

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Sri Lanka	Project Title:	Second Integrated Road Investment Program
Lending/Financing Modality:	Multitranche Financing Facility	Department/Division:	South Asia Department/ Transportation and Communications Division

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

1. Sustainable and inclusive development remains a key concept of the Government of the Democratic Socialist Republic of Sri Lanka. The government's development policy statements have identified five development goals: (i) generate one million jobs, (ii) enhance income levels, (iii) develop rural economies, (iv) ensure land ownership in the rural and estate sectors, and (v) create and grow a strong middle class. To develop rural economies, the government plans to establish 2,500 rural development centers as market hubs. This will be achieved by grouping many villages under one development center, which will have access to fully equipped rural economic market units. To support this concept, rural access routes—including local authority, provincial, and national roads—will be upgraded or rehabilitated. The Public Investment Programme, 2017–2020 focuses on the road sector to facilitate economic growth by creating an efficient road network that connects large and emerging cities, townships, economic centers and rural hubs to ensure safety and equity.^a

2. In line with the government's national strategy, the Asian Development Bank (ADB) country partnership strategy 2017–2021 aims to address major constraints to the nation's development by (i) strengthening drivers of growth by promoting diversification of economic activities and enhancing productivity; and (ii) improving quality of growth by facilitating poverty and inequality reduction, and building climate change resilience.^b The transport sector is a key area in implementing the strategy. ADB values the improvement of the accessibility of the road network to increase the involvement of the rural population in nationwide economic and social development.

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

1. **Key poverty and social issues.** Sri Lanka's four poorest districts will be part of the investment program—Batticaloa in Eastern Province, Mannar and Mullaitivu in Northern Province, and Moneragala in Uva Province. All have a poverty headcount index near or above 20%.^c The 26-year civil conflict caused displacement of communities and destruction of infrastructure, including roads in the northern and eastern regions. Although many national roads have now been reconstructed, upgrading of rural roads is urgently required to boost the road network and widen socioeconomic opportunities in conflict-affected districts. There is severe poverty and marginalization in both districts of Uva Province. Pockets of poverty are rampant in the urbanized Western Province, and its three districts have the country's highest population density—3,417 people per square kilometer (km²) in Colombo, 1,711/km² in Gampaha, and 772/km² in Kalutara. In Sri Lanka, labor force participation by women (36%) is less than half that of men (74%), partly because of poor facilities and safety issues related to mobility. The country's rural economy is highly dependent on agriculture; key issues include slow and inadequate market linkages. The socioeconomic assessment found that the main sources of income for users of proposed roads are agriculture, fisheries, self-employment, and wage labor. Employment in public and private sectors is significant in larger towns. Over 90% of surveyed households described the current road conditions as bad. Communities indicated that the poor conditions affected day-to-day activities and positive benefits from improvements were expected to include improved access to education and health services, road safety, and increased job opportunities.

2. **Beneficiaries.** Potential beneficiaries include residents, road users, tourists, businesses, and commercial services. The project roads cover 145 divisions in 13 districts. About 9.8 million residents live in the four provinces.

3. **Impact channels.** The poor and vulnerable will benefit from the investment program, which will increase economic and employment opportunities by improving linkages to commercial facilities. Improved connectivity will help rural populations transport their produce more quickly, and provide higher profit margins; it will also increase access to education and employment opportunities in cities (especially for women and youth), and improve access to public and social service facilities (e.g., government agencies, health centers, and schools). There are provisions in the bidding documents requiring civil works contracts to comply with core labor standards. Safeguard planning documents contain special provisions for vulnerable displaced households.

4. **Other social and poverty issues.** No other social and poverty issues are anticipated.

5. **Design features.** For national highways, hard shoulders will be constructed for the entire alignment that will benefit pedestrians and cyclists, who are more likely to be poor, vulnerable, and female. For rural roads, the improvements will provide local populations, including the poor and vulnerable, with improved access to economic opportunities and higher-quality services. An efficient road network linking villages, towns, and cities will provide stronger links between remote poor regions and more developed markets.

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.** To strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation, meaningful consultations and social surveys were conducted along all project roads through household surveys, group discussions, and a transect walk. Community participation was undertaken to increase awareness of the project, to determine people's needs and concerns, and to

obtain suggestions for enhancing benefits and mitigating negative impacts. For the rural road component, continued consultations will take place throughout the design and implementation period, including using community participatory approaches to finalize road designs, especially with respect to improving road safety, minimizing environmental impact, and minimizing construction impact. A grievance redress mechanism will be set up in all project areas for complaints raised by community members related to design and implementation.

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

Community groups were identified and consulted during project preparation. Community-based civil societies, such as rural development societies, religious organizations, and school development societies, will continue to be consulted during detail design and implementation.

3 Explain how the project ensures adequate participation of civil society organizations in project implementation. Project information will be disclosed to the public through various venues and will be readily available to civil society. Local CSOs can make complaints at the village-, division-, or district-level grievance redress committees, or they can use the web application that will be developed within the first year of project implementation.

