



# Initial Poverty and Social Analysis

---

December 2019

## PHI: Sustainable Tourism Development Project

This document is being disclosed to the public in accordance with ADB's Access to Information Policy.

Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 18 November 2019)

Currency unit	–	peso (PHP)
PHP1.00	=	\$0.0198
\$1.00	=	PHP50.58

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
CPS	–	Country Partnership Strategy
DOT	–	Department of Tourism
IP	–	indigenous peoples
O&M	–	operation and maintenance
PDP	–	Philippine Development Plan
PHCO	–	Philippine Country Office
SEEN	–	Energy Division
SEER	–	Environment, Natural Resources & Agriculture Division
SEHS	–	Human and Social Development Division
SEPF	–	Public Management, Financial Sector, & Trade Division
SETC	–	Transport and Communications Division
SEUW	–	Urban Development and Water Division
SURF	–	Southeast Asia Urban Services Facility
TA	–	technical assistance

## **NOTE**

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

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Philippines	Project Title:	Sustainable Tourism Development Project
Lending/Financing Modality:	Project	Department/Division:	SERD/SEUW, SEHS, SEEN, SEER, SEPF, SETC, and PHCO

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project will contribute to the poverty, income inequality and unemployment reduction objectives of the Philippine Development Plan (PDP) 2017-2022. The PDP targets include: (i) reducing the overall poverty rate from 21.6% to 14%; (ii) increasing per capita income from \$3,550 to \$5,000; and (iii) reducing the unemployment rate from 5.5% to between 3% and 5%. Tourism has been identified as a priority sector for contributing towards the achievement of these targets, given its ability to generate significant new employment and business creation opportunities. As part of the national poverty reduction strategy, the National Tourism Development Plan 2017-2022 seeks to increase the competitiveness of the country's tourism product targeting nine cluster gateways. In addition, the project aims to support the government's plans to ensure sustainable and competitive development of its priority tourism development areas by adopting an integrated approach towards tourism and urban development in the rapidly developing tourism municipalities of Coron and El Nido.

The project is aligned with the Philippine Country Partnership Strategy (CPS) 2018-2023 that supports policy reforms, institutional capacity development, and financing investments that promote high and inclusive growth. In particular, the project will contribute to the second pillar of the CPS, namely, promoting local economic development through local governance policy reforms, capacity development, urbanization and regional connectivity and disaster risk management and finance.

#### B. Poverty Targeting

General intervention  Individual or household (TI-H)  Geographic (TI-G)  Non-income MDGs (TI-M1, M2, etc.)

The project will contribute to poverty reduction directly through initiatives designed to increase the participation of poor rural households (80% of all poor households in the municipalities), particularly those in the geographic environs of the major gateways – airports and seaports in El Nido and Coron in the tourism sector supply chain and indirectly through developing urban areas, improving environmental sustainability, developing human capital and enhancing public governance for tourism and services infrastructure planning, financing, development and operations and maintenance.

#### C. Poverty and Social Analysis

##### 1. Key issues and potential beneficiaries.

Key poverty issues in the project areas are manifested by limited access to piped drinking water, very limited sanitation services, no septic tank cleaning and pumping service, inadequate solid waste management, and poor health services. According to the Poverty Statistics of the Philippine Statistics Authority, and the Community-Based Monitoring System for Coron and El Nido of Department of Interior and Local Government, the poverty rates are 33.4% in Coron and 57.5% in El Nido, compared to the national poverty rate of 27.6% in 2015. It is expected that the key beneficiaries of the project will be the residents, business owners and operators of the participating municipalities and their towns. The key issues to be addressed will be the provision of accessible and affordable urban infrastructure and services including health services, sustainable management of marine resources that support tourism, enterprise development and opportunities for employment and income generation, particularly for poor households and female-headed households and out of school children.

##### 2. Impact channels and expected systemic changes.

The project will facilitate increased access to urban services for the residents of the participating towns. It will assist in sustainable management of natural resources that are the backbone of the tourism industry in Coron and El Nido, and provide private sector-led skills development for small and medium sized enterprises. It will provide inclusive employment opportunities and potentially more sustainable economic investments given the basic infrastructure, governance structure, and better-trained labor would be in place. Affordability and accessibility to basic urban services is a key issue that will need to be addressed, particularly for the poor and female-headed households where income is often a constraint. Poor and vulnerable households are often located in low lying areas, where there are higher risks associated with flooding, and where access to basic services are limited. Poor and vulnerable households also tend to be dependent on natural resources which would benefit from inclusive management and sustainable tourism practices so that the resources can be used in a more sustainable manner. To facilitate access to services, the project will incorporate, where practical, pro-poor and social inclusion design features, such as the provision of affordable wastewater connections, or strong community engagement in solid waste management and natural resources management.

