

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Nepal	Project Title:	South Asia Subregional Economic Cooperation Highway Improvement Project
Lending/Financing Modality:	Project loan	Department/Division:	South Asia Department/ Transport and Communications Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Poverty targeting: general intervention
A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy
The Government of Nepal requested assistance from the Asian Development Bank (ADB) to support upgrading of the Kanchanpur to Kamala section on the southeastern side of the east–west highway (EWH). The project will (i) upgrade 87 kilometers (km) to a 4-lane standard with a design speed of 100 km per hour, and (ii) improve road safety and maintenance on the entire EWH. The project cost is \$245 million. The project will promote economic growth and contribute to improving the competitiveness of Nepal’s exporting industries by enhancing the efficiency and adequacy of the transport system, reducing transport costs, improving national and regional connectivity, easing traffic congestion, and improving road safety and maintenance. The project is consistent with the objectives set out in the country partnership strategy and is included in ADB’s country operations business plan 2018–2020, and the South Asia Subregional Economic Cooperation (SASEC) program’s operations plan for 2016–2025. ^a
B. Results from the Poverty and Social Analysis during Due Diligence
<p>1. Key poverty and social issues. The project road crosses nine municipalities and three rural municipalities.^b The population in the project’s direct zone of influence is 522,206, while the indirect zone of influence includes 1.3 million residents in the districts of Saptari and Siraha.^c About 39% of people living in Saptari and 34% of those in Siraha live below the national poverty standard line, which is above the national average of 25.2%. They also rank among the lowest on the human development index (HDI).^d The major sources of income in the project area are remittances (47%), trade and business (20%), agriculture (13%) and services (9%). Most residents lack access to piped water, with over 90% relying on tube wells and pumps, while only 48% have access to modern sanitation. Most residents (75%) own bicycles, many (37%) motorcycles, and most use buses for long distance travel. Private vehicle ownership is low, at 2% of surveyed households.</p> <p>2. Beneficiaries. The 522,206 residents are the project’s primary beneficiaries. Other beneficiaries include residents living in the project districts, businesses along the road corridor, and those working in trade and service industries in Nepal.</p> <p>3. Impact channels. The project will improve accessibility to economic opportunities; to administrative, health and educational facilities; and to goods at competitive prices. This will contribute to economic growth and the reduction of regional disparities. The project is also expected to create 4.4 million person-days of employment during construction.^e</p> <p>4. Other social and poverty issues. No other social and poverty issues were identified.</p> <p>5. Design features. The project includes the following safety and pedestrian-friendly design features: 46 zebra crossings with warning signs, 2 footbridges, 38.26 km of disabled-friendly footpaths in urban settlements, 68.5 km of service lanes segregating slow-moving vehicles, 97.47 km of improved drainage, and 92 sheltered bus stops.</p>
II. PARTICIPATION AND EMPOWERING THE POOR
<p>1. Participatory approaches and project activities. Consultations were undertaken from January to April 2018 during the preparation of the poverty and social analysis (PSA) and the resettlement plan. Thirty public consultation meetings and focus group discussions took place, with about 360 persons participating (among whom 17% were women). Moreover, 1,005 household road residents (5,370 persons, 46% women) were surveyed through direct one-on-one consultations. Finally, a total of 22 nongovernment organizations (NGOs) and 5 civil society organizations—specializing in human trafficking and HIV/AIDS prevention, community development, road safety, and women’s and minority rights—were also consulted. The extensive consultation process ensured a comprehensive overview of the expectations and concerns of the residents and civil society organizations along the road alignment. Overall, road residents and civil society demonstrated support for the project but raised concerns about road safety and impacts on private and community assets.</p> <p>2. Actions taken to ensure the participation of civil society organizations. An NGO specializing in human trafficking and HIV/AIDS prevention will be recruited to conduct a community awareness campaign along the alignment. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):</p> <p style="text-align: center;">M Information gathering and sharing M Consultation M Collaboration H Partnership</p> <p>3. Participation plan. Will a project level participation plan be prepared to strengthen the participation of civil society as interest holders for affected persons particularly the poor and vulnerable? <input checked="" type="checkbox"/> Yes. <input type="checkbox"/> No.</p> <p>Several communication and participation plans will be prepared during implementation by stakeholders involved in project implementation. These include a communication and consultation plan for the resettlement activities; separate participation plans for HIV/AIDS awareness, human trafficking prevention, road safety community outreach activities; and a plan for the dissemination of the gender equality and social inclusion (GESI) operational guidelines.</p>

