

UPDATED SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Papua New Guinea	Project Title:	Civil Aviation Development Investment Program, Tranche 3
Lending/Financing Modality:	Multi-tranche Financing Facility (MFF)	Department/ Division:	Pacific Department/Transport, Energy and Natural Resources Division /PNRM

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

The Civil Aviation Development Investment Program (CADIP) is in line with the Government of Papua New Guinea (GoPNG) Development Strategic Plan 2010-2030 and the National Transport Strategy, which aim to alleviate rural poverty in geographically isolated remote areas where there is no access to socioeconomic opportunities via land and maritime transport. The specific objective of CADIP sets out the plans for the improvement PNGs national airports and airways infrastructure in the near to mid-term to further improve airport safety and security and facilitate the air transport system. Transport, including civil aviation, is strategic priority in the country partnership strategy 2015-2020 of the Asian Development Bank (ADB) for PNG,¹ in helping the government achieve economic growth and improve service delivery such as health and education. CADIP will contribute as catalyst for rural development and poverty reduction through improved airport facilities that will open up avenues for trade, business, and services like education, health, commerce and tourism activities; Further enhancing the productivity, mobility and accessibility of local communities' activities and leads to economic growth.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. The rural nature of PNG's poverty profile amplifies the consequences of a lack of access to transport infrastructure within the country, which continues to be identified as a major driver of poverty². Widespread poverty, limited and expensive access to inputs and markets, poor infrastructure, ineffective extension services, limited access to credit facilities, corruption, safety and security concerns, and insufficient awareness or mitigation of environmental impacts all heighten the vulnerability of the local population across PNG³. Most Papua New Guineans are dependent on subsistence agriculture supplemented and fishing. Less 12% of the population lives in urban and semi-urban areas, although migration to cities and towns in the past decade has contributed to high rate of urban unemployment and accompanying social problems with increase in shanty settlements. The surrounding airport communities under Tranche 3 projects depend on a combination of subsistence agriculture (sweet potatoes and tapioca, bananas), cash cropping (coffee, cocoa and copra), fishing and raising livestock (pigs and poultry). Household income is generated from the sales of agricultural and livestock products; local market sales of betel nut, cigarettes, cooked food and store goods which are generally very small. Another important characteristic of poverty in PNG is the large geographical disparities, which exist between and within provinces. In particular the highly populated places in rural areas of the country. Based on the 2009-10 HIES analysis and estimated poverty lines, approximately 37.5% of national poverty exists in the Highlands Region, with 29.0% in the rural Momase Region, and 15.2% in the Islands Region. The analysis also shows that while poverty rates in the capital city Port Moresby raised to levels closer to national averages; it is still only the location of 6% of total national poverty. As a result it is important to emphasize that while urban populations have grown, PNG has not experienced the same urbanization of poverty that has been experienced in other Asia-Pacific countries. More than 88% of people living in poverty remain in rural and remote regions PNG National Census Report (2011)⁴.

2. Beneficiaries.

Direct beneficiaries are airport users, tourism associated industries, people living around the airport project areas/town/province; local and international business community, and nearby airport market vendors. Secondary beneficiaries are public transport industries. It is estimated that the nine airports to be improved under Tranche 3 serve more than approx. 300,000 passengers.

3. Impact channels. People living near project sites will earn incomes to sustain their livelihood through job engagements in construction works, selling of their goods and produce at the improved market facilities, improved mobility of people and goods in and out of the airport. The public transport service industries and tourism industries would benefit from the increase of visitors using improved air transport.

The project's will benefit a population of each locality of about 1,138, 300 estimated populations disaggregated as

¹ ADB.. *Country Partnership Strategy: Papua New Guinea, 2015–2020*. Manila.

² A summary of this literature includes D'Sa, E. 1986. *Social Indicators and Spatial Disparities in Papua New Guinea*, Social Indicators Research 18, pp 285-319; De Albuquerque, K and D'Sa, E. 1986. *Spatial Inequalities in Papua New Guinea: A district level analysis*, IASER Discussion Paper No. 49, Institute of Applied Social and Economic Research, Papua New Guinea; Gibson, J. 1998. *Identifying the Poor for Efficient Targeting: Results for Papua New Guinea*, New Zealand Economic Papers, 32(1), 1998, pp 1-18; Gibson, J, Datt, B, Allen, B, Hwang, V, Bourke, M, Parajuli, D. 2004. *Mapping Poverty in Rural Papua New Guinea*, Pacific Economic Bulletin, pp 1-26; Gibson, J and Rozelle, S. 2002. *Poverty and Access to Infrastructure in Papua New Guinea*. Department of Agriculture and Resource Economics University of California Davis, Working Paper No. 02-008; Allen, J, Bourke, R and Gibson J. 2005. *Poor rural places in Papua New Guinea*, Asia Pacific Viewpoint, Vol. 46, No. 2, pp 201-217.

³ World Bank, 2011, Climate Risk and Adaptation Country Profile, Papua New Guinea

⁴ PNG National Report, 2011, Population Growth and Development, National Statistic Office,

follows: Buka – 109,000; Gurney – 100,000; Hagen -123,300; Kavieng-83,000; Kerema-107,000; Kiunga -63,000; Madang-111,000; Mendi-144,700; Momote-60,500; Tari-80,000; Vanimo-69,000 and Wewak – 87,800.

4. Other social and poverty issues. The project does not directly address other social issues such as education or health services, although improved air transport services and related economic benefits will contribute to enhanced provision of and access to these social services.

5. Design features. CADIP design includes: (i) priorities for employment of local men and women for upgrading airport facilities and maintenance; (ii) construction of a market at airport site where land is easily available; (iii) contractor specifications for provision of HIV/AIDS awareness and prevention programs for construction workers and neighboring communities; and (iv) extensive community relations and participation program linked to different aspects of tranche preparation and implementation through a full-time Safeguard Officer under Project Implementation Unit (PIU).

