

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Kyrgyz Republic	Project Title:	CAREC Transport Corridor I (Bishkek-Torugart Road) Project 3 (Additional Financing)
Lending/Financing Modality:	Project loan	Department/Division:	Central and West Asia Department/Transport and Communications Division, CWRD

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: General Intervention

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

In January 2013, the Kyrgyz Republic adopted a national sustainable development strategy (NSDS) for 2013–2017, which aimed to create a successful and stable democracy along with steady growth in the domestic economy and household incomes. The main NSDS pillars are (i) achieving stable governance, (ii) alleviating poverty and minimizing socioeconomic regional disparity, and (iii) creating attractive environments for private sector investment. Those policy goals are in line with Strategy 2020 of the Asian Development Bank (ADB) and the findings of the 2014 midterm review of this long-term development strategy, which made inclusive growth a strategic agenda and identified private sector development and good governance as drivers of change. The transport sector is one of the priority sectors in ADB's country partnership strategy for the Kyrgyz Republic for 2013–2017.

The additional financing to be provided for ADB's CAREC Corridor 1 (Bishkek–Torugart Road) Project 3 will cover cost overruns and a funding gap for the project, which remains on track physically. The rationale for the project remains valid, and the project with the additional financing will improve a 60 kilometer (km) bottleneck section of the Bishkek–Torugart Road and help foster regional trade.

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

1. Key poverty and social issues.

The country's national poverty ratio is 33.7%, and 6.7% of the population lived below the extreme poverty line in 2010. Poverty is most prevalent in the rural areas where 59% of the country's people live. The country was ranked 125th of 186 countries in the United Nations human development index in 2012, and the main factor determining this low rank was income level. Gross domestic product per capita was \$1,183 in 2012, with negative growth of –0.9% in 2012. To help improve growth and reduce poverty, the country urgently needs to rehabilitate basic infrastructure, including roads; create more opportunities for income generation and industrial development; and facilitate domestic and international trade. These steps will contribute to promoting the country's international competitiveness and inclusive growth. About half of the length of the project road section lies in Naryn province, which covers about 55,000 square kilometers. Almost 15% of the province's population of 260,000 lives in the city of Naryn where the project road directly passes. The rest are scattered in remote communities. Population density in Naryn is less than 5 persons per square kilometer, and the average annual income per capita was \$413 in 2009. People can obtain social services locally, including local public transport, but they have limited access to the capital Bishkek. Transport to and from the communities in other parts of the province is less frequent and costlier than local transportation. Consequently, it is uneconomical at present for people in these communities, who are mostly small farmers, to get their produce to the markets in Naryn or in other villages. Because the poor transport services are inadequate for the consolidating and wholesale marketing of the province's products, its exports to the People's Republic of China (PRC) are minimal and limited to scrap metal, wool, and a few types of vegetables.

2. Beneficiaries.

The main direct beneficiaries will be people living and working along and near the project road and those involved in international and domestic trade. Indirect beneficiaries will include large sectors of the population who will gain from cheaper and more efficient availability of goods across the country and from easier transport to health, education, and social facilities.

3. Impact channels

The project is expected to contribute to (i) smoother and faster travel on the improved road surface; (ii) reduced travel and freight costs through the reduction of vehicle operation costs; and (iii) fewer road accidents due to the installation of such road safety facilities as crossings, traffic signs, and pedestrian walkways. Some of the local population will gain short-time employment as construction workers on the project and small-scale income generation opportunities from roadside vending services.

4. Other social and poverty issues.

None

5. Design features.

The project aims to increase economic growth by enhancing trade and traffic along the project road. The project will benefit local communities along the road by providing greater access to markets and social service facilities. It will enhance their community networking. It will also benefit those involved in the regional transport of goods.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.

Since the preparatory stage, public consultations have been held continuously to disseminate project-related information and issues. Consultations with project stakeholders were conducted regularly especially with the affected people due to the construction of designated parking area near the border. A LARP has been prepared to mitigate all adverse impacts to the affected persons. There has been general support for the project.

2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation.

Civil society has been consulted during project preparation to ensure project inclusiveness. During project implementation, public consultations have been held regularly to disseminate project implementation status information.

3. Explain how the project ensures adequate participation of civil society organizations in project implementation.

In addition to public consultation specifically for land acquisition and resettlement, extensive public consultations have been held since project preparatory phase to disseminate project information, including potential impacts during construction. Such information dissemination activities will be continued during project implementation.

4. What forms of civil society organization participation is envisaged during project implementation?

H Information gathering and sharing H Consultation L Collaboration N Partnership

5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?

Yes. No.

