

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Regional	Project Title:	OrbiMed Asia Partners III, L.P.
Lending/Financing Modality:	Others - Fund	Department/Division:	Private Sector Operations Department Private Sector Investment Funds Special Initiatives 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>The proposed transaction will provide equity investment of up to \$75 million in OrbiMed Asia Partners III, LP (OAP III of the "Fund") and build on ADB's initial investment of \$60 million in OAP II, increasing ADB's exposure to a wide range of healthcare opportunities in the region. OAP III, OrbiMed's third Asia-focused private equity fund, will continue to target growth equity opportunities in Asia in healthcare sectors. The transaction is consistent with the country partnership strategy (CPS) for PRC, 2016–2020<sup>a</sup> which mandates ADB's private sector operations to explore opportunities to support and provide financing to commercially viable business models in social development, particularly in health. Likewise, the CPS for India, 2013-2017<sup>b</sup> recognizes health as an area of concern.</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 proposed equity investment is expected to improve access and affordability of healthcare goods and services in PRC, India, and Southeast Asia.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p>1. Key issues and potential beneficiaries. Health at a Glance Asia/Pacific 2016, an OECD and WHO publication<sup>c</sup> observes that the share of deaths due to non-communicable diseases among adults is rapidly increasing in the Asia-Pacific region, with cardiovascular diseases and cancers as the most common causes of death. Communicable diseases such as respiratory infections, diarrheal diseases and tuberculosis, along with maternal and perinatal conditions, remain as major causes of death among many countries in the Asia-Pacific region. The report cites tuberculosis as the leading cause of death amongst communicable disease in the Asia-Pacific region. Four of the five countries in the world with the largest number of tuberculosis incident cases in 2014 were in the Asia-Pacific region. OAP III aims to invest in 15-20 companies in PRC, India, and Southeast Asia.</p> <p>2. Impact channels and expected systemic changes. OAP investments will contribute in making accessible affordable drug therapies for Asia's underserved areas.</p> <p>3. Focus of (and resources allocated in) the PPTA or due diligence. During due diligence, the ADB Team will closely work with the client regarding its environment and social management systems.</p> <p>4. Specific analysis for policy-based lending. Not applicable.</p>
<b>II. GENDER AND DEVELOPMENT</b>
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Financial, geographical and socio-cultural barriers prevent women from addressing their healthcare needs. Lack of financial resources and high cost of medical products and services are often factors that hinder women, especially those in low-income household, from getting medical attention. In addition to these, there also inadequate number and distribution of health service providers, and lack of female healthcare professionals particularly in rural areas.</p>
<p>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?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Though not specifically targeted, OAP III investments may provide opportunities to contribute in promoting gender equity and/or empowerment of women.</p>
<p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The investment is not expected to have adverse impact on women and/or girls or widen gender inequality.</p>
<p>4. Indicate the intended gender mainstreaming category:</p> <p><input type="checkbox"/> GEN (gender equity) <input type="checkbox"/> EGM (effective gender mainstreaming)  <input type="checkbox"/> SGE (some gender elements) <input checked="" type="checkbox"/> NGE (no gender elements)</p>

<b>III. PARTICIPATION AND EMPOWERMENT</b>
<p>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. Healthcare companies within these subsectors (diagnostics, rural pharmacies, neonatal care clinics, and tertiary care hospitals) are expected to benefit from this investment. However, they have limited opportunities to participate in project design.</p> <p>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? There is limited opportunity for the participation of the poor as the project is an equity investment to healthcare companies.</p> <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?  <input checked="" type="checkbox"/> N - Information generation and sharing   <input checked="" type="checkbox"/> N - Consultation   <input checked="" type="checkbox"/> N - Collaboration   <input checked="" type="checkbox"/> N - 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</p>
<b>IV. SOCIAL SAFEGUARDS</b>
<p><b>A. Involuntary Resettlement Category</b>   <input type="checkbox"/> A   <input type="checkbox"/> B   <input type="checkbox"/> C   <input checked="" type="checkbox"/> FI (treated as C)</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?   <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No   The investment will have limited impacts on involuntary resettlement.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?  <input type="checkbox"/> Resettlement plan   <input type="checkbox"/> Resettlement framework   <input type="checkbox"/> Social impact matrix  <input checked="" type="checkbox"/> Environmental and social management system arrangement   <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b>   <input type="checkbox"/> A   <input type="checkbox"/> B   <input type="checkbox"/> C   <input checked="" type="checkbox"/> FI (treated as C)</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</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   The investment will not affect IP communities.</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 type="checkbox"/> Indigenous peoples planning framework   <input type="checkbox"/> Social Impact matrix  <input checked="" type="checkbox"/> Environmental and social management system arrangement   <input type="checkbox"/> None</p>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?  <input checked="" type="checkbox"/> Creating decent jobs and employment   <input checked="" 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 _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?  Investments in healthcare companies may lead to job creation and employment. Compliance with national labor laws will be included in the relevant project documents.</p>
<b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<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>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?   ADB project team member will conduct social and safeguards analysis.</p>

Sources:

<sup>a</sup> ADB. 2016. People's Republic of China: Country Partnership Strategy, 2016-2020. Manila.

<sup>b</sup> ADB. 2013. India: Country Partnership Strategy, 2013-2017. Manila.

<sup>c</sup> OECD/WHO (2016), *Health at a Glance: Asia/Pacific 2016: Measuring Progress towards Universal Health Coverage*, OECD Publishing, Paris.