

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bhutan	Project Title:	Improved Urban Environmental Infrastructure Project
Lending/Financing Modality:	Sector Loan	Department/ Division:	South Asia Department/Urban Development and Water Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The new CPS^a, covering the period of 2014-2018, will assist Bhutan in achieving its goal under the 11th Five Year Plan (FYP) of enhancing self-reliance and inclusive green socio-economic development by focusing on ADB's complementary strategic agendas: inclusive economic growth, environmentally sustainable growth, and regional cooperation and integration (RCI). The 11th FYP stresses the need to focus on developing economic, social, and cultural infrastructure to ensure that development is spread equitably across the country and in an environmental sustainable manner. Water has been given a special focus in the 11th FYP in view of its importance for the basic survival of all living beings and the target is to ensure all settlements have 100 percent water supply 24 hours a day. The new CPS reflects these goals with targeted assistance to regional centers across the country with environmental sustainable urban infrastructure development.

B. Targeting Classification

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

The project has a direct impact on the non-income dimension of poverty as represented in MDG 7 (environmental sustainability). The project involves the use of integrated approaches to urban infrastructure planning and development to sustain urban services and improve urban environmental sustainability. This includes securing long term and increasing coverage to water supply, improving sanitation facilities and managing floods.

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** Citizens of the 9 regional centers and strategic towns primarily along the southern east-west corridor of Bhutan will be the primary beneficiaries of the project. The poor and socially excluded will benefit from enhanced urban services.
2. **Impact channels and expected systemic changes.** The project promotes regional balanced growth and those that have been excluded in current development activities (especially in the east and central west of Bhutan) will directly benefit. Through enhancing urban services by improving the safety, reliability and quality of water supply, sanitation, urban roads and stormwater infrastructure (to manage floods) the citizens will have access to better and affordable services.
3. **Focus of (and resources allocated in) the PPTA or due diligence.** The PPTA allocates 3 person months for a social development and poverty specialist and 3 person months for a safeguards specialist.
4. **Specific analysis for policy-based lending.** Not applicable.

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?** Women and the poor suffer from limited water supply and poor sanitation facilities resulting in limited employment opportunities and health risks. Further as a result of floods, women and the poor are affected the most as loss to livestock and livelihood assets are destroyed. There is also limited participation of women in planning and decision making related urban 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 A gender action plan will be prepared during the PPTA.

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

Yes No

4. **Indicate the intended gender mainstreaming category:**

GEN (gender equity theme) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT
<p>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Stakeholders include the residents of the proposed 9 towns, relevant central government agencies, local government agencies, community leaders/ representatives and organizations, non-governmental organizations and donors.</p> <p>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, focus group discussions and key informant interviews will be conducted with stakeholders with separate sessions amongst the poor and vulnerable. Information about the project will be provided and discussed in detail during these sessions.</p> <p>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? <input checked="" type="checkbox"/> Information generation and sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Indicative infrastructures under the project are from structural and local area plans. Initial consultation with the Government indicates that these will be on vacant government land. The PPTA will assess each of the potential sites to determine actual IR impacts.</p> <p>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 checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</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. Indicative infrastructures under the project are mostly within the core urban areas.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No. Impacts on indigenous peoples are not anticipated.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" 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? <input type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <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? The project will include dissemination on HIV/ AIDS and STDs for non-local labor and communities in and around the construction sites. Safeguards and contract documents will stipulate the requirement to adhere to core labor standards.</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? The PPTA allocates 3 person months for a social development and poverty specialist.</p>

^a The new CPS (2014-2018) is currently under preparation. A CPS consultation mission was held from 21-23 October 2013.