ADB

Initial Poverty and Social Analysis

February 2019

MYA: Ooredoo Q.P.S.C. Nationwide Data Connectivity Project

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
ESMS	–	Environmental and social management system
GAP	–	Gender action plan
ICT	-	Information and communication technology

NOTES

(i)   The fiscal year (FY) of Ooredoo Q.P.S.C. ends on 31 December

(ii)   In this report, "$" refers to United States dollars.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Myanmar	Project Title:	Proposed Loan Ooredoo Q.P.S.C. Nationwide Data Connectivity Project
Lending/Financing Modality:	General corporate finance	Department/ Division:	Private Sector Operations Department/ Infrastructure Finance Division 2

I.   POVERTY IMPACT AND SOCIAL DIMENSIONS
A.   Links to the National Poverty Reduction Strategy and Country Partnership Strategy The proposed project is responsive to Asian Development Bank's (ADB's) country partnership strategy for Myanmar, which includes improving access and connectivity to address critical infrastructure needs, connect rural and urban areas and markets, and link Myanmar's businesses with its neighbors and the global marketplace.[a] It is also aligned with ADB's Strategy 2030, which highlights the operational priorities in accelerating progress in gender equality and the need for private sector participation in infrastructure projects in new communication technologies and the mobilization of private sector resources for innovation and job creation.[b] Ooredoo Myanmar will access ADB's assistance to expand its fourth-generation (4G) network coverage, upgrade telecommunications equipment for existing sites, expand fiber cable network, and acquire additional spectrums and licenses.
B.   Poverty Targeting ☒General intervention ☐Individual or household (TI-H) ☐Geographic (TI-G) ☐Non-income MDGs (TI-M1, M2, etc.) Increasing access to quality yet affordable telecommunications services and developing the required ICT infrastructure will facilitate inclusive growth and poverty reduction. ICT is useful to help businesses become part of the formal market economy, help increase revenues and profits by providing better price information, provide access to loans and microcredit through online banking, and reduce transaction costs by using mobile payment systems, among others.[c]
C.   Poverty and Social Analysis 1. Key issues and potential beneficiaries. Since the adoption of the Telecommunications Law in 2013, Myanmar's information and communication technology (ICT) landscape has been transformed and mobile connectivity has increased significantly. Although Myanmar is progressing in developing its telecommunications sector, developing the country's connectivity remains a challenge to be on a par with the rest of the world in terms of providing advanced mobile broadband services. The International Telecommunication Union (ITU) 2016 data show that 93 out of every 100 inhabitants in Myanmar have mobile cellular subscriptions, and 55 out of every 100 inhabitants are active mobile broadband subscribers. However, only 9.2% of the population have access to 4G technology, compared with an average of 73.6% in the Asia and the Pacific region and 66.5% globally. A digital divide still exists between rural and urban areas, where urban residents are more likely to be online than rural dwellers. In almost 4 years of existence, Ooredoo Myanmar has garnered almost 17.5% of customer market share as of first quarter of 2018. Ooredoo Myanmar constantly aims to address digital divides between urban and rural areas and it will continuously expand its operations to capture the underserved rural areas. Ooredoo Myanmar also continues to engage in addressing the digital gender divide through the implementation of various programs that contribute to greater inclusion of women in the telecommunications sector. 2. Impact channels and expected systemic changes. The proposed ADB assistance will support Ooredoo Myanmar in bringing quality and affordable telecommunications services to the people of Myanmar, and will generate socioeconomic benefits through employment generation and improvement in livelihood and business activities through (i) the use of ICT; (ii) the provision of job opportunities to the men and women of Myanmar as Ooredoo Myanmar strengthens its operations, including increased job opportunities for rural men and women through engagement as retail distributors and point of sales agents; and (iii) ease of doing business through the expansion of Ooredoo Myanmar's mobile financial services known as M-Pitesan, which offer money transfers, airtime top-ups, bills payments, and e-commerce. 3. Focus of (and resources allocated in) the transaction TA or due diligence. Considering the ongoing assistance of ADB with Ooredoo Myanmar, the due diligence will focus on the implementation of environmental and social management systems (ESMS), its compliance with the requirements of ADB Safeguard Policy Statement, and the implementation of the gender action plan (GAP) designed to narrow down gender divide in Myanmar.
II.   GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? Women lag behind men in terms of digital connectivity. The continuous presence of a gender imbalance in access to the internet and other ICTs is associated with fewer number of years in education and lower levels of income of women. This situation is a growing concern in the international community and led to the inclusion of an explicit commitment to enhance the use of ICTs to promote women's empowerment, as part of the targets to be achieved in the United Nations Sustainable Development Goals.[d] The low awareness of the mobile internet and a lack of local content are issues that affect the entire Myanmar population. Focus group studies with men and women living in both urban and rural areas highlighted a gender gap in ownership and use of mobile technology. Research commissioned by Ooredoo showed that women in both urban and rural areas were dissatisfied with the quality and amount of health information available to them. Similar constraints exist in other sectors of agriculture, and banking, which significantly impact resource-poor women.

