

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Nepal	Project Title:	Tribhuvan International Airport Capacity Enhancement Investment Program
Lending/Financing Modality:	Loan	Department/ Division:	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

Given the challenging terrain and land-locked nature of Nepal, air transport connectivity is essential to ensure accessibility to the outside world as well as to remote areas in the country, which are otherwise inaccessible by road. Nepal has only one international airport, Tribhuvan International Airport (TIA), which is not only the main international gateway, but also the largest domestic airport in the country. TIA's facilitation of domestic travel is significant, representing about 75% of its total air traffic movements. The airport's role in facilitating the access of goods and services within and outside Nepal is fundamental – and thus is its contribution to the country's social and economic development. TIA and in particular the international terminal, however, is already nearing its maximum capacity. It is in this perspective that this project proposes to improve TIA's capacity through the construction of additional airside facilities and the operational capacity of the Civil Aviation Authority of Nepal (CAAN).

The project is in line with the Three-Year Plan (FY2014–FY2016), which objective is to achieve sustainable, broad-based, inclusive economic growth. The plan aims to develop energy, transport, and urban services infrastructure as a means to underpin growth and inclusion. While large sections of the population lack access to services and economic opportunities, improvement of transport infrastructure will increase connectivity, provide greater access to basic services and markets, and promote tourism and trade. The plan includes the improvement of air transport capacity and the expansion of the strategic and rural road networks to achieve the objective. The investment program is included in the 2016-2018 Country Operations Business Plan as a firm lending product from ADF in 2017.

B. Targeting Classification

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

Although the country has made significant progress in poverty reduction, poverty rates remained at 25% in 2010/2011. By improving air connectivity, and in turn the development of key sectors vital to the national economy such as trade and tourism, the investment program will contribute to economic growth. Moreover, it will support social development by facilitating access to remote areas.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Landlocked Nepal faces unique connectivity challenges and improvement of air traffic movement will support its socio-economic development. Key beneficiaries will be air transport users, including Nepali residents and migrant workers, international and domestic tourists, the Ministry of Culture, Tourism and Civil Aviation, CAAN and national and international businesses, particularly in the tourism and trade sectors.

2. Impact channels and expected systemic changes. Improved air traffic services will boost economic opportunities by improving linkages with employment and business opportunities outside and across the country. It will also facilitate access to the capital from remote areas.

3. Focus of (and resources allocated in) the PPTA or due diligence. The improvement of TIA operation will put more emphasis on profitable operations, usually favoring international air traffic movements. Without the capacity enhancement efforts to be supported by the investment program, the domestic air traffic movements to sparsely populated areas may be reduced to improve the airport business. At appraisal of the investment program, due diligence on poverty and social aspects will be conducted to assess whether domestic air traffic movements, which are important to vulnerable remote areas will likely be adversely affected. If negative effects are expected, the mitigation measures or alternative arrangements will be examined.

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?

A gender analysis, based on consultations with the executing agency, female staff and users, will be undertaken. Gender-friendly design features—if relevant to the proposed civil works—as well as ways to encourage female participation in civil works will be assessed during appraisal. Provisions will be included in the contracts to ensure compliance with the core labor standards of non-discrimination and equal pay for equal work.

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

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

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

Air transport users, MOCTCA, CAAN, commercial services and businesses are the main beneficiaries. Development partners active in the transport sector and the business community at large are other important stakeholders.

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?

Consultations will be held to identify the needs of airport staff and users and in particular those of vulnerable groups, such as people with disabilities.

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 **M** Consultation **N** Collaboration **N** 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

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 civil works under the investment program will be undertaken only within the current airport boundary and thus physical and resettlement impacts are not expected.

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

The civil works under the investment program will be undertaken only within the current airport boundary and thus there is no impact on indigenous people or tribal land.

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

II. 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 **M** Adhering to core labor standards **L** Labor retrenchment
M Spread of communicable diseases, including HIV/AIDS **L** Increase in human trafficking **L** Affordability
M 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?

Adhering to core labor standards. The bidding and contractual documents will include provisions to ensure compliance with core labor standards - in particular the prohibition of child and bonded labor, including for subcontractor. A monitoring mechanism will be developed by the construction supervision consultant to ensure compliance with core labor standards closely.

Spread of communicable diseases, including HIV/AIDS. The bidding documents of civil work will include clauses to prevent the spread of communicable diseases at construction sites.

Migrant labor: the project's impact on an increase in migrant labor using the improved airport will be assessed during the social due diligence.

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 (vi) other social risks. Are the relevant specialists identified?

Yes No

The civil works will be undertaken within the boundary of TIA, thus no serious negative issues are anticipated.

3. 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?

Necessary analysis will be conducted by ADB staff based on experiences in past ADB-funded airport projects in Nepal and updated information to be provided by the government. Consultant services will support consultations and the preparation of the gender analysis.