3. Focus of (and resources allocated in) the transaction technical assistance or due diligence.

The transaction technical assistance facility, Southeast Asia Urban Services Facility (SURF) will support the project preparation. It will carry out a poverty and social impact assessment (including gender impact assessment), which will involve a comprehensive city/project area survey, community consultations on gender, poverty, and ethnic minority related impacts and benefits of the project.

## 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?

Minimal and/or unreliable access to water and sanitation services disproportionately affects the women of Coron and El Nido due to their primary roles as caregivers to family members including the young, old and sick. Time spent by women in water collection and waste management activities is time taken from potential economic or productive opportunities. Further, traditional roles often extend to the workplace where women bear the responsibility for water collection, hygiene, sanitation and waste management in kindergartens, schools, health centers and hospitals, etc. Low quality water and sanitation services also increase the incidence of water-borne diseases and thus household expenditures on medicine and medical fees.

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

The project will consider: (i) current access to services and the differential impacts upon males and females, indigenous peoples (IP) and vulnerable groups; (ii) level of women's participation, representation and benefit from urban planning, urban development, solid waste management, and management of marine natural resources; (iii) involvement and/or opportunity of women and IP to engage in service delivery, financial management, operations and maintenance during and post-civil works; (iv) women participation in skills development/training programs for the tourism sector; and (v) staff composition in the provincial and municipal government in planning, technical and management capacities, including opportunities, availability and access to training to female staff. Other potential gender designs will be considered and evaluated during the due diligence assessments and design of the project's gender action plan (GAP) will be prepared during the project preparation phase.

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

Yes  No

No adverse impacts are anticipated. Any potential adverse impacts will be identified during the project preparation and mitigated through appropriate project design measures.

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 are the national, provincial and local governments, private sector companies and communities as beneficiaries of the tourism and urban services. The negatively affected people will be those who may lose lands for the infrastructure development for the project. Surveys will be conducted to inform the development of the urban development strategy. Workshops will also be hosted for their participation to discuss the urban development strategy.

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?

The project will include gender mainstreaming activities and opportunities to promote employment of the poor and females and their participation in decision making and representation in the water and sanitation sector, management of natural resources, and enterprise development. Affordability for the urban services, governance structure of natural resources, and enterprise development for the tourism sector are areas where the project design will address the differential needs and opportunities of females, poor and IPs to maximize participation and project outcomes.

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?

H Information generation and sharing M 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 key issues that will need to be addressed will be during the identification of the specific project activities including ensuring equitable access to services, infrastructure and mitigation measures to manage the diverse needs of project stakeholders and also how (if any) resettlement, IPs and environmental impacts will be addressed.

As part of the project preparation, The Southeast Asia Urban Services Facility technical assistance will carry out an affordability assessment to ensure the accessibility of the project benefits to the identified vulnerable groups, including and poor and ethnic minorities (if relevant).

#### 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

The project will involve the construction of infrastructure, such as water treatment plants, wastewater treatment plants and solid waste landfills and there may be a need to address temporary and permanent resettlement impacts due to land acquisition. Particularly, an area for a 5-hectare sanitary landfill is proposed in Coron to be acquired from the IPs who reportedly claim customary rights over the site. The extent of the impacts due to resettlement and land acquisition will be determined and confirmed during the project preparation stage. At this stage the project is proposed to be categorized as A for involuntary resettlement, which will be reviewed once the subproject requirements have been confirmed.

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

An area for a 5-hectare sanitary landfill is proposed in Coron to be acquired from the IPs who reportedly claim customary rights over the site. The extent and significance of the impact will be confirmed during the project preparation.

3. Will the project require broad community support of affected indigenous communities?  Yes  No

It is unlikely that the project will involve any commercial development on traditional and customary lands, physical relocation from customary lands, or commercial development of cultural resources and knowledge of IPs. The community will be involved through consultation and community participation during the project preparation phase.

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  Adhering to core labor standards  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?

Social issues and risks will be assessed as part of the project preparation. Any issues identified will be mitigated through appropriate design measures.

#### 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 TA team will comprise: an international senior resettlement specialist (2.5 person-months), an international indigenous peoples specialist (3 person-months), an international senior social development and gender specialist (1.35 person-months), a national resettlement expert (6 person-months), a national indigenous people specialist (3.5 person-months) and a national social and gender expert (3.3 person-months).