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

During project implementation, CSOs along the project roads will be engaged as part of community participation in finalizing road design, and will be part of the grievance redress mechanism. Such CSOs may include rural development societies, religious organizations, school development societies, and nongovernment or other community-based organizations. Following is their level of participation, rated from high (H), medium (M), low (L) based on definitions in ADB's Guide to Participation:

M Information gathering and sharing **M** Consultation **L** Collaboration **L** 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

To strengthen the participation of civil society as interest holders, detailed community consultation guidelines for finalizing the detailed design of rural roads have been prepared and piloted during project preparation to emphasize the participation of the poor and vulnerable.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective Gender Mainstreaming (EGM)

A. Key Issues

1. Sri Lanka ranks midway on the United Nations gender-related development indices.^d The socioeconomic assessment found that rural women were actively engaged in family and community activities and decision-making processes: 80% participated in family decision making, 54% contributed to household income, and 53% were involved in community activities. A majority of women, 62%, stated that they were willing to participate in the project through employment as maintenance workers or civil works wage laborers, and/or by operating small businesses to provide services to contractors.

2. A gender action plan has been prepared to (i) maximize women's access to project benefits; (ii) provide opportunities to increase women's skills, incomes, and participation in decision making; and (iii) minimize social vulnerability. Based on findings from consultations with women and experience from other ongoing ADB-funded projects, practical and implementable gender mainstreaming activities have been incorporated into the project. Provisions in the bidding documents for civil works contractors will ensure that core labor standards will be complied with. To ensure that all gender issues are addressed, a social development and gender expert will be engaged under the project implementation consultant to implement and monitor the gender action plan (GAP). A gender focal officer will be placed in the project implementation unit to ensure the plan is implemented.

B. Key actions Gender action plan Other actions or measures No action or measure

1. The GAP outlines the following key activities and targets: (i) ensure at least 35% of those engaged for design consultations are women; (ii) integrate features that increase the safety and meet the needs of the elderly, women, children, and the disabled; (iii) encourage employment of women as road construction workers; (iv) ensure at least 30% of local employees hired for road maintenance are women, and that they receive equal wages for equal work; (v) conduct awareness training on road safety and HIV/STI, with women comprising a minimum of 40% of participants; (vi) appoint gender focal persons at all levels; (vii) build knowledge and skills of the transport sector on gender and inclusivity; and (viii) develop an online grievance-reporting mechanism and track gender-disaggregated data regarding complainants.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. **Key impacts.** All national and rural roads improvements will be undertaken within the existing rights-of-way. No involuntary resettlement impacts were identified during due diligence undertaken for tranche 1. However, for the national road component during implementation of the 7-year maintenance contract, involuntary resettlement impacts could be encountered, and the project has therefore been classified as category B.

2. **Strategy to address the impacts.** A resettlement framework has been prepared to guide the screening and preparation of safeguard planning for future tranches.

3. Plan or other actions. <input type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Combined resettlement and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Social impact matrix	
B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI 1. Key impacts. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 2. Strategy to address the impacts. No indigenous people were identified during due diligence. An indigenous peoples planning framework has been prepared to guide the screening and preparation of safeguard planning for future tranches. 3. Plan or other actions. <input type="checkbox"/> Indigenous peoples plan <input checked="" type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> 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 , rated as high (H), medium (M), and low or not significant (L): L Unemployment L Underemployment L Retrenchment L Core labor standards 2. Labor market impact. Construction and maintenance are expected to generate employment opportunities for local communities. Men and women will be paid equally for equal work. The bidding documents contain provisions to ensure contractors and all civil works comply with core labor standards (e.g., no child labor; no bonded labor; no work discrimination regardless of gender, race, and ethnicity; and freedom of association and collective bargaining). B. Affordability 1. The project will reduce transport costs and increase the mobility of the local population in the project areas. There will be no charge for access to and use of the project roads, thus there are no issues related to affordability. C. Communicable Diseases and Other Social Risks 1. Following are the impacts of the respective risks, rated as high (H), medium (M), low (L), or not applicable (NA): L Communicable diseases L Human trafficking 2. Risks to people in project area. The social assessments undertaken identified no significant social risks such as HIV/AIDS or human trafficking. The RDA will ensure that civil work contractors disseminate information at worksites on the risks of sexually transmitted diseases. All contracts will include clauses on these undertakings, and the government will strictly monitor compliance during implementation. In addition, awareness training regarding sexually transmitted diseases and human trafficking will be provided.	
VI. MONITORING AND EVALUATION	
1. Targets and indicators. Relevant performance targets, indicators, and data sources are included in the design and monitoring framework and GAP. 2. Required human resources. The project implementation unit will have a social safeguard and gender focal point. The resettlement, social development, and gender teams will be part of the project implementation consultant team. The ADB social development and gender specialist from the Sri Lanka Resident Mission will oversee implementation. 3. Information in Facility Administration Manual. The frequency of project reviews, monitoring, and timing of completion reports are specified. 4. Monitoring tools. The project implementation consultant will undertake day-to-day monitoring. The executive agency's environmental and social division will undertake monthly monitoring. If land donation is required, it will be monitored independently by a qualified expert. Semi-annual monitoring reports will be submitted to ADB.	

^a Government of Sri Lanka, Ministry of National Policies and Economic Affairs, Department of National Planning. 2017. *Public Investment Programme, 2017–2020*. Colombo.

^b ADB. 2017. *Country Partnership Strategy: Sri Lanka, 2018–2022—Transition to Upper Middle-Income Country Status*. Manila.

^c Government of Sri Lanka, Department of Census and Statistics. 2015. *Household Income and Expenditure Survey 2012/13*. http://www.statistics.gov.lk/HIES/HIES2012_13FinalReport.pdf.

^d United Nations Development Programme. 2016. *Human Development Report 2016*. New York.