

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country: Project Title: Lao People's Democratic Republic (PDR): Greater Mekong Subregion East–West Economic Corridor Towns Development Project			
Lending, Financing Modality:	ADF loan and grant and Urban Financing and Partnership Facility grant	Department, Division:	Southeast Asia Department, Urban Development and Water Division
I. POVERTY ANALYSIS AND STRATEGY			
A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy			
At the request of the governments of Cambodia, the Lao PDR, and Viet Nam, the Asian Development Bank (ADB) approved project preparatory technical assistance to establish the basis for the proposed investment in priority urban infrastructure and capacity building measures for institutional strengthening in selected towns along two of the transport corridors in the Greater Mekong Subregion (GMS). In the Lao PDR, the participating towns are Kaysone Phomvihane, Phine, and Dansavanh located along the East–West Economic Corridor. The GMS countries pursue a joint strategy to convert their recently created transport corridors into full-fledged economic corridors. To enhance economic growth and productivity in the economic corridors, border towns and new urban growth centers need effective management through integrated development of planned and prioritized infrastructure, along with policy and institutional interventions. The ADB country partnership strategy, 2012-2016 for the Lao PDR aims to promote sustainable economic development through infrastructure investments, integrated with development strategies identified for the GMS, to achieve the Millennium Development Goals, which include halving extreme poverty by 2015, through increased connectivity, improved competitiveness, and a greater sense of regional community. The regional cooperation strategy and program, 2012–2022 for the GMS aims to help achieve the GMS vision of a prosperous, integrated, and harmonious subregion. The project will also improve environmental conditions and quality of life through the provision of rehabilitated, expanded, and sustainable urban services, focusing on water supply; wastewater treatment, solid waste management, riverbank protection and flood control, and urban roads and drainage.			
B. Poverty Analysis		Targeting Classification: TI-G	
Key issues. The poverty and social assessment indicates that in the sample areas, based on the urban poverty line of KN240,000 per person/month the poor account for 23% of households in Kaysone Phomvihane, 31% in Dansavanh, and 37% in Phine. The analysis concludes that the poor are mostly living in areas without adequate running water supply, wastewater and solid waste collection and treatment services, and roads and drainage. They often experience serious water supply shortages, poor water quality, wastewater pollution, and poor urban environmental sanitation. They have less capacity to cope with the pollution and degraded environments and in turn suffer from increased exposure and risks to surface and groundwater and air pollution, which add to their poverty situation. Overall, the project can contribute to ongoing efforts to reduce poverty through (i) infrastructure investments that improve access to key economic and social services and facilities, as well as improve living conditions and health; and (ii) economic investments that focus on private sector-led development and improvements to the business environment. The GMS Program adopted the economic corridor approach, recognizing that development potentials of specific geographic areas are optimized when infrastructure is planned and developed taking into account the economic potential of these areas. The base for these economic corridors are the cross-border transport links that open up opportunities for various types of investments to otherwise remote and inaccessible areas.			
Design features. A gender action plan (GAP) was prepared focusing on vocational training and skill provision, along with awareness raising, for the poor and women to provide them with confidence and requisite skills to compete for jobs and take up employment opportunities, and increase their participation in local decision making. A market assessment survey will be undertaken to indicate current demand and economic growth areas in towns. Training will be provided for women to better position their entry into the growing employment demand areas arising from project interventions. This will target at least 500 women per town, for example, providing construction skills training. During construction, a loan assurance includes a requirement for (i) 30% of all staff positions and 30% of the management positions in the project management units and project implementation teams be assigned to women; (ii) 30% of the construction workers to be hired under the project are to be women; and (iii) the disaggregation of all monitoring and evaluation data by gender and ethnicity. The GAP has a target of women making up 90% of employees of informal waste pickers in the project-funded materials recovery facilities (MRFs), including skills upgrade training. Finally, the GAP includes a road safety campaign that will target girls and boys in school awareness campaigns.			
II. SOCIAL ANALYSIS AND STRATEGY			
A. Findings of Social Analysis			
Each of the participating towns has inadequate infrastructure and services for their current populations and for			

populations projected for 2030. Increasing cross-border tourism adds pressure to the available sanitation (water, sewerage, solid waste) and road and drainage infrastructure in the towns, which already lack capacity, and are dysfunctional, and poorly managed. Consequently, the tourist influx, especially at border towns, applies excessive pressure on the existing infrastructure of the corridors. This results in pollution and environmental degradation, with consequent health impacts on residents. Sewer networks cover only parts of the urban centers; and the wastewater treatment systems are either inadequate or only partially functioning. The partially treated wastewater discharge is a high pollution risk to the discharge points, which include the Mekong River and many smaller streams. Solid waste is poorly managed with informal or illegal dumpsites and irregular collection services. The internal urban roads in the project towns are narrow, often unsealed, and do not have adequate drainage leading to constrained access and mobility, and flooding of land and houses during the rainy season. The primary project beneficiaries are the people currently living in the towns, including the poor, in the catchment areas of the subprojects, as well as tourists, visitors, and service providers. Some households will benefit from improved water supply, sanitation, solid waste management, access, and riverbank protection (flood control).

## **B. Consultation and Participation**

1. Provide a summary of the consultation and participation process during project preparation.

Consultation for the project was undertaken with central, provincial, district, commune, and village government stakeholders as well as members of the beneficiary communities. Workshops with a wide range of stakeholders were held at key stages of the project preparatory technical assistance, including inception, strategic local economic development plan preparation, subproject prioritization and investment plan preparation, and presentation of key findings of the feasibility studies. As part of the feasibility study for each subproject, the environmental and social assessments included consultations through key informant interviews, semistructured interviews (small surveys of street vendors and informal marketers, tourist service operators, and waste pickers), and focus group discussions with small groups of men and women including different ethnic groups. Meetings were also conducted with individual households potentially affected by involuntary resettlement impacts. A household survey was undertaken in selected villages in each of the three towns.

