

UPDATED SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Papua New Guinea	Project Title:	Sustainable Highlands Highway Investment Program (Tranche 2)
Lending/Financing Modality:	Multitranches Financing Facility	Department/ Division:	Pacific Department/ Papua New Guinea Resident Mission

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: general Intervention

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

Vision 2050 is the government's overarching framework for national economic development.^a The Papua New Guinea (PNG) Development Strategic Plan (DSP) 2010–2030 is the government's strategy to realize Vision 2050 over the next 11 years.^b The government's Medium Term Development Plan III (MTDP III) 2018–2022 is the third action plan prepared to guide implementation of the PNGDSP. ^cMTDPIII describes the government's development policies and priorities intended to achieve the overarching goal of export-driven economic growth coupled with rural development. As embodied in these plans, transport sector development has been envisaged as a catalyst to the country's desired inclusive growth. The purpose of ADB's Country Partnership Strategy 2021–2025 is to assist the government in realizing its own development agenda.^d ADB and the government have agreed that strategically supporting the core infrastructure sectors of transport and energy is the optimal means to leverage ADB financing and complement the investment efforts of the government and the private sector to achieve inclusive growth. In the transport sector, the rehabilitation of the Highlands Highway is the top priority of the government for providing increased access and connectivity between the impoverished, yet resource-abundant hinterland, to national and regional markets. Poverty in PNG is largely spatial, with remote rural communities being the poorest. Investment in roads reduces poverty by enabling smallholders to increase their cash income through improved access to markets.

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

1. Key poverty and social issues. The goals of the SHHIP are to support inclusive economic growth by improving rural access to market centers, leading to increased exports and integration of the Highlands Region and its population into the mainstream economy of PNG, and to facilitate improved access to public and social services within the region, and will thus contribute to poverty reduction. An average household in the Highlands Region consists of 6.8 persons having 5–7 ha of productive land, with about 97% of it owned by the customary landowners, mostly male members. Such productive land is divided into food gardens used to cultivate a range of food and cash crops, both for consumption and surplus for sale – the small-scale marketing activities conducted mostly by women. In 2016, surveyed households in the Highlands Region suggested average income of 971 kina a month against average household expense of 652 kina a month. Non-income dimensions of poverty included a lack of access to cash paying jobs – for instance, female participation in the labor market is 46.0% compared to 47.6% for men;^e education and health facilities; and transport services and roads. There are also risks of rapidly rising poverty levels in PNG. Poor economic performance due to COVID-19 pandemic and rapid population growth (3.1%)^f is likely to lead to a sharp increase in the incidence of poverty. Across the country, the highest poverty levels occur among households with little or no cash income in remote areas away from roads. The national poverty rate is 37% while the proportion of population living below the national poverty line is 37.5%.^g People involved in the agriculture sector account for 86% of the poor. The unemployment rate in PNG in the year 2018 is 2.4%, which is lower (1.3%) for the female segment of the population and higher (3.4%) for the male population. The proportion of employed population below \$1.90 PPP a day is at 26.3% nationwide in the same year, with higher proportion (28.1%) of the women as compared to that of men (24.6%) (Footnote g). Households headed by women are among the poorest in rural areas. With the HDI value as 0.544 (low human development category), PNG is rated 153rd of the 189 countries in the 2017 HDI,^h the lowest ranked country in the Pacific.

2. Beneficiaries. The principal SHHIP beneficiaries are the provincial populations living in the 5 provinces in which the Highlands Highway traverses. The customary landowners, road transport sector including the people and companies involved in the movement of travelers and freight, and governments at all four levels of governance form the other key beneficiaries and stakeholders. Overall, SHHIP is beneficial to all people living in the Highlands and Momase regions, in particular, and to the entire nation, in general.

3. Impact channels. The key social benefits from the investment program include increased mobility, greater access to markets and centers for social services (such as education and health), and employment opportunities in the construction and maintenance works – including for the female workers (at least 20% of the total workforce). Increased food security is envisaged due to improved accessibility, and implementation of the trade and logistics components under the SHHIP. The direct economic benefits include increased production and greater diversification of crops and livestock; increases in commercial activities; and growth in employment opportunities resulting in an increase in household income. Also, the transport sector is expected to improve its services in terms of lower vehicle operating costs, increased reliability for goods and services; and increased incomes resulting in the creation of demand for new goods and services and greater volumes of trade for small kiosks and shops – operated mostly by women. The road safety component will lower the death and injury rates from road accidents.

