

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Bhutan	Project Title:	South Asia Subregional Economic Cooperation Road Connectivity Project
Lending/Financing Modality:	Project	Department/Division:	South Asia Department Transportation and Communications Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Targeting classification: general intervention
A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy
<p>The Government of Bhutan has established a strategy for achieving the goals set out in its long-term vision document, Bhutan 2020.^a The government accords high priority to improving transport infrastructure. This is a prerequisite for improving rural access to economic opportunities and basic social services such as health care and education. It is also central to the government's poverty reduction strategy of diversifying the national economy from overdependence on hydropower development and better integrating it to boost employment and improve the environment for private sector participation, particularly in tourism and high-value agriculture.</p> <p>The South Asia Subregional Economic Cooperation Road Connectivity Project and its outcome are consistent with the strategic objective of the Asian Development Bank (ADB) interim country partnership strategy (CPS) for 2012–2013 to help Bhutan's government achieve broad-based economic growth.^b This will also be the objective of the CPS for 2014–2018, which is now being prepared. ADB will continue to help the government enhance the main road network. Under the new CPS, ADB will also support the government's efforts to boost international and regional trade.</p>
B. Results from the Poverty and Social Analysis during PPTA or Due Diligence
<p>1. Key poverty and social issues. Many of Bhutan's people live in remote and isolated locations, and the challenges this poses in terms of their mobility and access to economic opportunity and basic services are major causes of poverty in the country. The project outputs will include (i) construction of 68.3 km of the Southern East-West Highway (SEWH) between Nganglam and Dewathang and about 1.2 km of access road between a point on Bhutan's border with India and the Pasakha industrial estate, (b) establishment of a mini dry port in Phuentsholing City and a land custom station at Alay, which is the end of the new access road between a point on Bhutan's border with India and the Pasakha industrial estate and (c) construction of 2.7 km of road between the new mini dry port and a national highway to bypass traffic congestion in Phuentsholing City. The construction of 68.3 km of the SEWH between Nganglam and Dewathang will have direct benefits for the local population, including poor people, vulnerable groups, and households headed by women. The project is expected to improve the quality of life and bring new economic opportunities to remote areas of the country. It is also expected to increase economic activity at the sides of the SEWH, particularly for small-scale retail roadside vending. It will make five villages more accessible to main roads. Other subprojects will help rural residents transport their produce faster and receive higher profit margins. About 90% of the people in the influence areas are engaged in agricultural activities. The main cereals grown are rice, maize, wheat, and millet. The cash crops are mainly areca nut, oranges, and cardamom. Some villagers also tend cattle and produce milk, cheese, and butter for local consumption and surplus sales. The socioeconomic impacts of the project will be very positive: better access to health care facilities and education, improved communication facilities, easier transport of cash crops, and vibrant growth in economic activities in the rural villages. The project is expected to increase the income-generation activities of people in the immediate and wider project influence areas by enabling them to sell local produce at sites on the SEWH on almost a daily basis. As a result, the project will significantly reduce the poverty level and improve the quality of life in the three districts that will benefit from the new road connections—Pema Gatshel, Samdrup Jongkhar, and Chukha.</p> <p>2. Beneficiaries. Beneficiaries include road users, transport providers, local and subregional traders in South Asia, communities in the vicinity of the project influence area, civil works contractors and businesses supporting them.</p> <p>3. Impact channels. The poor and the vulnerable will benefit from the project which will create new economic and employment opportunities by improving access to commercial facilities. Improved connectivity will help the rural population transport produce faster and receive higher profit margins. The project will also improve access to such public and social service facilities as government agencies, health centers, and schools. Provisions are included in the bidding documents for the civil works contracts to ensure compliance with core labor standards. Special provisions for the vulnerable displaced households are provided in the entitlement matrix in the project's resettlement plans.</p> <p>4. Other social and poverty issues. No other social and poverty issues are anticipated.</p> <p>5. Design features. Soft shoulders will be constructed on the entire SEWH project section. This will benefit the poor, the vulnerable, and women, who are more likely than others to use the roadside as pedestrians. Small rest areas with benches and platforms for selling produce will also be constructed after consultation with local communities.</p>