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective Gender Mainstreaming (EGM)

A. Key issues. The PSA shows that 16% of adult women are illiterate. Most surveyed women (79%) are full-time house managers. For those working outside the home, about half (49%) work in agriculture, followed by business and trade (35%), and services (7%). Women's mobility in the project area is primarily limited to visiting nearby markets, district health and administrative services, and relatives. Women use a mix of transport modes. Walking remains the primary mode of transport, and biking is frequently used by schoolgirls. Most women (70%) also use buses. Overall, women consulted were supportive of the project but stressed the need to improve road safety design and practices. The project is categorized as effective gender mainstreaming as it aims to disseminate best practices in gender mainstreaming in the transport sector and improve the living conditions of women along the road corridor.

B. Key actions.

Gender action plan Other actions or measures No action or measure

The GESI plan includes the following activities: (i) safety and pedestrian-friendly design features; (ii) universal and gender-friendly features included in the preliminary design of 20 services areas along the EWH; (iii) a pilot capacity-building program for women's groups in the project area; (iv) women's involvement targets in construction (10%) and tree plantation (30%) activities; (v) women's involvement targets in 40% in the community awareness campaigns conducted under the project (i.e. road safety, human trafficking prevention and HIV/AIDS awareness); and (vi) support for dissemination of the GESI operational guidelines recently approved by the Ministry of Physical Infrastructure and Transport (MOPIT).

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts: The project is categorized B in accordance with ADB's Safeguard Policy Statement (2009), given its moderate resettlement impacts. The project does not require private land acquisition, with mostly minor impacts on 479 non-titled households, representing 2,492 persons. A total of 25 households (130 persons) will be significantly impacted, as they will have to rebuild their residence or commercial structure outside the corridor of impact. The remaining households will bear minor impacts: 205 households (43%) will have to relocate their commercial kiosks, which are small, moveable structures. Other impacts include partial impacts to commercial structures (43%) and impacts on fruit trees (15%). Only 25% of surveyed affected households are vulnerable. In addition, 125 community structures will have to be rebuilt. These include temples (18%), resting places (30%), as well as tube wells and other government structures (52%). About 25% of all households are vulnerable.

2. Strategy to address the impacts. A resettlement plan was prepared for the project. It includes measures to ensure market-rate compensation for structures, shifting and reconstruction assistance, and a shifting allowance for moveable kiosks. In addition, it includes special measures for significantly affected households that have to rebuild their commercial structures or residences, such as financial assistance for temporary loss of income and a subsistence allowance. Finally, additional financial assistance and skill enhancement training are also included for vulnerable households. The total budget estimated for the resettlement plan is \$763,074. The resettlement plan was disclosed on ADB's website in June 2018 and will be disclosed by DOR at the local level, with a summarized version distributed to all affected persons. The resettlement plan will be implemented by DOR with the support of resettlement experts and field staff hired under the supervision consultant. Capacity-building activities for DOR have been included in the resettlement plan.

3. Plan or other Actions.

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

B. Indigenous Peoples

Safeguard Category: A B C FI

1. Key impacts. The project is categorized C for its impact on indigenous people. The road does not cross any traditional customary or tribal lands. Only 45 indigenous households have been identified as directly affected, representing 10% of all affected households. At the district level, 14% of the population of Saptari district and 11% of Siraha's population are indigenous. The PSA indicates that indigenous peoples households are well integrated into the broader society, sharing similar socioeconomic characteristics as non-indigenous peoples. It also concluded that indigenous peoples will not be impacted differently and will benefit equally from the project.

