

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Nepal"/>	Project Title:	<input type="text" value="SASEC Roads Improvement Project"/>
Lending/Financing Modality:	<input type="text" value="Project"/>	Department/ Division:	<input type="text" value="South Asia Department/ Transport and Communications Division"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

As a landlocked country with more than 70% mountainous terrain, land transport plays a key role in Nepal's economic and social development. Road transport accounts for almost 90% of the country's passenger and freight transport. Government has placed high priority in improving access and connectivity between rural and urban areas and expanding the strategic road network (SRN). The Project is consistent with the strategic objective set out in the Country Partnership Strategy (2013-2017), enhancing connectivity to facilitate regionally balanced economic growth. The Project is expected to have significant developmental impacts on economic growth, and delivery of infrastructure and social services to the population are instrumental for poverty alleviation.

B. Poverty Targeting:

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

The proposed Project will improve infrastructure supporting the economic development of communities in the project area. At a regional level, economic activity stemming from agriculture, industries, and tourism will benefit due to more reliable and cheaper transport. At a local level, communities will have improved access to commercial, public and social services, such as better quality health and education facilities.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Potential beneficiaries include inhabitants of the project area who are involved in agriculture, non-agricultural labor, trade and business, and services.

2. Impact channels and expected systemic changes. The poor and vulnerable will benefit from the project roads, which will increase new economic and employment opportunities by improving linkages to commercial facilities. Improved connectivity will help rural population transport their produce faster and receive higher profit margins. There will also be improved access to public and social service facilities such as government agencies, health centers, and schools. Provisions are in the bidding documents for the civil works contracts to comply with core labor standards. There are special provisions for the vulnerable displaced households in the entitlement matrix provided in the resettlement plans.

3. Focus of (and resources allocated in) the PPTA or due diligence. The poverty, social, and gender analysis will be financed by Grant 0227-NEP: Transport Project Preparatory Facility and Project Advance Preparation, including the preparation of the resettlement plan documents based on detailed design.

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?

At the project preparatory stage, sex-disaggregated data on relevant socioeconomic indicators will be collected, with focus on the needs, demands, and constraints faced by the poor, women and vulnerable groups in the project area, in terms of their equitable access to the benefits and opportunities associated with road and land custom station construction. The poverty and social assessment will evaluate the health and social risks associated with the infrastructure project, like HIV/AIDS and human trafficking. Both physical and non-physical design features will be explored.

The EA will be required to ensure that women and men are given equal opportunities for employment on the project. Contractors will be required to ensure equal payment for equal work; a specific clause will be included in the bidding documents of the civil works. Monitoring mechanisms will be developed to check these actions in due course. Potential practical and implementable gender-specific initiatives will be explored during due diligence.

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.

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.

Department of Roads, local administrative centers, NGO involved in transport and environment sectors, other development partners active in the transport sector, local residents, community groups, commercial services and businesses, and tourists.

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?

Workshops, community mobilization, and consultation conducted for discussion on the potential needs of the community, social-related issues such as gender, HIV/AIDs, human trafficking, child labor, environment, and social safeguard issues.

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?

H Information generation and sharing **H** Consultation **N** Collaboration **L** 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

Poor and excluded affected persons impacted by land acquisition are consulted and surveyed. Additional assistance and provisions such as livelihood rehabilitation have been outlined in Resettlement Plans.

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 Resettlement will be avoided to the extent possible. All resettlement plan documents will be prepared in accordance to ADB's SPS and national regulation.

2. What action plan is required to address involuntary resettlement as part of the PPTA 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

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 PPTA 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?

L Creating decent jobs and employment **L** Adhering to core labor standards **L** Labor retrenchment
M Spread of communicable diseases, including HIV/AIDS **L** Increase in human trafficking **L** Affordability
L Increase in unplanned migration **L** Increase in vulnerability to natural disasters
L Creating political instability **L** Creating internal social conflicts

2. How are these additional social issues and risks going to be addressed in the project design?

Spread of communicable diseases, including HIV/AIDS. The Project will develop mechanisms to address the social issues identified during the social and poverty assessment. No significant negative impacts are anticipated.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

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?

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 PPTA or due diligence? Resettlement/social development consultant has been included in Grant 0227-NEP: Transport Project Preparatory Facility. TOR includes resettlement planning, conducting poverty and social analysis, including a focus on gender issues.