

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Bhutan	Project Title:	South Asia Subregional Economic Cooperation Transport, Trade Facilitation, and Logistics Project
Lending/Financing Modality:	Project Loan	Department / Division:	South Asia Department Transport and Communication Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: general intervention

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

The project entails (i) the construction of the 3.3-kilometer (km) Phuentsholing–Chamkuna road section along the Amochu River, and (ii) the procurement and installation of trade facilitation and logistics equipment. It will promote road connectivity to the Indian border and complete the missing 3.3 km link of the Samtse–Phuentsholing highway currently under construction, thus facilitating access for Samtse district residents. The trade facilitation and logistics component will facilitate cross-border traffic and transit of goods in Phuentsholing, which is the most important gateway for cross-border traffic, accounting for 74% of the total import and export trade in the country.^a The project is in line with the Asian Development Bank (ADB) country partnership strategy, 2014–2018 for Bhutan, and is included in the country operations business plan, 2016–2018.^b

B. Results from the Poverty and Social Analysis during Project Preparatory Technical Assistance or Due Diligence

- Key poverty and social issues.** The project’s area of influence are Chhuka and Samtse districts. As of 2012, the poverty rates were 11.2% and 22.2%, in Chhuka and Samtse districts, respectively. The road component of the project will facilitate safer and more reliable access between the cities of Samtse and Phuentsholing, providing an alternative to traveling via India, which is currently the main link between these two cities. The trade facilitation and logistics component of the project will improve import and export processes in the most important gateway for cross-border traffic in the country.
- Beneficiaries.** Key project beneficiaries are the estimated 65,387 Samtse district residents;^c 25,000 Phuentsholing residents;^d traders and business owners from India and Bhutan; and the Department of Revenue and Customs, which will benefit from the trade facilitation equipment.
- Impact channels.** The project is expected to provide Samtse district residents with better access to markets and services in the commercial center of Phuentsholing. Through its trade facilitation and logistics component, the project is expected to (i) facilitate household access to goods at competitive prices, and (ii) contribute to the country’s development and integration with regional and international markets.
- Other social and poverty issues.** There are no other social and poverty issues.
- Design features.** The project will include pedestrian-friendly design features such as pedestrian walkways, benches, and signage.

II. PARTICIPATION AND EMPOWERING THE POOR

- Participatory approaches and project activities.** During project preparation, consultations were held with government stakeholders, such as district officials, and Department of Roads and Department of Revenue Customs representatives, as well as 67 people comprising landowners and renters located next to the road alignment, and residents and businesspeople in Phuentsholing. Moreover, 272 residents and 330 business owners in the Phuentsholing commercial area participated in a socioeconomic survey during the preparation of the poverty and social analysis. Overall, people consulted and surveyed were supportive of the project and of the alignment selected, which avoids impacting private land and property, and did not raise any particular concerns.
- Civil society organizations.** The Bhutan Exporters Association was involved in the design of the project during the preparation of the poverty and social analysis.
- The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):**
 Information gathering and sharing Consultation Collaboration Partnership

4. Participation plan. Yes. **No.** There is no participation plan developed for the project. However, consultations will continue to take place during implementation to address community concerns. These will be facilitated and documented by the supervision consultant's team social development expert.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: some gender elements

A. Key issues. Bhutan has made considerable progress toward gender equality and empowerment in the past decades. In 1970, only one girl was enrolled in primary school for every 50 boys, but the country reached gender parity in primary enrollment in 2008. Furthermore, the maternal mortality rate decreased from 1,000 deaths per 100,000 live births in 1990 to 180 in 2010. Today, women's participation rate in the labor force is high at 67%, compared to 72% for men, although women tend to be in jobs that pay less and are less secure.^e Despite these considerable achievements, traditional perceptions about gender roles with regard to household chores and childcare continue to constrain women's education and career development.

During project preparation, 40% of the 67 people consulted and 21% of the 602 people surveyed were women. The gender assessment conducted under the poverty and social analysis indicates that women will benefit equally from the road component, as they are important road users. Overall, women are comfortable traveling alone in taxis and buses or using private vehicles. Only 10% felt restricted because of concerns about their personal safety. Most of the women consulted (92%) were not interested in participating in construction activities, as they work in the civil service or private sector, or manage their own businesses. Construction activities are expected to be primarily performed by migrant laborers from India. It is expected, however, that women will participate in road maintenance activities, as they are very active in the national road maintenance workforce across the country.

