygiene problems particularly among the poor women and children quite apart from the time saved from water collection—a task performed by women and children. Likewise, markets will promote livelihood diversification by encouraging trade and enable information exchange.</p>
<p><b>B. Poverty Targeting</b></p> <p> <input checked="" type="checkbox"/> General Intervention                                <input type="checkbox"/> Individual or Household (TI-H)                                <input type="checkbox"/> Geographic (TI-G)  <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)         </p> <p>The project is a general intervention. It will address poverty of the rural population through improving productive infrastructure to enable expansion of economic opportunities and income-generating activities.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p>1. Key issues and potential beneficiaries. Of the 30.8 million Uzbekistan population, 49.2% live in rural areas. Low income earners in Uzbekistan accounted for 27.5% of the population in 2001—30.5% rural and 22.5% urban. The indicator declined to 17.5% in 2011.<sup>a</sup> Small businesses contribute more than 60.0% of the gross regional product in 9 of 14 regions, the highest contribution being 80.0% in Syrdarya. Agriculture and forestry are the biggest employers, with 48.3% of employed women and 51.7% of employed men. Increasing income-generating opportunities and the economic participation of women depends on enhancing their business skills and access to financial services. Farmers and small businesses have limited business sophistication and skills, which impede their growth, with surveys indicating that they lack access to information on market opportunities, suppliers, competitors, technology, and banking products. In rural areas, income-generating opportunities are limited, and women's economic participation is low.</p> <p>Although the overall agriculture sector is expected to grow, its further development and growth potential are constrained by low productivity, limited profitability, poor land management, inadequate rural infrastructure (including irrigation and rural roads), and weak market linkages. A primary reason for the low productivity (and limited profitability) of agriculture is the inadequacy of rural infrastructure. The TRTA consultants will conduct detailed assessment on the impact of the infrastructure constraints on rural business, household wealth, poverty profile, and rural livelihoods in order to design the project in an</p>

optimal way. There are two primary groups of potential beneficiaries. The first group includes farm owners and/or operators and small agribusinesses whose operation or expansion is constrained by poor access to financial, social services, and most importantly markets. Through rural infrastructure development in most needed areas, the project will help these farmers and entrepreneurs flourish in profitable sectors, operate to scale, and benefit from economic opportunities.

2. Impact channels and expected systemic changes. The project will help farm owners and/or operators and businesses increase access to services and market. This will allow them to build viable businesses, create economic opportunities and income-generating activities, and mitigate their vulnerability to external shocks.

3. Focus of (and resources allocated in) the TRTA or due diligence. International and national consultants will be engaged to prepare the project design. The project has potential impact on poverty reduction and improving sustainable livelihoods. The TA consultant team will explore ways to maximize this impact.

## 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?

In 2018, agriculture accounted for 32% of the total workforce (or about 10 million people), of which men accounted for 54% and women 46%. Despite their prominent role in agricultural production, women are mainly engaged in simple and nontechnical fieldwork or cultivation of family-owned gardens. While rural women and female *dehkan* (small-scale) farmers are an important part of the agriculture value chain, they lack confidence to start businesses and face difficulties finding formal jobs because of inadequate technical skills and access to information, limited entrepreneurship, and leadership skills. Results of focus groups discussions conducted for various sector projects processed by ADB (CWER) since 2016 suggest that there is a huge potential for on-farm and off-farm job creation and entrepreneurship for women in agriculture production, processing, and marketing. It is also observed that agriculture production and processing (including horticulture and livestock) are not properly functioning in many areas because of technical, funding, and market access constraints. Among these, lack of rural productive infrastructure including rural markets is the most critical constraint which, if addressed, will significantly uplift the status of women in both employment generation and entrepreneurship.

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 During TRTA, opportunities to enhance rural women's employment and strengthen their capacity to establish and manage their own enterprises will be explored.

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:

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. The main stakeholders of the project include farm owners and/or operators and businesses. Farm owners and/or operators and businesses will increase their access to better market facilities, storages, and marketing to expand their businesses and improve economic opportunities.

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 will be conducted with the poor, vulnerable, and excluded groups to assess their training needs for business plan management. The TRTA consultants will explore if relevant training programs can be designed for these groups and be delivered during project implementation.

<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? These will be examined by the TRTA consultants. M<input checked="" type="checkbox"/> Information generation and sharing M<input checked="" type="checkbox"/> Consultation M<input type="checkbox"/> Collaboration M<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 The TRTA consultants will examine various issues as appropriate.</p>
<b>IV. SOCIAL SAFEGUARDS</b>
<b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. What action plan is required to address involuntary resettlement as part of the TRTA or due diligence process? <input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None
<b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. What action plan is required to address risks to indigenous peoples as part of the TRTA or due diligence process? <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
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
1. What other social issues and risks should be considered in the project design? <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 _____ The project will not have any adverse social issues and risks. The project will comply with applicable labor laws and core labor standards including prohibition of child labor as defined in national legislation.
2. How are these additional social issues and risks going to be addressed in the project design? The project design will closely follow the International Labor Organization's methodologies and ensure compliance with the core labor standards.
<b>VI. TRTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
1. Do the terms of reference for the TRTA (or other due diligence) contain key information needed to be gathered during TRTA 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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 TRTA or due diligence? A social development specialist (national) will be engaged to conduct social and gender analysis.

<sup>a</sup> Government of Uzbekistan, State Committee on Statistics. 2013. *Statistical Review of the Republic of Uzbekistan*. Tashkent.