



Initial Poverty and Social Analysis

March 2020

Papua New Guinea: Civil Aviation Development Investment Project II

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 30 March 2020)

Currency unit	–	kina (K)
K1.00	=	\$0.292
\$1.00	=	K3.425

ABBREVIATIONS

ADB	–	Asian Development Bank
ANG	–	Air Niugini
CADIP	–	Civil Aviation Development Investment Program
CASA	–	Civil Aviation Safety Authority
ICAO	–	International Civil Aviation Organization
NAC	–	National Airports Corporation
NWS	–	National Weather Service
PNG	–	Papua New Guinea
PNGASL	–	Papua New Guinea Air Services Limited
RAA	–	Rural Airstrips Agency

NOTES

In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Papua New Guinea	Project Title:	Civil Aviation Development Investment Project II
Lending/Financing Modality:	Project Loan	Department/Division:	Pacific Department / Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>The Civil Aviation Development Investment Program is in line with the Government of Papua New Guinea Development Strategic Plan 2010–2030 and the National Transport Strategy, ^a which aims to establish a transport network that links all of PNG. The aviation sector is a high priority for the Government to achieve its objectives outlined in the 3rd Medium-Term Development Plan (MTDP-3) 2018–2022 that places tourism, agriculture and connectivity as central pillars to meeting its development targets. Strategic directions are provided in the National Transport Strategy, which aims to provide an affordable and equitable balance between transport services that serve PNG’s main economic sectors and those that provide reliable access to PNG’s widely distributed rural population. ADB’s country partnership strategy 2015–2020 for PNG considers transport, including civil aviation, as a strategic priority, in helping the government achieve economic growth and improve service delivery such as health and education ^b.</p>
<p>B. Poverty Targeting</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>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries. PNG is the largest developing country in the Pacific region with more than 800 different local languages spoken. With a land area of nearly 463,000 square kilometers, the population exceeds 7.5 million (2011 estimate)^c. Approximately 88% of the population—and 80% of PNG’s poor people—live in rural areas. The country ranks 156 out of 187 countries on Human Development Index. Almost 40% of the population in the country are living below the poverty line, prevalence of stunting among children remains high at 49.5% and progress on key health indicators relating to maternal mortality and communicable diseases remains deficient due to lack of access to reliable health facilities particularly in rural areas. Physical isolation and a lack of connectivity pose major challenges to expanding access to basic social services, a situation that is compounded by underlying state fragility and weak bureaucracy. Agriculture is still the main source of livelihood of the population with very little employment generated by industry. However, farmers that grow and sell trees and other cash crops remain vulnerable to fluctuations in commodity prices. The 2000 census reported that 2.4 million people were employed out of the total 5.2 million population and out of those employed 10% were in the formal wage economy while 67% were engaged in subsistence or semi-subsistence livelihoods. Population increases in the country have not been matched by an increase in formal employment.</p> <p>The project will support rural development and poverty reduction through improved airport facilities that will open avenues for trade, businesses, and services like education, health, commerce and tourism activities. Potential beneficiaries include airport and airstrip users, tourism associated industries, agricultural related industries, people living around the airport project areas/town/province, local and international business community, and nearby airport market vendors.</p> <p>2. Impact channels and expected systemic changes. The enhancement of airport facilities will boost transport service and tourism industries in general and generate employment in project areas. People living near the project sites are expected to be engaged in project-related tourism and service associated income generating activities. The project team will explore the possibility of targeting women and vulnerable members of nearby communities to sell their goods in stalls within and surrounding the airports and preferential employment opportunities during civil works.</p> <p>3. Focus of (and resources allocated in) the PPTA or due diligence. Assessments will be undertaken on social, gender and poverty issues related to the potential benefits and impacts of each of the sub-projects (airports upgrades and pilot airstrip rehabilitations). Design of the sub-projects will seek to maximise on positive benefits for women, poor households and vulnerable groups.</p> <p>4. Specific analysis for policy-based lending. The project will focus on supporting high impact and attainable policies and regulations from the National Transportation Strategy priority policy areas, mutually agreed between ADB and the</p>

government. policy actions that will have positive impacts on the poor and vulnerable groups will be assessed and given priority.