4. Design features. The design of this investment program includes (i) gender-friendly infrastructure and safety features; (ii) provision of HIV/AIDS prevention – in view of the fact that there are 42 adults (25 female and 17 male) in every 1,000 adult (15 years and older) population lives with HIV in PNG (Footnote f); (iii) extensive community participation; (iv) designs to avoid or minimize involuntary resettlement/asset loss impacts; (v) bus-bays, vending areas (with gender-segregated toilets), and washing facilities of benefit to women in particular; and (vi) road safety, health awareness and other programs as documented in the GAP, RPs, SCPP, *inter alia*, stipulating dedicated provisions for the affected people, and SHHIP beneficiaries, overall.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project preparation and implementation include (i) a dedicated PMO, ensuring the meaningful participation of SHHIP beneficiaries and other stakeholders; (ii) SCPP for inclusive participation of SHHIP beneficiaries; (iii) GAP provisions including at least 40% and 50% female participants in consultation and HIV/AIDS and SHEA/GBV programs, respectively; additional provisions for women, poor and other vulnerable groups affected by land acquisitions; and (iv) project provisions on local community participations in construction and maintenance works – including at least 20 % female workers, among others.

2. Stakeholder participation has been ensured during preparation of the MFF, tranches 1 and 2, and is being continued in ongoing tranche 1 implementation works adhering to gender equality/equity and social inclusion principles – including meaningful participation of the poor, affected customary landowners, women and other vulnerable groups – adhering to applicable policies, principles and procedures of Government of PNG and ADB to inform all stakeholders about the project. Consultations inform stakeholders of the expected benefits and potential adverse impacts, mitigation measures and grievance redress mechanism, etc.; and provide a forum for communities to participate and express their concerns and provide inputs into the design and implementation of the projects, amongst others. Consultations with stakeholders confirm that attitudes to the SHHIP plans are very positive. Meaningful consultation and participations with all key stakeholders involving both women and men with special focus on the poor and vulnerable ones shall continue throughout the project development, managed by the PMO safeguards unit including implementation of the SCPP prepared for tranche 2.

3. Civil Society Organizations. Organizations such as women's, church, NGO and youth groups have been identified at local levels and are involved in consultations and disclosure activities. Services of an appropriate national accredited NGO will be procured by the PMO for the HIV/AIDS prevention and awareness training as reflected in the DMF, PAM, SCPP, and GAP.

4. The following forms of civil society organization participation are envisaged during tranche 2 (project) implementation, rated as high (H), medium (M), low (L), or not applicable (NA)

M Information gathering and sharing M Consultation M Collaboration Partnership

5. Participation plan. Yes. No. There will be (i) ongoing community level consultations and meetings, (ii) meetings with CSOs/NGOs and local leaders, (iii) preparation and distribution of a user-friendly public information brochure, (iv) disclosure of safeguard documents, and (v) awareness campaigns.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: effective gender mainstreaming

A. Key issues. In 2017, PNG ranked 159 out of 160 countries on the GII developed by UNDP (Footnote h). This results from high maternal mortality (215 maternal deaths per 100,000 live births), a gender gap in labor force participation rates, and very low participation in decision-making at national and local levels. Statistics for the year 2016 show that life expectancy for women is higher (68.3 years) than that of men (63.6 years),ⁱ as is true for most societies around the world. There are extremely high rates of family and sexual violence, (especially in the Highlands), causing stress and anxiety, with 67% of women reporting that they experienced physical or sexual violence.^j An improved road will facilitate women's access to health services and may also encourage higher use of maternity services, as currently 50% of rural births are in the home without a skilled birth attendant.^k Women are concentrated in informal employment, unpaid domestic work, and low-paying less secure occupations. In the Highlands region, most women are engaged in small-scale agriculture and animal husbandry, fresh food production and marketing – and have heavy workloads. They have been disproportionately disadvantaged by poor transport networks. Traditionally, most women in the Highlands do not have land ownership rights, and many are economically dependent on their husband's clan group. Recent studies show that markets, bus stops, and parking lots are spaces with high levels of violence against women.^l Most women in the project areas will be the main beneficiaries of improvements in roadside markets, marketing through logistical depots, safety provisions and other services.

