

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Bhutan	Project Title:	Air Transport Connectivity Enhancement Project
Lending/Financing Modality:	Grant	Department/Division:	South Asia Department Transport and Communications Division

I. POVERTY ANALYSIS AND STRATEGY

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

Bhutan's National Poverty Reduction Strategy identifies remoteness and isolation as the main causes of poverty in Bhutan, and prioritizes the extension and improvement of physical infrastructure inclusive of communication and planned urbanization as strategic interventions to combat poverty. The Bhutan country strategy and program, 2006–2010^a places transport (road, air) as the first priority in Asian Development Bank (ADB) assistance to Bhutan to enhance connectivity and accessibility of rural remote areas in the country. This project is in line with ADB's country operations business plan, 2011–2013.^b

Civil aviation is essential for Bhutan, especially in remote areas that are otherwise inaccessible by road. Through safe and reliable air transport services, rural areas will be more accessible to basic services, such as health care. This, in turn, could promote inclusive social development by providing access to various rural and poor communities that are currently geographically excluded. Improved air transport services could also contribute to economic development in less-developed regions of the country, and help improve the country's business environment. Potential tourism activities may flourish in these remote areas through the project; this could promote the development of local businesses and employment opportunities.

B. Poverty Analysis Targeting Classification: General intervention

1. **Key issues.** The project will aid poverty reduction by improving transportation facilities and thus (i) reduce exclusions based on remoteness, (ii) increase reliability, and (iii) increase income opportunities for local residents. As the airports in the mountain areas are made safe and reliable through the project, the project will help build economic opportunities in the area. The tourism industry can make more progress, thus creating employment and business opportunities for people.

II. SOCIAL ANALYSIS AND STRATEGY

A. Findings of Social Analysis

Key issues. A socioeconomic survey covering 20% of the households in the project influence area was carried out, including public consultations and focus group discussions, to gather feedback from local communities on the project and perceived socioeconomic impacts. The survey revealed that the primary beneficiaries of the airports in the remote areas are the people who are geographically excluded and who have limited or no access to road transport. Better connectivity to these remote areas will help build economic and employment opportunities, which will help local community members better their lives. Women, the sick, and the elderly will also benefit as they can avail of air transport in emergencies and when they cannot travel by road.

Other benefits will arise through promotion of tourism and opportunities to expand business, however small they may be, because of tourism. Employment opportunities within the tourism industry will be enhanced. Local communities will also start new enterprises or expand their business to cater to tourists.

B. Consultation and Participation

- Provide a summary of the consultation and participation (C&P) process during project preparation.
- What level of C&P is envisaged during the project implementation and monitoring?
☒ Information sharing ☒ Consultation ☐ Collaborative decision making ☐ Empowerment
- Was a C&P plan prepared for project implementation? ☒ Yes ☐ No

All project activities will be confined within the airport boundaries. The C&P plan was prepared to inform and collate public views on the project.

C. Gender and Development		Gender Mainstreaming Category: No gender elements	
<p>1. Key issues. The project will not interfere with the communities because it will be confined within the airport boundary. It will not have any impact on land acquisition, resettlement, or economic displacement. Women's effective participation in project design was ensured during the preparation of the poverty and social assessment which included a gender analysis of differentiated impacts of the project on men and women in the project influence area. The analysis revealed that majority of women from the project influence area is engaged in agriculture and home-based income generating enterprises. Focus group discussions undertaken with women from different socioeconomic groups revealed that the majority of women felt that the project will benefit them mostly through the generation of unskilled jobs during civil construction works. The enhanced air connectivity will also provide impetus to the tourism industry which will further increase the economic opportunities for local communities and provide indirect benefits for women.</p> <p>2. 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 the decision-making process:</p> <p><input type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input checked="" type="checkbox"/> No action or measure</p>			
III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Significant, Limited, No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary resettlement	No impact	No land acquisition and resettlement impacts are envisaged; construction activities will take place within the boundary of the airports.	<input checked="" type="checkbox"/> No action
Indigenous peoples	No impact	The project will not impact indigenous peoples. Project activities will be limited within the airport boundaries. No physical or economic displacement is envisaged due to the project.	<input checked="" type="checkbox"/> No action
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Core labor standards	Limited	The project's construction activities are expected to generate employment opportunities for local communities during construction. Men and women will be paid equally for equal work. The executing agency will ensure that all civil works comply with the labor laws and that child labor will not be used.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
Affordability	No impact	Air connectivity will help increase mobility of the local population.	<input checked="" type="checkbox"/> No action
Other risks and/or vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input checked="" type="checkbox"/> Human trafficking <input type="checkbox"/> Others (conflict, political instability, etc.)	Limited Limited No impact	The social assessments did not identify any significant risks in social aspects such as gender, HIV/AIDS, and human trafficking. However, the Department of Civil Aviation will ensure that civil works contractors disseminate information at worksites on the risks of sexually transmitted diseases and HIV/AIDS for those employed during construction. Contracts for all the subprojects will include specific clauses on these undertakings and the executing agency will strictly monitor compliance during project implementation with the help of the supervision consultants.	<input checked="" type="checkbox"/> Other action
IV. MONITORING AND EVALUATION			
Are social indicators included in the design and monitoring framework to facilitate monitoring of gender and social development activities and/or social impacts during project implementation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

^a ADB. 2005. *Country Strategy and Program: Bhutan, 2006–2010*. Manila.

^b ADB. 2011. *Country Operations Business Plan: Bhutan, 2012–2014*. Manila.

Source: Asian Development Bank.