II. PARTICIPATION AND EMPOWERING THE POOR	
<p>1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.</p> <p>A sample of 20% of the residents and other road users from the immediate vicinity of the SEWH project section were surveyed. Focus group discussions and key informant interviews were conducted with stakeholders. These activities also aimed to increase awareness of the project, determine the needs and concerns of people in these areas, and gather suggestions for enhancing benefits and mitigating negative impacts. Consultation will continue throughout the implementation period. A grievance redress mechanism will be available to the population in all project areas.</p>	
<p>2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation.</p> <p>Not applicable.</p>	
<p>3. Explain how the project ensures adequate participation of civil society organizations in project implementation.</p> <p>Project information will be disclosed to the public in several ways. Project information will be readily available to civil society. Consultations with local communities will be conducted during project implementation to ensure that appropriate facilities such as rest areas with benches and platforms for selling produce are constructed along the SEWH subproject road.</p>	
<p>4. What forms of civil society organization participation is envisaged during project implementation?</p> <p><input type="checkbox"/> Information gathering and sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p>	
<p>5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Consultation and participation will take place. No separate project participation plan was prepared, however. The approach for consultation and participation is outlined in the social safeguard planning documents.</p>	
III. GENDER AND DEVELOPMENT	
<p>Gender mainstreaming category: some gender elements</p>	
<p>A. Key issues. A survey conducted during preparation of the SEWH subproject revealed that the majority of the women felt that the new stretch of national highway will benefit them because it will enable them to transport their crops to market and thus increase their incomes. The study revealed no significant discrimination against women in Bhutan, and indicated that rural women were becoming more influential in decision making in both household and other activities. Women may benefit more than men from the increased access to schools to be provided by the SEWH subproject.</p>	
<p>B. Key actions.</p> <p><input type="checkbox"/> Gender action plan <input checked="" type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p> <p>The project design aims to (i) maximize the access of women to project benefits, (ii) minimize social vulnerability, and (iii) mitigate the risk of health and social problems arising due to the highway project.</p> <p>Among the key actions, women-only facilities will be constructed in the mini dry port. The soft shoulder will be constructed along the length of the new SEWH section to provide a walkway for pedestrians, which will particularly benefit women and vulnerable persons. Small rest areas and platforms for selling local produces will be designed and constructed at suitable locations along the SEWH section after consulting on the location and details with the local communities. The project will provide awareness-raising seminars for the five villages to be connected by the new project roads on HIV/AIDS, health and hygiene standards, road safety, and human trafficking. The Department of Roads (DOR) will ensure that at least 50% of the workers employed through the National Workforce pool of workers for public projects for maintenance of the SEWH stretch after completion will be women. Capacity building will also be provided for the agencies of both the DOR and the Phuentsholing municipal government in mainstreaming gender-friendly design in future projects.</p>	
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES	
<p>A. Involuntary Resettlement Safeguard Category: <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>	
<p>1. Key impacts. Two resettlement plans and one land acquisition due diligence report have been prepared. A total of 25.73 hectare of private land will be required for the project. Of this, 25.42 hectare will be acquired for the SEWH subproject and 0.01 hectare for the Pasakha access road through land-for-land or cash-for-land compensation. An additional 0.3 hectare will be acquired through a voluntary land donation for the bypass subproject. This will affect 206 households, and 12 main structures will be affected. Eight households will be displaced physically, and 206 households will experience economic displacement, of which 50 will lose 10% or more of their productive assets.</p>	
<p>2. Strategy to address the impacts. Subprojects have been designed to minimize the need for involuntary resettlement. The resettlement impacts of the subprojects were assessed and are documented in two resettlement plans and one due diligence report.</p>	

3. Plan or other Actions.	
<input checked="" type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix
<input type="checkbox"/> No action	
B. Indigenous Peoples	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
1. Key impacts. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2. Strategy to address the impacts. No indigenous people were identified; therefore, no specific action is foreseen.	
3. Plan or other actions.	
<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<input type="checkbox"/> Social impact matrix	
<input checked="" type="checkbox"/> No action	
V. ADDRESSING OTHER SOCIAL RISKS	
A. Risks in the Labor Market	
1. Relevance of the project for the country's or region's or sector's labor market. L unemployment L underemployment L retrenchment L core labor standards	
2. Labor market impact. The project construction is expected to generate employment opportunities for local communities. Men and women will be paid equally for equal work. Provisions in the bidding documents for contractors will ensure that all the civil works comply with core labor standards and do not involve child labor; bonded labor; work discrimination based on gender, race, or ethnicity; or infringements on freedom of association and collective bargaining.	
B. Affordability	
The project will reduce transport costs and increase the mobility of the local population in the project areas.	
C. Communicable Diseases and Other Social Risks	
1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA): L Communicable diseases L Human trafficking	
2. Describe the related risks of the project on people in project area. The National Sexually Transmitted Disease/AIDS Control Program is a multisector initiative involving all sections of society in Bhutan and has been operating since 1988, assisted by bilateral and multilateral development agencies and the United Nations. The government has been successfully carrying out awareness campaigns and providing free health care to minimize the spread of HIV/AIDS in Bhutan. The social assessments undertaken in the project areas have revealed no significant risks of HIV/AIDS or human trafficking. However, the DOR will conduct awareness-raising sessions on HIV/AIDS, human trafficking, and health and hygiene standards for the five villages to be served by the new SEWH stretch to be built under the project. The DOR and the Phuentsholing municipal government will also ensure that all civil works contractors disseminate information at work sites on the risks of sexually transmitted infections for those employed during construction	
VI. MONITORING AND EVALUATION	
1. Targets and indicators: Relevant performance targets and indicators and their data sources will be established by the social development specialist of the implementation support consultant.	
2. Required human resources: Each project implementation unit will have a social safeguard focal point. A resettlement and social development/gender specialist will be part of the supervision consultant team. A social development specialist from the ADB regional department will oversee the implementation.	
3. Information in PAM: The frequency of project reviews, monitoring, and timing of completion reports is included.	
4. Monitoring tools: Project implementation units will undertake monthly monitoring. The implementation of the resettlement plans will be monitored externally by a qualified expert, who will undertake overall monitoring of the safeguards and relevant social issues and submit semiannual monitoring reports to the DOR, the Phuentsholing municipal government, and ADB.	

ADB = Asian Development Bank, CPS = Country Partnership Strategy, DOR = Department of Roads, NA = Not Applicable, SEWH = Southern East–West Highway,

^a. Government of Bhutan. Gross National Happiness Commission. 2013. *Eleventh Five Year Plan Volume I: Main Document*. Thimphu.

^b. ADB. 2014. *Interim Country Partnership Strategy: Bhutan, 2014*. Manila.

Source: Asian Development Bank