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? PNG ranks 159 out of 160 countries in the 2017 UNDP Gender Inequality Index placing them at the bottom among the countries in Asia and the Pacific.^d PNG's dualistic economy reinforces gender differences and disparities in employment. Women have lower workforce participation compared to men where men are almost twice as likely as women to have formal wage job in the formal sector—both in urban and rural areas. According to the UNDP's 2013 Human Development Report, female participation in the labor market is 70.5% compared to 74% for men.^e Women entrepreneurship and employment is an opportunity which can be explored through tourism and service industries which could be boosted through improved civil aviation. Increased mobility which extends to social services extension would also assist in enhancing health and education performance which would benefit women experiencing disparities in these services.

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 Please explain. There is a potential for women to benefit from the program through gender-inclusive design features in airport improvements. The project will promote women's proactive involvement in decision-making committees at all levels (institutional, national, provincial, community and or at LLG) to influence gender equality and women's empowerment outcomes during project design and implementation stages. Women will be encouraged to participate in job opportunities including community-based works, and airport safety activities as well as in maintenance and opportunities for income generating activities in markets within and surrounding the airports. The project will explore to support policies in the sector that encourages women's employment and promote gender-friendly workplace so that it more women become interested to work in the sector in different capacities, e.g. in leadership and technical roles.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No Please explain

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 the project include government agencies (local and provincial government and administration), community chiefs, airport and airstrip users, business community, landowners, potentially affected persons, and civil society and religious groups. During project design, the team will ensure their participation during consultations and project awareness activities.

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?

Stakeholder analysis will be undertaken to identify important stakeholders and their concerns, roles and influence in the project. Public meetings and focus group discussions will be held to communicate and consult with stakeholders, to get their views and suggestions on the proposed project and how positive impacts can be maximized.

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?

Information generation and sharing 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 shall they be addressed? Yes No The project team will explore opportunities for the creation of income generating activities within the vicinity of the airport, by consulting with affected persons and other stakeholders for consideration in the project design.

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 Airport upgrades will attempt to remain within the existing aerodrome boundary owned by the government, but there may be a need to acquire additional land at one of the airports. Some trees and/or crops planted by surrounding communities in the vicinity could be affected but it is not expected to be significant.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

<input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI The project will not have any impact on distinct and vulnerable groups of indigenous peoples as defined by ADB SPS. Initial due diligence will be conducted on the need for the preparation of an IPP/DDR given that the land used for the airstrips to be rehabilitated may be on customary land.</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</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 checked="" type="checkbox"/> Indigenous peoples plan (TBD) <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L) <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? Within the bidding documents, contractors will be required to engage the use of local labor for skilled and unskilled work. Compliance with national labor laws and regulation will also be a requirement. The implementing agency will also ensure that the contractor to be engaged will take the appropriate measures to prevent the spread of communicable diseases and HIV/AIDS through trainings among the workers and surrounding communities.</p>
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT
<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? Social development and gender specialist (international and national) will be engaged during the project preparation.</p>

ADB = Asian Development Bank; PNG = Papua New Guinea; TBD = to be determined; UNDP = United Nations Development Programme.

^a Government of Papua New Guinea, Department of Transport. 2013. *National Transport Strategy*. Port Moresby.

^b ADB. 2010. *Country Partnership Strategy: Papua New Guinea, 2015–2020*. Manila.

^c Government of Papua New Guinea, National Statistical Office. 2011. Demographic Indicators. <http://www.nso.gov.pg/index.php/population-and-social/demographic-indicators#total-population>

^d UNDP. 2019. Human Development Reports, Gender Inequality Index. <http://hdr.undp.org/en/composite/GII>

^e UNDP. 2013. Human Development Report. <http://hdr.undp.org/en/2013-report>