



# Initial Poverty and Social Analysis

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## Papua New Guinea: Highlands Region Road Improvement Investment Program (Phase 2)

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Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 24 June 2020)

Currency unit	–	Kina
K1.00	=	\$ 0.288
\$1.00	=	K3.460

## ABBREVIATIONS

ADB	–	Asian Development Bank
CSO	–	civil society organization
DOW	–	Department of Works and Implementation
GoPNG	–	Government of Papua New Guinea
MFF	–	multitrance financing facility
MTDP	–	Medium-Term Development Plan
NGO	–	nongovernment organization
HIES	–	household income and expenditure survey
PARD	–	Pacific Department
PATC	–	Pacific Transport and Communications Division
PNG	–	Papua New Guinea
UNDP	–	United Nations Development Programme

## NOTE

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

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:  Project Title:

Lending/Financing Modality:  Department/Division:

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Highlands Region Road Investment Program (Phase 2) is in line with the Government of Papua New Guinea (GoPNG) Development Strategic Plan 2010–2030 and the National Transport Strategy<sup>a</sup>, which aims to alleviate rural poverty in geographically isolated remote areas where there is no access to socioeconomic opportunities via land and other transport means. Land transport is a high priority for GoPNG to achieve its objectives outlined in the 3<sup>rd</sup> Medium-Term Development Plan (MTDP-3) 2018–2022 that places tourism, agriculture and connectivity as central pillars to meeting its development targets.<sup>b</sup> 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. The country partnership strategy 2016–2020 of the Asian Development Bank (ADB) for PNG<sup>c</sup> considers transport as a strategic priority, in helping the government achieve economic growth and improve service delivery such as health and education.

#### B. Poverty Targeting

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-M1, M2, etc.)

#### C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** PNG is one of the most diverse countries in the Pacific region with more than 800 different local languages spoken and a population of 7.5 million (2011 estimate)<sup>d</sup> spread across some of the world's most difficult terrain. Approximately 88% of the population—and 80% of PNG's poor people—live in rural areas. PNG ranks 155 out of 189 countries in 2019 Human Development Index.<sup>e</sup> An important characteristic of poverty in PNG is the large geographical disparities which exist between and within provinces, and in particular the heavy concentration of poverty in rural areas of the country. Based on the 2009–2010 HIES analysis and estimated poverty lines, approximately 37.5% of national poverty exists in the Highlands region, with 29.0% in the rural Momase region, and 15.2% in the Islands region. Over two-thirds of the poverty in PNG are located in just two areas – the Highlands region and the rural sector of Momase region.<sup>f</sup> Further, comparison of headcount poverty rate in the Highlands region between 1996 to 2009/10 shows an increase from 40% to 42% respectively.<sup>g</sup> The prevalence of stunting among children in the country remains high at 49.5% and progress on other key health indicators such as maternal mortality rate and communicable diseases remains below the average for middle income countries. The limited access to basic social services such as health and education is compounded by underlying state fragility and weak bureaucracy. Agriculture, whether for subsistence and cash is still the main source of employment of the population with very little employment generated by industry. An average family or sub-clan in the Highlands region may have up to 5–7 hectares of productive land divided into five food gardens averaging 1.5 hectare per food garden that are used to cultivate a range of food and cash crops. However, concentration on subsistence farming and lack of access to commercial farming and markets have prevented the population to maximize economic gains from agriculture.

The lack of access to transport infrastructure within the country has been identified as a major driver of poverty especially in rural areas.<sup>h</sup> For instance, remoteness and the inaccessibility of roads has been found to be the primary determining factor of village income levels and poverty. The poorest communities in PNG must travel 75% longer than the non-poor to access the closest mode of motorized transportation. The average rural resident on the New Guinea coast must walk 90 minutes to reach the nearest road, while in the Highlands region the average walk to the nearest road is more than 4 hours. Studies have also found that when the government improved the length and quality of the road network in the Highlands during the mid-to-late 1970s, it was the single most important factor in increasing cash incomes and reducing poverty in that area throughout the early 1980s. As about 90% of the labor force works in the agriculture and natural resources sector, expanding people's access to market opportunities and social services through enhanced national infrastructure networks is critical to reducing poverty and income inequality.

2. **Impact channels and expected systemic changes.** The program will improve services on education, health and other social and public services from greater access and accessibility from improved Highlands core road network. It is also expected to provide economic benefits from income-generating activities such as increased production and greater diversification of crops, growth in raising livestock, increase in commercial activities and demands for new goods and services facilitated by improved transport and mobility. The program will likewise include a poverty and social component to directly address the issue of poverty reduction and social inclusion among the project beneficiaries. This will include physical and non-physical interventions that would improve the socio-economic welfare of the communities.

3. **Focus of (and resources allocated in) the TRTA or due diligence.** Assessment will be undertaken on social, gender and poverty issues related to the potential benefits and impacts of the program. Design features to be considered will ensure social inclusiveness such as how the poor households, women and other vulnerable groups will be given opportunities to benefit from the program.