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

Tranche 2 of SHHIP is categorized as *effective gender mainstreaming*, and the GAP includes: road safety education, HIV/AIDS and STI awareness, SHEA, consultation and participation programs; gender friendly designs with "access for all" features; and social infrastructure, like washing areas, among others. Data collected in the social and economic monitoring shall be disaggregated by sex.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. The physical impact on land and structures is not significant, as the road corridor follows an existing road with only few realignments. For tranche 2, there will be some impacts on crops and trees and some requirements for additional strips of land.

2. Strategy to address the impacts. All affected assets will be compensated based on full replacement costs. Consultations and public disclosures conducted during project preparation will continue through implementation. Grievance redress mechanism established for tranche 1 shall be adapted for the tranche 2. Adhering to the resettlement framework, RPs have been prepared and shall be implemented. Capacity building measures on land acquisition and resettlement will be continued within DOW and other project teams.

3. Plan or other Actions.

Resettlement plan Combined resettlement and indigenous peoples plan
 Resettlement framework Combined resettlement framework and indigenous peoples planning
 Environmental and social management system Social impact matrix No action

B. Indigenous Peoples

Safeguard Category: A B C FI

1. Key impacts. The project is classified as Category C for Indigenous Peoples. The tribes and clans along the Highway are not vulnerable and distinct as they are the dominant groups in their own territories and key beneficiaries of the road and bridge improvements. They are neither subject to discrimination or exclusion nor are disproportionately affected due to project activities.

2. Strategy to address the impacts. An IPP is not needed. All the project activities will be undertaken in a culturally appropriate manner.

3. Plan or other actions.

Indigenous peoples (IP) plan Combined resettlement plan and indigenous peoples plan
 Indigenous peoples planning framework Combined resettlement and IP planning framework
 Environmental and social management system arrangement IP plan elements integrated in project with a summary
 Social impact matrix 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. The estimated employment rate in the Highlands is 65.6%. Employment opportunities will benefit not only affected clans along the highway, but also may have generalized national affects

because of increases in agricultural production and marketing.

unemployment (L) underemployment retrenchment core labor standards (M)

2. Labor market impact. The investment program endorses the principle of labor-intensive construction and maintenance of roads and bridges, and the recruitment of local communities in all civil works contracts complying with applicable laws. This stipulates the need to (i) employ qualified local men and women for civil works without any discrimination; (ii) negotiate contracts with local communities; (iii) prohibit the use of child labor and illegal immigrants; (iv) disseminate information and raise awareness of health risks; and (v) observe local protocols on acceptable social and professional behavior towards the local population and employees; amongst others.

B. Affordability Accessibility to services will especially benefit the poor and vulnerable.

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 (H) Human trafficking Others (please specify) _____

2. Risks to people in project area: Highland provinces are characterized by an HIV epidemic with prevalence rates over 1%. Risks of HIV/AIDS and other STIs will be mitigated by employing local people on construction sites, and by providing awareness and prevention programs. While risks of human trafficking are low, they can occur and should be monitored.

VI. MONITORING AND EVALUATION

1. Targets and indicators. Output 1: All (71) bridges upgraded along the 430 km rural Highlands Highway (SHHIP section) to be compliant with latest DOW social, economic and technical specifications: (i) all key bridges designed with pedestrian walkways with "access for all" features and lighting where possible (2019 baseline: 0 bridges); (ii) water points for washing and bathing, equipped with steps, handrails and slabs at least at 35 bridges (2019 baseline: 0); and (iii) travel time reduced by 30% (2019 baseline: 10 hours).

Output 2: Capacity of the DOW increased (i) DOW's HIMS is updated with complete data on 300 bridges (2019 baseline: 120 bridges); (ii) At least 15 DOW technical staff with improved knowledge on conducting bridge condition assessment and updating and using BAM and in advanced design techniques – including at least one female participant (2019 baseline: 6 trained in BAM and 0 trained in advanced bridge design techniques, 0 female staff trained).