B. Key actions. Gender action plan Other actions or measures No action or measure

It is envisaged that the project conducts the following gender mainstreaming activities: (i) including pedestrian-friendly design features, such as footpaths, signage, and benches; (ii) conducting (a) training sessions for Department of Roads officials on how to better integrate gender design features into future projects, and (b) on-the-job training for Department of Roads staff on improving the integration of social and gender mainstreaming features into future project designs; and (iii) targeting 50% participation of women in community awareness campaigns on sexually transmitted infections, HIV/AIDS, and human trafficking.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. The project is categorized as C for involuntary resettlement as per ADB's Safeguard Policy Statement (2009). Due diligence of social impacts of the civil works concluded that the road construction will neither affect private assets nor cause physical or economic displacement. The road alignment is located on government land. A field verification of assets was conducted within the required 20-meter corridor of impact along the road's 3.3 km stretch during which no private assets—even from informal settlers—were identified. This was further confirmed during consultations with stakeholders residing along the Phuentsholing–Chamkuna alignment as well as local government officials. The trade facilitation and logistics component does not have any resettlement impacts.

2. Strategy to address the impacts. All social impacts will be monitored by the supervision consultant and reported in the annual safeguards monitoring report.

3. Plan or other Actions.

- | | |
|---|--|
| <input 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 checked="" type="checkbox"/> No action | |

B. Indigenous Peoples

Safeguard Category: A B C FI

1. Key impacts. The civil works under the project will not affect any indigenous persons, as there are none living in the project area. The project is categorized as C for indigenous peoples.

Is broad community support triggered? Yes No

2. Strategy to address the impacts. No strategy is required to address the impacts.

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 | |

- Social impact matrix Indigenous peoples plan elements integrated in project with a summary
 No action

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's labor market, high (H), medium (M), and low (L).

unemployment underemployment retrenchment core labor standards

2. Labor market impact. It is expected that migrant labor from India will be recruited for construction activities. Provisions will be included in the bidding documents for the contractors to promote compliance with core labor standards during all civil works (i.e., no child labor; no bonded labor; no work discrimination regardless of gender, race, and ethnicity; and freedom of association and collective bargaining).

B. Affordability

The project will not impact affordability of transportation or goods.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):

Communicable diseases Human trafficking Others (please specify): Road safety

2. Risks to people in project area. The prevalence of HIV and human trafficking in the project area is low, and public information on human trafficking is not available. The poverty and social analysis indicates that the majority of people surveyed (92%) were aware of HIV transmission, protection practices, and detection programs in Phuentsholing. Moreover, the risk of communicable disease transmission will be greatly minimized by government programs under the National AIDS Control Programme and preventative awareness sessions conducted by the contractor. Given that the project is located in a border area, community awareness campaigns on HIV/AIDS and human trafficking will also be conducted by the project and facilitated by the social expert from the supervision consultant's team. With regard to road safety, over 95% of the people surveyed said they follow good safety practices (i.e., wear helmets and seatbelts, and respect traffic rules and speed limits).

VI. MONITORING AND EVALUATION

1. Targets and indicators. Targets and indicators have been included in the design and monitoring framework and the project administration manual.

2. Required human resources. The project director is also the safeguards focal person. The supervision consultant's team will include a national social expert to (i) organize the HIV/AIDS and human trafficking community awareness campaigns, (ii) facilitate and document consultations during implementation, (iii) monitor implementation and report on the gender mainstreaming activities, and (iv) monitor and report on compliance with the Safeguard Policy Statement and core labor standards. The inputs from the social expert will be part of a combined annual safeguards monitoring report for environmental and social issues.

3. Information in the project administration manual. The frequency of social safeguards monitoring and reporting has been included in the project administration manual.

4. Monitoring tools. The monitoring tool will be the annual safeguards monitoring report, which will be disclosed on the ADB website.

^a Project preparatory technical assistance feasibility study based on Government of Bhutan, Ministry of Finance, Department of Revenue and Customs. 2016. *Bhutan Trade Statistics 2015*. Thimphu.

^b ADB. 2014. *Country Partnership Strategy: Bhutan, 2014–2018*. Manila; ADB. 2015. *Country Operations Business Plan: Bhutan, 2016–2018*. Manila.

^c Government of Bhutan, National Statistics Bureau. 2010. *Annual Dzongkhag Statistics, 2010*. Thimphu.

^d Government of Bhutan, National Statistics Bureau. 2005. *Population and Housing Census of Bhutan, 2005*. Thimphu.

^e Government of Bhutan, National Commission for Women and Children; and World Bank. 2013. *Bhutan Gender Policy Note*. Washington, DC.