



Initial Poverty and Social Assessment

Project Number: 42911
August 2008

REG: Islamic Asia Infrastructure Fund

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title: **REG: Islamic Asia Infrastructure Fund**

Lending/Financing Modality: **Equity Investment** Department/ Division: **PSOD/PSCM**

I. POVERTY ISSUES

A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy³

1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

Building physical infrastructure is a precondition for sustained growth and requires substantial investment. The state of available infrastructure (power, transportation, water and sanitation, and telecommunications sectors) in the Fund's focal countries (Afghanistan, Azerbaijan, Bangladesh, Indonesia, Kazakhstan, Kyrgyz Republic, Malaysia, Maldives, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan) is often poor. Development of infrastructure is a key element of each focal country's poverty reduction strategy.

B. Targeting Classification

1. Select the targeting classification of the project:

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

2. Explain the basis for the targeting classification: Improving the quality and availability of key infrastructure is part of any pro-poor development strategy. The Project would help improve critically needed power, transport, water and sanitation, and telecommunications infrastructure in the twelve focal countries.

C. Poverty Analysis⁴

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed? N/A

2. What resources are allocated in the PPTA/due diligence? N/A

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? Tariffs and other user fees are set by each of the focal countries' relevant Government offices.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project? The Project will have beneficial impacts on both urban and rural populations. The urban poor, who are often most vulnerable to environment-induced diseases and are least capable of paying for adequate medical attention, will benefit from improved water supply and sanitation services. The rural poor will benefit from improved transportation services, which will allow easier mobility and access to markets and suppliers. Civil works construction may also generate jobs for the local community.

2. What are the potential needs of beneficiaries in relation to the proposed project? None.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them? None.

B. Consultation and Participation

1. Indicate the potential initial stakeholders. The Project is an equity investment in a fund, and no specific infrastructure investments have been identified for financing by the fund. Stakeholder identification will be undertaken at the project level.

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)? The Project is an equity investment in a fund, and no specific infrastructure investments have been identified for financing by the fund.

3. What level of participation is envisaged for project design?

Information sharing Consultation Collaborative decision making Empowerment⁷

4. Will a C&P plan be prepared? Yes No Please explain.
 Consultation and participation activities for future investments will be outlined in the relevant project document.

C. Gender and Development

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?
 The Project is an equity investment in a private equity fund, and no specific infrastructure investments have been identified for financing by the fund. Gender assessment will be undertaken at the project level.
2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?
 Yes No Please explain. The Project is an equity investment in a private equity fund, and no specific infrastructure investments have been identified for financing by the fund.
3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?
 Yes No Please explain. The Project is an equity investment in a private equity fund, and no specific infrastructure investments have been identified for financing by the fund.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS¹¹

Issue	Nature of Social Issue	Significant/Limited/No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	The Fund may finance future investments that may involve land acquisition and resettlement.	Not known, but potentially significant.	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input checked="" type="checkbox"/> Resettlement Framework (Social Safeguards Framework) <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Indigenous Peoples	The Fund may invest in infrastructure projects located in areas where indigenous peoples may be affected.	Not known, but potentially significant.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> Indigenous Peoples Framework (Social Safeguards Framework) <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	Civil works may generate employment opportunities for the local communities.	No impact.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	None.	No impact.	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	None.	No impact.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s?
 Yes No If no, please explain why. Qualified ADB staff will conduct due diligence on social issues.
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence?
 Yes No If no, please explain why. Qualified ADB staff will conduct due diligence on social issues.