2. Required human resources. A safeguards unit is to be established in the PMO, staffed by international and national consultant specialists with responsibility for monitoring resettlement, GAP implementation, and grievance procedures. One PNG national female gender specialist will also be recruited as part of the social team, on top of the required other expertise at the PMO and the IA.

3. Information in the project administration manual. PMO will prepare quarterly progress reports, and quarterly and bi-annual safeguards monitoring reports for submission to DOW/Government of PNG and ADB.

4. Monitoring tools. Developed by DOW have been field tested and are being utilized in ongoing ADB financed projects in PNG. These will be updated for use, and socioeconomic baseline and follow-up studies will provide evidence of project benefits. The Government of PNG and ADB will jointly undertake a review of the investment program by 2022 (end of tranche 1).

ADB=Asian Development Bank; BAM=bridge asset management; COVID-19=coronavirus disease; CSO=civil society organization; DMF = design and monitoring framework; DOW=Department of Works; DSP=Development Strategic Plan; GAP=gender action plan; GII=gender inequality index; GBV=gender-based violence; ha=hectare; HDI=Human Development Index; HIMS=Highway Information Management System; IA=implementing agency; IPP=indigenous peoples plan; km=kilometer; MFF=multitranchise financing facility; NGO=nongovernment organization; PAM=project administration manual; PMO=program management office; PNG=Papua New Guinea; PPP= purchasing power parity; RP=resettlement plan; SSCP=stakeholder consultation and participation plan; SHEA=sexual harassment, exploitation, and abuse; SHHIP=Sustainable Highlands Highway Investment Program; STI= sexually transmitted infections; SU=safeguards unit; UNDP=United Nations Development Programme.

^a Government of Papua New Guinea, Department of National Planning and Monitoring. 2019. [Papua New Guinea Vision 2050](#). Port Moresby.

^b Government of Papua New Guinea, Department of National Planning and Monitoring. 2010. [Papua New Guinea Development Strategic Plan 2010–2030](#). Port Moresby.

^c Government of Papua New Guinea, Department of National Planning and Monitoring. 2018. [Medium Term Development Plan III 2018–2022](#). Port Moresby.

^d ADB. 2020. [Country Partnership Strategy: Papua New Guinea, 2021–2025—Achieving Diversified, Sustained, and Inclusive Growth](#). Manila.

^e United Nations Development Programme (UNDP). 2019. [Human Development Report 2019](#). New York.

^f ADB. 2019. [Key Indicators for Asia and the Pacific](#). Manila.

^g ADB. 2019. [Basic 2019 Statistics](#). Manila.

^h UNDP. 2018. [Human Development Indices and Indicators: 2018 Statistical Update](#). New York.

ⁱ UNDP. 2018. [Human Development Indices and Indicators: 2018 Statistical Update](#), New York.

^j World Health Organization. 2018. [World Health Statistics 2018: Monitoring Health for the SDGs, Sustainable Development Goals](#). Geneva.

^k Government of Papua New Guinea. 2011. [Papua New Guinea Country Gender Assessment 2011–2012](#), page 17

^l Government of Papua New Guinea, National Statistical Office. 2009. [Papua New Guinea Demographic and Health Survey 2006 National Report](#). Port Moresby.

^m United Nations Entity for Gender Equality and Empowerment of Women (UN Women) Papua New Guinea & Safe Cities Free of Violence Against Women and Girls Global Programme. 2012. [Making Port Moresby Safe for Women and Girls: Report on Scoping Study Findings](#). Port Moresby.

Sources:

1. ADB. 2009. [Safeguard Policy Statement](#). Manila.

2. ADB. 2006. [Poverty Handbook, Analysis and Processes to Support ADB Operations: A Working Document](#). Manila.

3. ADB. 2012. [Handbook on Poverty and Social Analysis: A Working Document](#). Manila.

4. ADB. 2012. [Strengthening Participation For Development Results: An Asian Development Bank Guide to Participation](#). Manila.