Not needed as the road alignment do not have adverse impact to settled communities, except in the area were LARP has been prepared.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category:

No gender elements (NGE)

A. Key issues.

Both the public and private sectors in the Kyrgyz Republic have pursued gender equality. A presidential decree was issued in 2006 and a law was adopted in 2008 that aimed to ensure equality of rights and opportunities of women and men in public bodies. A new national strategy for achieving gender equality by 2020 was promulgated in 2012, along with a national action plan on gender equality for 2012–2014. Significant gender inequity remains, however. For example, the female-to-male labor ratio is 0.720, and the average earnings of women were only 77.0% of the average for men in 2012. Women tend to be employed in the informal sector, where they have no written employment contracts or social protection. There are no specific gender issues relevant to the project.

B. Key actions.

Gender action plan Other actions or measures No action or measure

The rehabilitation of the project roads will involve construction with heavy machinery, but the project may provide women with some income-generation opportunities through short-term employment on project works and roadside sales of food and produce to construction workers and others. During project implementation, women residing along the project roads will be encouraged to participate in public consultations and awareness-raising campaigns on sexually transmitted infections and human trafficking.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category A B C FI

1. Key impacts.

The additional financing for the project will have no involuntary resettlement impact. The funds will be used for civil work activities that do not require land acquisition.

2. Strategy to address the impacts?

Not applicable.

3. Plan or other actions.

- Resettlement plan
- Resettlement framework
- Environmental and social management system arrangement
- No action
- Combined resettlement and indigenous peoples plan
- Combined resettlement framework and indigenous peoples planning framework
- Social impact matrix

B. Indigenous Peoples

Safeguard Category A B C FI

1. Key impacts. Yes No
Not applicable.

2. Strategy to address the impacts.
Not applicable.

3. Plan or other actions.

- Indigenous peoples plan
- Indigenous peoples planning framework
- Environmental and social management system arrangement
- Social impact matrix
- No action
- Combined resettlement plan and indigenous peoples plan
- Combined resettlement framework and indigenous peoples planning framework
- Indigenous peoples plan elements integrated in project with a summary

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market.
 L unemployment L underemployment L retrenchment L core labor standards

In 2013, the Kyrgyz Republic made a moderate advancement in efforts to eliminate the worst forms of child labor. The Government passed a temporary decree on Social Support for Children and Families in Difficult Living Conditions in accordance with the UN Convention on the Rights of the Child. It also adopted a National Program against Human Trafficking for 2013-2016 and an Action Plan for its implementation. However, children in the Kyrgyz Republic continue to engage in child labor in cotton cultivation and in the worst forms of child labor in tobacco cultivation. Compliance with the core labor standards will be closely monitored under the project.

2. Labor market impact.

Employment opportunities will be generated for local communities during construction and for workers and service providers in transport and other areas (e.g., vehicle repair, refueling, trade logistics facilities, restaurants, and convenience stores) after completion.

B. Affordability

No adverse impact on people's livelihoods is expected. Rather, the project will reduce travel costs and increase income-generation opportunities by generating employment during construction and improving economic opportunities along the road after it is improved.

C. Communicable Diseases and Other Social Risks

1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):

- L Communicable diseases
- L Human trafficking
- Others (please specify)

2. Describe the related risks of the project on people in project area.

The prevalence rate of HIV/AIDS in the country was 0.03% in 2010, which is relatively low. However, the rate has been increasing slightly, and mitigation measures are needed. The project poses potential risks of increased HIV/AIDS and other sexually transmitted infections through the influx of construction workers. In addition, the expected increase in the region-wide movement of people that will result from the project will increase the risk of human trafficking, particularly of socially vulnerable peoples. Such risks will be minimized by conducting awareness campaigns targeting construction workers and local populations during project implementation. The contractor will be required to conduct these campaigns, and this requirement will be included in the civil works bid documents and contract.

VI. MONITORING AND EVALUATION

1. Targets and indicators:

The project is generating about 500 construction related jobs for local workers and construction supervision consultants. Monitoring of core labor standards is included in the construction supervision consultant's terms of reference. HIV/AIDS awareness campaigns will be conducted for local populations, with public consultations.

2. Required human resources:

The MOTC has engaged a construction supervision consultant team. The team will monitor and evaluate compliance with the LARP and any other safeguards impact, as may be identified, during and/or after the project.

3. Information in PAM:

The social safeguard monitoring report will be submitted by the MOTC to ADB on a biannual basis to provide information on progress in activities related to land acquisition and resettlement, and other social impacts as may be identified during the project implementation. The report will be disclosed on the ADB website following ADB's Public Communications Policy 2011.

4. Monitoring tools:

Monitoring requirements are stipulated in the design and monitoring framework, the PAM, the financing agreement, and the LARP.