Is broad community support triggered? Yes No

2. Plan or other actions.

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

V. ADDRESSING OTHER SOCIAL RISKS
<p>A. Risks in the Labor Market</p> <p>1. Relevance of the project for the country's or region's or sector's labor market. L unemployment L underemployment L retrenchment M core labor standards</p> <p>Non-compliance with core labor standards is a risk in Nepal, in particular with subcontractors.⁹ There will be provisions in the bidding and contractual documents of contractors and subcontractors to ensure all civil works comply with core labor standards. Compliance of contractors and subcontractors to core labor standards will be monitored by the supervision consultant.</p> <p>2. Labor market impact. The project will not have any impact on the labor market.</p>
<p>B. Affordability. The project will not affect the affordability of travel by road.</p>
<p>C. Communicable Diseases and Other Social Risks</p> <p>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 M Human trafficking M Others: Road safety</p> <p>2. Describe the related risks of the project on people in the project area.</p> <p>Communicable diseases: Overall, Nepal is considered to have a low prevalence of HIV/AIDS, with a rate of 0.2% in the population aged 15–49 years old;^h 28 cases have been recorded in the districts affected by the project, and none in its direct area of influence. Consultations during the PSA confirmed that 88% of surveyed individuals were aware of HIV/AIDS transmission and protection measures. Given that the project will widen an existing corridor, it is not expected to contribute to a significant increase in transmission of HIV/AIDS and other communicable diseases.</p> <p>Human trafficking: Nepal is considered a high-risk country for human trafficking. Victims are trafficked both within the country as well as to countries in Asia (particularly India) and the Middle East. Consultations with local organizations specializing in human trafficking prevention indicated no cases had been reported in the area for several years. The project road borders India and could become a sensitive corridor for human trafficking.</p> <p>Mitigation measure for human trafficking and HIV/AIDS prevention: DOR will recruit a specialized NGO to conduct community campaigns on HIV/AIDS and human trafficking prevention on the road corridor. The campaign is expected to target 2,000 road corridor residents regarding human trafficking prevention and 1,000 regarding HIV/AIDS awareness.</p> <p>Road safety awareness: The project road currently does not segregate slow-moving vehicles and pedestrians in urban sections. The lack of a database of accidents for the project road makes it difficult to establish a project-specific baseline. Road safety has been a recurrent, key issue raised by participants in public consultations. Moreover, the traffic fatality rate in Nepal—estimated at 302 fatalities per 100,000 vehicles—is one of the highest in Asia.ⁱ The project will provide design features to improve the safety of pedestrians and vehicles. In addition, the GESI includes a community road safety awareness campaign to sensitize road residents and high-risk groups along the corridor about the dangers for pedestrians and drivers. The campaign will target residents, schools, gas stations and professional drivers along the corridor. The campaign is expected to target at least 50% of the population of 10,000 students along the road corridor, as well as 1,000 road corridor residents and 600 professional drivers.</p>
VI. MONITORING AND EVALUATION
<p>1. Targets and indicators: Targets and indicators are included in the resettlement plan and GESI.</p> <p>2. Required human resources: The resettlement plan and GESI will be implemented by a team of resettlement, livelihood restoration and gender experts and field-based social mobilizers recruited as part of the construction supervision consultant. In addition, a human trafficking and HIV/AIDS prevention NGO and a road safety NGO will also be recruited.</p> <p>3. Information in PAM: Greater details on implementation arrangement have been included in the PAM.</p> <p>4. Monitoring tools: The resettlement plan and GESI indicators will be the basis for the development of a monitoring system by DOR and the construction supervision consultant's social and resettlement experts.</p>
<p>^a ADB. 2017. <i>Country Operations Business Plan: Nepal, 2018–2020</i>. Manila; SASEC Secretariat. 2016. <i>Operational Plan 2016–2025</i>. Manila.</p> <p>^b The nine municipalities are Kanchrup, Shambhunath, Khadak, Surunga, Lahan, Dhangadhimai, Golbazar, Mirchaiya, and Karjanha; the rural municipalities are Agnisair Sabran, Rupani and Naraha.</p> <p>^c National Planning Commission. 2012. <i>National Population and Housing Census 2011</i>. Kathmandu.</p> <p>^d United Nations Development Program and National Planning Commission. 2014. <i>Human Development Report 2014</i>. Kathmandu. Sihara's HDI is 0.437 and Saptari's 0.408, well below the national average of 0.490.</p> <p>^e 1,011,328 person-days of skilled labor employment, and 3,417,725 person-days of unskilled labor employment.</p> <p>^f ADB. South Asia Subregional Economic Cooperation Highway Improvement Project: Kanchanpur-Kamala Road Resettlement Plan.</p> <p>⁹ Core labor standards are defined as equal wages for work of equal value; prohibition of child labor, bonded labor, and discrimination based on gender, race, and ethnicity; and freedom of association and collective bargaining.</p> <p>^h Ministry of Health and Education, 2014. <i>Country Progress Report on HIV/AIDS Response</i>. Kathmandu.</p> <p>ⁱ World Health Organization. 2015. <i>Global Status Report on Road Safety 2015</i>. Geneva. This compares with 1,134 fatalities per 100,000 vehicles in Bangladesh, 186 in Bhutan, 118 in India, 71 in Sri Lanka, and 66 globally.</p> <p>Source: Asian Development Bank.</p>