

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Democratic Republic of Timor-Leste	Project Title:	Dili to Baucau Highway Project
Lending/Financing Modality:	Project Loan	Department/ Division:	PARD/PATE

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is consistent with the Timor-Leste Strategic Development Plan (SDP) 2011-2030 which sets a vision to promote economic growth, fast-track economic development and modernize and diversify the economy by providing the country with high-quality infrastructure.^a Road investment is one of the key focus areas expected to increase economic activities, enhance productivity and improve access to social services. Emphasis on road upgrading by the current government operational plans intends to achieve immediate and transformational change for a more inclusive development and social stability.

Support for road infrastructure remains consistent with the ADB's priority operations in Timor-Leste. The ADB's country partnership strategy for Timor-Leste for 2016-2020^b maintains ADB's focus on the development and management of infrastructure particularly improving rural transport connectivity to make services more accessible and available outside of the capital city Dili. The need for road construction and rehabilitation in the country remains significant which the government commits to deliver in partnership with ADB and other development partners.

B. Poverty Targeting

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

The proposed project contributes to improving connectivity and access to essential social services and employment opportunities which are major factors contributing to rural poverty in the project area. It will upgrade and climate proof 105 kilometers (km) of the national road between Dili and Baucau on from the north coast, linking the whole of the eastern half of the island to the capital. Enhanced movements of people and goods are also expected to decrease migration to urban areas particularly young people in the rural area.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The project will significantly benefit rural communities, especially the predominantly rural poor in project affected communities. Vulnerable groups such as women, elderly and children are expected to greatly benefit from reduced travel time and more available transport services to increase their access to the nearest markets and social service delivery institutions such as schools, hospitals, and clinics.

2. Impact channels and expected systemic changes. The poor and vulnerable groups will benefit from the project through (i) direct and indirect employment generation and (ii) improved access to services, markets and communication in general. The upgrading of the roads will create local employment opportunities from construction to be sourced locally in the form of unskilled labor or related services to the construction sites. Easier and speedier travel, opening up access to services, including health centers and schools will have an impact on productivity and cheaper transportation.

3. Focus of (and resources allocated in) the PPTA or due diligence. A Social Development and Gender Specialist have been engaged for one person-month to undertake social, poverty, and gender analysis.

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 proposed project will improve women's general access in economic opportunities and social services. Improved connectivity and transportation will have a positive impact on tackling common gender issues in the country such as high maternal mortality rate, significant gender gaps in the labor market and pervasive domestic violence. Access to health facilities through improved transportation will allow timely and improved delivery of maternal and reproductive health services. The current level of provision of health and maternity services in which some 85% of birth deliveries are in the home will be significantly improved. Women's participation in the labor market will be enhanced through

improved connectivity and accessibility and affordability of transportation going to workplace and broad variety of work opportunities. The majority of women in the program areas are engaged in agriculture activities or small and medium-sized agro-industries (including cottage agro-industries) alongside men, and will benefit greatly from improved roads. Physical connectivity is also expected to enhance delivery of timely support and assistance such as to those women who experienced violence.

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. The proposed project is expected to have some gender elements but not directly and significantly contributing to the promotion of gender equity and empowerment. The gender assessment by the Social Development and Gender Specialist will confirm potential gender features in the design of the project and revise the categorization if needed.

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

Yes No HIV/AIDS infection and related trafficking of women is a high risk factor during roads construction and will be the subject of an HIV/AIDS awareness and prevention program. Other measures will be identified during the PPTA.

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 include the government, landowners, road users, transport owners and operators and civil society and non-government organizations. The beneficiaries will participate in consultation sessions during the design of project activities and subsequent phases of project preparation and implementation. The stakeholders will also participate in social and poverty analysis, impact assessments and preparation of mitigation plans, as needed and during project implementation.

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?

The PPTA will undertake a stakeholder analysis and prepare for a consultation and participation plan. The plan will set out consultation requirements and information disclosure throughout various stages of project implementation. Public meetings and focus group discussions will be utilized to communicate and consult with stakeholders including collaboration with community-based organizations to ensure effective outreach, mobilization and participation of concerned communities and vulnerable groups.

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 Consultation Collaboration Partnership

Nongovernment organizations and civil society organizations will be consulted during the project design and have an active role in project preparation and implementation through the provision of specific services and/or involvement during monitoring and evaluation processes.

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

Local communities will be consulted during social and poverty analysis to identify any social impacts which need to be mitigated. These consultations will be inclusive participated by women and other marginalized groups.

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 road upgrading work will for the most part be on the land occupied by the existing road. However, minor widening and realignment will affect a limited number of properties. A resettlement

plan has been prepared by JICA that conforms to a resettlement framework previously prepared by ADB and used for other similar ADB and the World Bank financed projects in Timor-Leste. ADB will review the resettlement plan during project preparation.

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 The project will benefit all people living within the road catchments and using the roads, no distinct and vulnerable indigenous peoples have been identified.

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

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 M Adhering to core labor standards Labor retrenchment
 L Spread of communicable diseases, including HIV/AIDS Increase in human trafficking M 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?

Requirements for core labor standards (workers' health and safety, not employing child labor) will be stipulated in bidding documents and civil works contracts. Awareness and prevention programs on HIV/AIDS and other communicable diseases will be prepared.

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 (v) 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?

A Social Development and Gender Specialist will be responsible for preparation of a project consultation and participation plan and will undertake social and poverty assessment including gender analysis.

ADB = Asian Development Bank; JICA = Japan International Cooperation Agency; PPTA = project preparatory technical assistance.

^a Government of Timor-Leste. 2011. *Timor-Leste Strategic Development Plan, 2011–2030*. Dili.

^b ADB. 2016. *Country Partnership Strategy: Timor-Leste, 2016–2020*. Manila.

Source: Asian Development Bank.