

INITIAL POVERTY AND SOCIAL ANALYSIS

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| Country: | Cambodia, the Lao PDR, Myanmar, and Viet Nam | Project Title: | Second GMS Tourism Infrastructure for Inclusive Growth Project |
| Lending/Financing Modality: | Project | Department/Division: | SERD/LRM |

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| I. POVERTY IMPACT AND SOCIAL DIMENSIONS |
| <p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>The project will contribute to national poverty reduction and inclusive growth strategies in Cambodia, the Lao People Democratic Republic (Lao PDR), Myanmar and Viet Nam (CLMV) by promoting tourism growth in secondary towns, which creates well-paying jobs accessible to women, men, youth and ethnic groups. The tourism industry in CLMV is labor-intensive. On average, six international visitor arrivals create one local job in tourism-characteristic small and medium-sized enterprises (SMEs) such as accommodations, food and beverage services, retail, tour services, transportation, and home-based cottage industries. Promoting tourism growth in project areas will also provide farming families with opportunities to raise their incomes by creating markets for value added agricultural products that can be produced and marketed locally.</p> <p>The percentage of the population below the poverty line of \$1.25 purchasing power parity per day is 2.4% in Viet Nam, 10.1% in Cambodia, 26.0% in Myanmar, and 30.3% in the Lao PDR. However poverty rates in project areas are as high as 12% in Cambodia, 30% in the Lao PDR, 26% in Myanmar, and 35% in Viet Nam due to underemployment, lack of productive assets, and limited access to social services.¹ In addition to promoting tourism growth and job creation in employment-intensive subsectors the project's focus on improving urban-rural connectivity and environmental infrastructure in secondary towns will expand the poor's access to public services such as education, health services, and sanitation. Improving infrastructure to boost inclusive growth is a priority of the GMS Strategic Framework 2012–2022 and Asian Development Banks' country partnership strategies for CLMV. Comprehensive capacity building and tourism investment promotion in project areas will amplify the benefits of infrastructure investments and improve the competitiveness of SMEs.</p> |
| <p>B. Poverty Targeting</p> <p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p> <p>The project will expand economic and social opportunities for rural and urban residents. Improved access to tourist attractions in peri-urban and rural areas will increase economic opportunities for poor and lower-income families and generate positive spillover effects in a range of subsectors. Expanding the quality, coverage, and affordability of urban environmental services will improve the health and living conditions of poor residents.</p> |
| <p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries.</p> <p>Potential beneficiaries of the project are: (i) urban and peri-urban residents that will benefit from improved and expanded access to environmental services; (ii) owners and operators of micro- small and medium sized enterprises, which are primarily women and ethnic groups; (iii) farmers that will benefit from improved access to markets and services; and (iv) destination management agencies (urban management, tourism management, and environmental managers). Rural and urban residents, including the poor, will benefit substantially from project interventions through expanded income generating opportunities, increased land values, job creation for unskilled and semi-skilled labor, increased local involvement in decision making, and improved self-reliance. Awareness programs and infrastructure improvements will reduce social and health risks for the population living in project areas. Recent assessments suggest the percentage of the population with access to clean water and improved sanitation in project areas is lower than national averages.</p> <p>2. Impact channels and expected systemic changes.</p> <p>The project will positively impact poor and vulnerable groups by: (i) providing a means for the poor to diversify livelihoods from subsistence agriculture to salaried employment; (ii) lowering operating costs for home-based cottage industries; (iii) introduce/strengthening progressive tariff systems to ensure environmental services are affordable; (iv) climate-proofing infrastructure to reduce the poor's risk of losing assets due to natural disasters, and (v) strengthening community tourism groups to ensure that poor, ethnic, and women-headed households have a voice in tourism planning and better access to training and economic opportunities. Civil works contractors will be contractually required to hire at least 30% local unskilled labor, of which 25% will be women.</p> |

¹ Proposed project areas include Preah Sihanouk, Cambodia; Oudomxay and Vientiane Province, Lao PDR; Mandalay Region and Mon State, Myanmar; and Lai Chau, Nghe An, Son La and Thai Nguyen, Viet Nam.