2. Does the proposed project or program have the potential to contribute 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

Ooredoo Myanmar, since its inception in 2014, has implemented programs for greater inclusion of women within its company and for its customers. An evaluation of the gender measures committed in the GAP developed in 2015 will confirm Ooredoo Myanmar's accomplishment on the gender indicators and if it is on track to achieve the targets by the end of the GAP implementation period in 2020. With the proposed project, Ooredoo will explore further contribution to narrow down gender divide in Myanmar.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
☐ Yes　⊠ No
The project will not result to adverse impact but will rather contribute to provide opportunities for growth to women and/or girls by having access to data connectivity.

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 of Ooredoo Myanmar are the employees, distributors, retail agents, and subscribers. The residents of communities near the towers and facilities that will be built are considered as affected persons.

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? Ooredoo Myanmar's ESMS provides guidance and procedures for stakeholder and community engagement. The stakeholder engagement procedures ensure that any concerns associated with the operations are reported and addressed in a timely manner.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?
⊠ (L) Information generation and sharing　⊠ (L) Consultation　　☐ Collaboration　　☐ Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed?　☐ Yes　　⊠ No
The ESMS also ensures conduct of meaningful consultations with relevant stakeholders. The project has no issues that will require participation of the poor and excluded.

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　Development of new telecommunications infrastructure is anticipated to be insignificant since most of the telecommunications towers and other telecommunications facilities were already constructed and installed in most areas throughout the country. The need for additional towers will be minimal and will be taken up on a co-sharing basis with other telecommunications providers, and only in the absence of such opportunities will new towers be established, either by Ooredoo Myanmar or the tower companies. New telecommunications towers and other telecommunications facilities will be located either on leased private lands or within government lands that are leased to the borrower on a commercial basis, through negotiations. The expansion of the fiber cable network will be done within available rights-of-way and will not trigger land acquisition or involuntary resettlement impacts.

2. What action plan is required to address involuntary resettlement as part of the transaction TA 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 Sites required for the expansion of telecommunications facilities will be leased through a negotiated willing lessor, willing lessee basis that will not result in the involuntary acquisition of land customarily owned or occupied by the ethnic groups in Myanmar. The project is not expected to trigger impacts to ethnic groups or indigenous peoples as defined in the ADB SPS.

3. Will the project require broad community support of affected indigenous communities? ☐ Yes ☒ No The project will not cause physical displacement from customary land and will not involve commercial development of cultural resources and natural resources within customary lands.

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA 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 ☒ (L) Labor retrenchment
☐ Spread of communicable diseases, including HIV/AIDS ☐ Increase in human trafficking ☐ 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? Project activities will be directly undertaken by Ooredoo Myanmar or may be outsourced to contractors. Ooredoo Myanmar will ensure that its operation as well as that of its contractors will continue to be consistent with core labor standards.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA 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 transaction TA or due diligence?

The ADB staff will carry out the due diligence process with focus on social safeguards, gender, and labor aspects of the project.

[a] ADB. 2017. *Country Partnership Strategy: Myanmar, 2017–2021*. Manila
[b] ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila
[c] ITU. 2017. *Measuring the Information Society Report – Volume II*. Geneva.
[d] ITU. 2017. *Measuring the Information Society Report – Volume I*. Geneva.