

INITIAL POVERTY AND SOCIAL ANALYSIS

Country: Project Title:

Lending/Financing Modality: Department/Division:

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Sustainable and inclusive development remains a key concept of the government to secure prosperity for everyone. The Government of Sri Lanka's development policy statements identified five development goals: (i) generating one million jobs; (ii) enhancing income levels; (iii) developing rural economies; (iv) ensuring land ownership in the rural and estate sectors; and (v) creating and growing 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 through the grouping of many villages under one development center. The centers will have access to fully equipped rural economic market units. To align with 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 connecting large and emerging cities, townships, economic centers and rural hubs ensuring safety and equity.

In line with the government's national strategy, the Asian Development Bank (ADB)'s Interim country partnership strategy 2015–2016 aims to address major constraints to the nation's development through the following pillars: (i) inclusive and sustainable economic growth; (ii) catalyzing private investment and enhancing the effectiveness of public investment; and (iii) human resource and knowledge development. The transport sector is one of the key areas in implementing the strategy, particularly for pillar 1. ADB places a high value on improvement of the accessibility of the road network, in order to increase the involvement of the rural population in nationwide economic and social development. With this view, the first Integrated Road Investment Program was provided in 2014 through an \$800 million multitranches financing facility (MFF) for upgrading of the rural road network in four provinces.¹

B. Poverty Targeting

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

The proposed investment program will improve road connectivity between rural communities and socioeconomic centers. Its objectives are to improve the road conditions of about 3,435 kilometers (km) rural roads and 215 km national roads; and enhance the capacity of road agencies with due attention to road maintenance and safety.

The investment program will contribute to reducing poverty and deprivation, and will support economic growth by: (i) providing enhanced access to markets, job, and social services, including health and education; (ii) providing rural communities with all-weather road connections; and (iii) improving road operation and management.

The investment program will be designed to support the Government's poverty reduction strategy by: (i) providing equal job opportunities for men and women during project construction; and (ii) disseminating information and preparing local communities to take advantage of the enhanced accessibility of various markets, jobs, government policies and initiatives that will become available to them after the construction phase.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Potential beneficiaries include residents, road users, businesses and commercial services. Project roads will be in Northern, Eastern, and Uva Provinces, and two districts of Western Province. A poverty and social analysis will be carried out using resources from the existing Loan-47273 SRI: Integrated Road Investment Program to identify the socioeconomic profile of the population in the project influenced areas, expected benefits and constraints and ability of the poor and vulnerable groups to benefit from the Project.

2. Impact channels and expected systemic changes. Road safety features will be incorporated in the design. The project components focusing on the rehabilitation of rural roads will help to reduce travel time and provide improved access. Measures will be included in the contracting documents to encourage hiring of local population during implementation.

3. Focus of (and resources allocated in) the PPTA or due diligence. Due diligence will be undertaken to assess the project's potential impact on poverty reduction and social aspects, including HIV/AIDS, human trafficking, and labor. Gender assessment will be guided by the ADB Gender Tool-kit: Transport (2013).

¹ Eastern Province, Northern Province, and Uva Province, and two districts of Western Province.

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?

At the project preparatory stage, sex-disaggregated data on the range of socioeconomic indicators relevant to the project will be collected, with focus on the needs, demands, constraints faced by the poor, women and vulnerable groups in the project area, in terms of their equitable access to the benefits and opportunities associated with road construction. Gender analysis will be carried out to inform the design of the project. The poverty and social assessment will cover the health and social risks associated with the infrastructure project, like HIV/AIDS, and human trafficking.

The EA will be required to ensure that women and men are given equal opportunities for employment on the project. Contractors will be required to ensure equal payment for equal work. A specific clause will be included in the bidding documents of the civil works. Monitoring mechanisms will be developed to monitor these actions in due course. Potential practical and implementable gender-specific initiatives will be explored during due diligence.

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 A gender action plan will be prepared during due diligence.

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 theme) 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.

Government of Sri Lanka agencies (Ministry of Higher Education and Highways, Road Development Authority, and provincial and local government agencies), other development partners active in Sri Lanka's transport sector development, project beneficiaries (residents, road users, tourists), affected persons, NGOs, business and community groups.

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?

Workshops, community mobilization, and consultation conducted for discussion on the potential needs of the community, social-related issues such as gender, HIV/AIDSs, human trafficking, child labor, environment and social safeguard issues.

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?

H Information generation and sharing **H** Consultation **N** Collaboration **L** Partnership

Active CSOs are present in the project area. CSOs will be identified and engaged as appropriate for livelihood restoration activities outlined in the resettlement planning documents.

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

Poor and excluded affected persons impacted by land acquisition are consulted and surveyed. Additional assistance and provisions such as livelihood rehabilitation will be outlined in the resettlement plans.

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 All improvement of rural and national roads will be undertaken within the existing right of way. A resettlement framework will be prepared to guide the screening and preparation of safeguard planning for the investment program. During implementation of the 7-year maintenance contract for the national road component, involuntary resettlement impacts could be encountered in consideration of road safety; therefore the investment program is likely classified as category B.

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

<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>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 There is no anticipated impact on indigenous peoples. If impact is identified during design, the relevant planning document will be prepared in accordance with ADB's SPS and national regulation.</p> <p>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</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? <input type="checkbox"/> Indigenous peoples plan <input checked="" 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</p>
<p align="center">V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design? L Creating decent jobs and employment L Adhering to core labor standards L Labor retrenchment L Spread of communicable diseases, including HIV/AIDS L Increase in human trafficking L Affordability L Increase in unplanned migration L Increase in vulnerability to natural disasters L Creating political instability L Creating internal social conflicts</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? <i>Labor.</i> Civil works are expected to generate employment opportunities for the local communities during the construction and maintenance phases thereby offering opportunities for employment. Men and women will be paid equally for equal work. The EA will ensure that all civil works will comply with core labor standards. <i>Spread of communicable diseases, including HIV/AIDS.</i> The Project will develop mechanisms to address the social issues identified during the social and poverty assessment. No significant negative impacts are anticipated.</p>
<p align="center">VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. 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? Poverty, social and gender analysis will be conducted with resources from the existing Loan-47273 SRI: Integrated Road Investment Program.</p>