II. PARTICIPATION AND EMPOWERING THE POOR

1. The executing agency (EA) extensively conducted consultation with communities living close to the airport, local affected residents, local leaders or chiefs, key stakeholders including local and provincial government and administration, affected persons, traditional landowners, and business community. During project implementation, the EA will carry out a similar approach to conduct community consultations and safety awareness activities to ensure safety and security of construction sites and to ensure the involvement of local groups.

2. If civil society has a specific role in the project, they will be encouraged to participate in rolling out their programs to contractors and surrounding communities. The EA will arrange community consultation through facilitation to be made by community organizations.

3. Explain how the project ensures adequate participation of civil society organizations in project implementation. The EA will identify community organizations in project areas through consultation with EA's provincial representatives and local level governments (LLG). CSOs/NGOs will be engaged to assist in monitoring the implementation of Resettlement Plans where required

4. What forms of civil society organization participation is envisaged during project implementation?

☒ Information gathering and sharing (H) ☒ Consultation (H) ☐ Collaboration (N) ☐ Partnership (N)

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?

☐ Yes. ☒ No. No formal C&P plan was prepared, although there was an organized process of C&P in preparation for both the Environmental and Social Safeguard reports for the project. Continuous process of C&P is highlighted in the overall social and/or gender activities as stated in the gender action plan.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: effective gender mainstreaming

A. Key issues. Findings from the socio-gender and economic survey in the twelve airport sites show that while primary school enrollment has increased for girls, retention is still an issue for girls and secondary enrollment remains low overall. Human resource capacity for women is quite low but has improved over the years, as indicated by 51% in 2000 to 60.25% in 2012 female adult literacy rate⁵. PNG society often discriminate woman in decision making, limited access to private sector activities, including small business activities. This is also true among women in the project areas. The lack of market facilities to engage into retail trading of food and native crafts especially for tourists limits women's potential economic activities. The high rate of poverty around the airport site communities indicate that woman and girls are below poverty level as compared to other well of communities in towns and cities. They are mostly excluded from participating in key decision-making activities due to cultural practice of overlooking women's voice. The project will include women's groups in consultation activities to overcome some of the cultural barriers in participation and ensure close monitoring of contractors responsible for ensuring women's participation in the workforce based on the lessons from Tranches 1 and 2.

B. Key actions. The project will promote women's proactive involvement in decision-making committees at all levels (institutional, national, provincial, community and or at LLG) to influence gender equality and women's empowerment outcomes during project design and implementation stages. Women and girls will be encouraged to participate in job opportunities, marketing, and airport safety activities as well as in maintenance which is captured in Gender Action Plan (GAP). Specific gender features include building of market facilities intended for women. The performance will be monitored by incorporating specific performance indicators of the GAP into the project's monitoring framework of project implementation. The PIU Safeguards Officer will oversee the GAP implementation and monitoring.

☒ Gender action plan ☐ Other actions or measures ☐ No action or measure

⁵ World Bank, Literacy rate 2012 - adult female (% of females ages 15 and above) in Papua New Guinea. Accessible at <http://www.tradingeconomics.com/papua-new-guinea/literacy-rate-adult-female-percent-of-females-ages-15-and-above-wb-data.html>

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES	
A. Involuntary Resettlement	Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
1. Key impacts. No major impact. Project activities within state-owned aerodrome land boundary except for two sites requiring minimal additional customary-owned lands. 2. Strategy to address the impacts. Applying engineering option to realign the fence line to avoid resettlement. 3. Plan or other Actions. <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Resettlement framework <input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> No action </div> <div style="width: 45%;"> <input type="checkbox"/> Combined resettlement and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Social impact matrix </div> </div>	
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. The project will not affect any indigenous people as defined by the ADB SPS. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 2. Strategy to address the impacts. None. 3. Plan or other actions. <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action </div> <div style="width: 45%;"> <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary </div> </div>	
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. <input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards (M) 2. Labor market impact. Contractors will engage the use of local labor for skilled and unskilled work. Compliance with national labor laws and regulation will be observed. Bidding documents will be designed to ensure that civil works contractors comply with the laws and regulation with critical focus on, not employing child labor in construction and maintenance works; and no discrimination practice of employment including equal pay for equal work by gender.	
B. Affordability	
Efficient air transport services to be achieved by improved communication, navigation, and surveillance and air traffic management system may decrease passenger fees, leading to increase of passengers including the poor who can afford air transport services.	
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): <input checked="" type="checkbox"/> Communicable diseases (H) <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (please specify) _____ 2. Describe the related risks of the project on people in project area. Construction airport workers, service providers, and communities are vulnerable communicable diseases as cash flow will increase. The Sexually Transmitted Diseases (STDs) and HIV/AIDS prevention strategy is incorporated into the DMF, FAM, and loan agreement. Contractors are required to prepare and implement STDs and HIV/AIDS prevention plan based on the environment management plan and conduct a public awareness programs on these issues.	
VI. MONITORING AND EVALUATION	
1. Targets and indicators: Number of people below the poverty line in project areas; income of formal and non-formal vendors derived from visitors in project areas and other social indicators including GAP indicators. 2. Required human resources: The EA will mobilize an International Social Safeguards Specialist and a National Safeguards Officer to be filled with EA staff to monitor the poverty and social impact of the project. 3. Information in FAM: The FAM describes the process of project performance monitoring and evaluation and the requirement to collect gender-disaggregated baseline data . 4. Monitoring tools: The EA will establish a project performance and monitoring system within 6 months of loan effectiveness as stated in the loan agreement and the FAM.	

Sources: National Airports Corporation and Asian Development Bank estimates.