2. What level of consultation and participation (C&P) is envisaged during project implementation and monitoring?

☒ Information sharing    ☒ Consultation    ☐ Collaborative decision making    ☐ Empowerment

3. Was a C&P plan prepared? ☒ Yes    ☐ No

The consultation and participation plan prepared for the project summarizes the consultations undertaken and establishes the framework for ongoing consultation and participation as the project moves into its implementation stage. Resources will be provided through the GAP, resettlement plans, and environmental management plan.

## **C. Gender and Development**

**Key issues.** The poverty and social assessments indicate that in addition to trading and/or marketing or engagement in waged work, women are primarily responsible for water collection, wastewater disposal, household garbage disposal and management, and care of the sick and elderly. Time and efforts spent on these activities will be significantly reduced for women so that they can engage in income-generating activities, family, or leisure time. Lack of safe water supply, wastewater treatment, effective sewerage, and solid waste disposal contribute to gender inequities in the burden of household work. While both women and men will gain from the expanded and upgraded water supply and wastewater treatment plant and sewerage system subprojects, women can benefit in a number of other direct and indirect ways. As they have primary domestic responsibilities, improving potable water supply and wastewater disposal will ease burdens and reduce anxiety over exposure to waterborne illness, and the time spent caring for sick family members as a result of contracting some form of such an illness. Formalization of waste sorting and picking when the MRF begins operations will lead, through the project's intervention, to the employment of informal waste-pickers, most of whom are women, at the MRF, with training to upgrade skills.

**Key actions.** Measures included in the design to promote gender equality and women's empowerment—access to and use of relevant services, resources, assets, or opportunities and participation in decision-making process:

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

The GAP will ensure that women benefit in the short and long term, and in both direct and indirect ways, from the proposed urban improvements. The GAP will ensure suitable avenues are available for women's participation. It includes measures for maximizing women's participation in local decision-making. Further, the GAP will put in place measures to mitigate negative impacts and reduce risks associated with the subprojects. Institutional strengthening will increase the participation of women in the planning, design, and implementation of urban infrastructure to ensure that services provided are responsive to women's needs. The GAP requires greater gender equality in recruiting staff for the executing agency, implementing agency, and the project, and includes gender sensitization training for them. To implement sex-disaggregated monitoring and evaluation within the project, the GAP establishes a performance monitoring system. The GAP provides empowerment for women in urban community development through gender awareness raising programs. It provides for vocational training and skill building programs that include basic skills

such as literacy and numeracy, financial management, and assistance in accessing existing microcredit funds. The GAP ensures that information, education, and communication programs implemented under the project equitably target women and men. It promotes increasing women's awareness of communicable disease such as HIV/AIDS in subproject areas through civil contract clauses for contractors. A loan assurance insures that the Government of the Lao PDR ensures the GAP is fully implemented and that all project activities are designed and implemented in accordance with ADB's Policy on Gender and Development (1998). The assurance includes a requirement for (i) 30% of the overall staff positions and 30% of the management positions in the project management units and project implementation teams to be assigned to women; (ii) 30% of the construction workers to be hired under the project to be female; and (iii) the disaggregation of all monitoring and evaluation data to by sex and ethnicity. Finally, the GAP includes a road safety campaign that will target girls as well as boys in school awareness campaigns. The GAP will be funded under capacity development and training, and the executing agency's project management unit will support and help the project implementation teams with implementation and internal monitoring.

### III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Significant, Limited, No Impact	Strategy to Address Issue	Plan and/or Other Measures
Involuntary Resettlement	Limited	A total area of 7.8 hectares will be acquired and 508 households affected; only 2 will require physical relocation. The subprojects will affect 2,559 people. Three resettlement plans were prepared in accordance with national laws and ADB's Safeguard Policy Statement (2009).	Resettlement plan
Indigenous Peoples	No impact	In Phine, the population is made up Lao 33%, Phoutai 40%, Katang 24%, and Makong 3%. In Dansavanh, Lao account for 17%, Phoutai 23%, Katang and Makong 3%, and Tri 57%. Non-Lao ethnic groups are well-integrated in Lao society in all aspects of life. The subprojects will not create adverse indigenous people impacts as per ADB's Safeguard Policy Statement (2009) and thus are under safeguard category C.	No action
Labor Employment opportunities  Core labor standards	Limited	Project assurances and civil works contracts will stipulate priorities (i) to employ local people, of whom 30% will be women; (ii) to ensure equal participation opportunities for women and men; (iii) to pay wages promptly, pay equal wages for work of equal value, and pay women's wages directly to them; and (iv) to not employ child or forced (trafficked) labor.	Other action
Affordability	No Impact	No changes are proposed that would reduce people's ability to pay for services. Existing subsidies for utility connections and/or tariffs for the poor will remain.	Other action
Other Risks and/or Vulnerabilities  HIV/AIDS, STIs	Limited	The risk of spread of HIV/STIs with outside construction workers or small camps is small. With the exception of road subprojects, the risk of trafficking associated with subprojects is negligible. Mitigation will be through the <i>Fédération Internationale Des Ingénieurs-Conseils</i> (FIDIC)-based contract clause requiring contractor to provide HIV/AIDS education and make condoms accessible to all employers paid by the contractor.	Other action

### IV. MONITORING AND EVALUATION

Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? X Yes    ☐ No