## 4. Specific analysis for policy-based lending. N/A

**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'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 UNDP, female participation in the labor market is 69 percent compared to 70.8 percent for men.<sup>1</sup> Yet although women are substantially underrepresented in almost all areas of formal sector employment, PNG's annual food production has been largely the responsibility of women valued at \$55 million per year. In the Highlands region most women are engaged in small-scale animal husbandry (mainly pigs, goats, and chickens), fresh food production and marketing, along with some export cash crops such as coffee and, in the Markham Valley, cocoa and coconuts. Women do most of the planting, weeding and harvesting of food crops and also make significant contributions to coffee gardens and other cash crops. However, they often do not have land ownership rights and are mostly dependent on their husband's clan groups. Women walk long distances every day to their gardens, to markets, collecting firewood, and fetching drinking water, as well as providing almost all the cooking and childcare. The lack of basic road access disproportionately constrains poor rural women in reaching markets, using health services and other basic services. It amplifies their workload in carrying products, food, wood or even clean water. Women are less engaged than men in township employment and migration to cities, due to their primary responsibility of care for young and old and household maintenance duties. Violence against women and girls is widespread. Women often cannot afford transport fares, and public transport is often unsafe, since women and girls are often victims of robbery and physical or sexual assault. Recent studies show that markets, bus stops, and parking lots are spaces with high levels of violence against women, particularly by young men.<sup>1</sup> Gender inequality in the country's healthcare system is demonstrated by (i) high percentage of women with an unmet need for contraception (under 50%)<sup>k</sup>, (ii) high maternal mortality rate (215 per 100,000) and high infant mortality rate (43.8 per 1,000 live births), (iii) low rate of supervised deliveries in health facilities (40%)<sup>l</sup>, and (iv) limited skilled professionals supervising deliveries.

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.

Due diligence for the program will explore supporting women and girls in the following ways: (i) Gender sensitive road design features will support safer pedestrian access (a key way that women and girls travel). In addition, gender sensitive road design features will address challenges that women face in using the road (e.g. lighting to address safety concerns). 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. (ii) Campaigns and trainings for communities along the road. These will focus on priority gender issues and could include social norms change campaigns focusing on violence against women and girls; training on menstrual hygiene; sexual and reproductive health information etc.; (iii) Support to community health clinics so that women have better access and service. This could include training on maternal health, gender-based violence, sexual and reproductive health etc. Health facilities will also be upgraded to better meet the needs of women and girls e.g. more confidential spaces for disclosing sensitive issues such as gender-based violence, (iv) Improvements to market access and livelihood support. Most of the women in the project areas are engaged in agricultural activities, and they will be the main beneficiaries of improvements in market access, gender sensitive market design and other livelihood support and; (v) Supporting women's access to income and employment through involving women in construction and road maintenance and supporting women in technical and leadership roles within DOW.

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 program include government agencies (local and provincial government and administration), community chiefs, road users, business community, international non-government organizations (NGOs), national civil society organizations (CSOs), women's groups, farmers' cooperatives and other community groups and potentially affected persons. 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 such as poor and vulnerable groups and their concerns, roles and influence in the program. Public meetings and focus group discussions will be utilized to communicate and consult with stakeholders, to get their views and suggestions on the proposed program and how its benefits to them could 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? CSOs such as women's groups, youth groups, and churches will be identified at local level and included in consultations including in consultations for a national road safety strategy/plan. These CSOs will provide channels for communication with affected communities to ensure wider understanding of the potential impacts and opportunities from the program.

Information generation and sharing (H)  Consultation (M)  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 Opportunities for income generating activities will be consulted with the affected persons and take into account into the program 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 Road improvement works will be undertaken along existing road carriageways. There will be land acquisition requirements, as well as minor physical and economic displacement impacts for each subproject.

2. What action plan is required to address involuntary resettlement as part of the TRTA 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 The project will not have any impact on distinct and vulnerable groups of indigenous peoples as defined by ADB SPS.

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

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

4. What action plan is required to address risks to indigenous peoples as part of the TRTA 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 (L)  Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS (L)  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? Contractors will engage the use of local labor for skilled and unskilled work. Compliance with national labor laws and regulation will be observed. The implementing agency will also ensure that the contractor or a non-government organization will be engaged to take the appropriate measures to prevent the spread of communicable diseases, including the coronavirus disease (COVID-19) and HIV/AIDs, through trainings among the workers and surrounding communities.

#### VI. TRTA OR DUE DILIGENCE RESOURCE REQUIREMENT

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

Gender and Social Development Specialist (international and national) will be engaged during the project preparation.

<sup>a</sup> Department of Transport (DOT). 2013. *National Transport Strategy*. Port Moresby.

<sup>b</sup> Department of National Planning and Monitoring. 2018. *Medium-Term Development Plan III 2018–2022*. Volume 1. Port Moresby.

<sup>c</sup> ADB. 2015. *Country Partnership Strategy: Papua New Guinea, 2015–2020*. Manila.

<sup>d</sup> National Statistical Office: Papua New Guinea. Accessible at [http://www.nso.gov.pg/index.php/population-and-social/demographi indicators#total-population](http://www.nso.gov.pg/index.php/population-and-social/demographi%20indicators#total-population).

<sup>e</sup> UNDP. 2019. *Human Development Report 2019*. New York.

<sup>f</sup> Gibson, John. 2012. *Papua New Guinea Poverty Profile Based on the Household Income & Expenditure Survey 2009–2010*. Technical Report. Port Moresby

<sup>g</sup> Ibid.

<sup>h</sup> This paragraph is drawn from ADB. 2015. *Country Partnership Strategy: Papua New Guinea 2016–2020*. Manila.

<sup>i</sup> UNDP 2018. *Human Development Indices: 2018 Statistical Update. Briefing note for countries on the 2018 Statistical Update*. Available at [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/PNG.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/PNG.pdf).

<sup>j</sup> United Nations. 2012. *Making Port Moresby Safe for Women and Girls: Report on Scoping Study Findings. UN Women PNG and Safe Cities Free of Violence Against Women and Girls Global Programme*. Port Moresby.

<sup>k</sup> World Health Organization. [Papua New Guinea Statistics Summary \(2002–present\)](#).

<sup>l</sup> Government of Papua New Guinea, Department of Health. 2017. *2016 Sector Performance Assessment Report*. Port Moresby.