3. Focus of (and resources allocated in) the Project Preparatory Technical Assistance (PPTA) for due diligence. Poverty and social issues that need to be carefully reviewed during project design include the affordability of urban services and access to economic opportunities at tourist attractions. The PPTA will give due consideration to the potential negative effects of tourism growth on the poor in project areas (e.g. increased pollution, congestion, price increases and spread of communicable disease). Social development specialists will conduct poverty and social analysis and formulate appropriate mitigation measures following ADB's *Handbook on Poverty and Social Analysis* (2012).

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Women represent about half of tourism industry workers in CLMV. Gender profile by job type varies but the majority of women are employed in lower-skilled jobs paying lower wages. Less than 35% of managerial positions in private tourism enterprises are held by women. Women also hold a lower percentage of middle and high-level public management positions than men. Analysis of the roles, responsibilities, needs, and interests of men and women will be used as the basis of a gender action plan to be prepared during the PPTA.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No

Targeted training programs will increase the number of women public and private tourism managers and managers of public infrastructure assets. Women will participate in project steering committees and as members of certification boards to oversee implementation of regional tourism standards. Women-owned accommodation enterprises such as homestay, guesthouses, and hotels will receive direct assistance to raise the competitiveness of their businesses through support to raise service standards.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No

The project will include measures such as awareness-raising programs and cooperate with law enforcement agencies to protect women and girls from the potential negative social effects of tourism and set targets for women's inclusion in decision making institutions. Project facilities are expected to equally benefit women and men.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) EGM (effective gender mainstreaming)

SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The main stakeholders are: (i) urban and rural residents living in/near secondary towns in the GMS economic corridors, including ethnic groups and women; (ii) owners and operators of tourism-related enterprises, and; (iii) public agencies responsible for tourism, urban environmental management, and urban-rural transportation networks. A series of national and site-specific workshops including women, men, ethnic groups, youth and the elderly will be conducted in each country to gain the views of project stakeholders on project scope, implementation arrangements, community participation and grievance redress mechanisms, and other social, environmental and economic aspects of the project.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

Representatives of nongovernment organizations, civil society, mass organizations, community-based organizations, and private sector associations will participate in workshops and focus group discussions to formulate the project's participation plan and stakeholder communication strategy. Household surveys and focus groups discussions with key stakeholders will establish baseline conditions and provide opportunities for stakeholders to provide inputs into the design of infrastructure and capacity building programs.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing **H** Consultation **H** Collaboration **L** Partnership

The PPTA will consult with and generate/share information with civil society organizations active in tourism and urban development in CLMV, including several international nongovernment organizations, non-profit associations, tourism industry associations, and foundations that provide skills training for the urban and rural poor, and support women's and child protection. Civil society organizations may also be engaged by the PPTA to assist with social surveys.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? Yes No

The PPTA will assess affordability of solid waste and wastewater treatment services using focus groups and surveys. Focus groups and surveys will be held with micro- and small enterprise operators at tourism sites to ensure design suitability and equitable access to improved transport infrastructure.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

Potential land acquisition impacts will be assessed during the PPTA in accordance with ADB's *Safeguards Policy Statement* (2009). Impacts, if any, will be minimized by focusing on upgrading existing infrastructure. Improvements will follow existing alignments and right of way.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

- Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

There will be positive impacts on the livelihoods of any indigenous people living within proposed project areas. Investments may fall under Category B. Negative impacts are not expected. Impacts will be further determined during the PPTA in accordance with ADB's *Safeguards Policy Statement* (2009).

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

3. Will the project require broad community support of affected indigenous communities? Yes No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

- Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

- Creating decent jobs and employment L Adhering to core labor standards Labor retrenchment
 L Spread of communicable diseases, including HIV/AIDS Increase in human trafficking L Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?

Labor specifications and HIV/AIDS prevention activities will be stated in procurement documents and contractually binding. No illegal or child labor will be used for construction and maintenance. Surveys will review and help determine affordability, willingness to pay, and cost sharing mechanisms for urban services. Infrastructure design and capacity building programs will reduce the risks of communicable disease outbreaks and vulnerabilities. Mechanisms to prevent potential increases in human trafficking will be developed in consultation with key stakeholders including residents, migrants, law enforcement agencies, the private sector, government, and civil society organizations.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?

- Yes No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis and participation plan during the PPTA or due diligence?

The PPTA includes an international social development specialist (8.0 person-months) and four national social development specialists (12 person-months total). The indicative budget for consultative workshops and surveys to support social, poverty and gender analysis is \$40,000.