

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:

Lao People's Democratic Republic

Project Title:

Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR

Lending/Financing Modality:

Project loan

Department/ Division:

Southeast Asia Department/Thailand Resident Mission

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Based on the country poverty assessment, the country partnership strategies, and the sector analysis, describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

Increased cross-border tourism in Cambodia, Lao PDR and Viet Nam (the participating countries) will contribute to poverty reduction by raising incomes for the poor and creating employment for men, women, youth and ethnic groups. As a job creator, tourism is among the most labor intensive of the non-agricultural sectors. According to recent government statistics national poverty rates for the participating countries are 30.1% in Cambodia, 27.6% in Lao PDR, and 15.1% in Viet Nam. Poverty rates in the proposed project provinces are as high as 22%, 25% and 47% in Cambodia, the Lao PDR and Viet Nam, respectively. Improved rural and peri-urban roads and environmental infrastructure will remove constraints inhibiting development of new tourist sites, facilitate the poor's access to markets and services, and contribute to improved health and living standards. Improving infrastructure to boost inclusive growth is a priority of the GMS Strategic Framework 2012 and ADB's country partnership strategies for the participating countries. Cambodia, the Lao PDR, and Viet Nam identify tourism as a key economic activity in their poverty reduction strategies due to its ability to create jobs and markets for locally produced goods and services. Comprehensive capacity building and tourism investment promotion will amplify the benefits of stand-alone infrastructure improvements by accelerating micro- small and medium-sized enterprise development in project areas.

B. Targeting Classification

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

The project will expand social and economic opportunities for rural and urban residents. Environmental improvements will improve the health and living standards of people living in small towns in the GMS Corridors. Cleaner, well-managed urban environments and improved access to tourist attractions in peri-urban and rural areas will increase economic opportunities for project beneficiaries. This will contribute to poverty reduction and generate positive spillover effects in a range of sectors.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Potential primary 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; increased local involvement in decision making; and improved self-reliance. Awareness programs and infrastructure improvements will reduce social and health risks for the entire population living in project areas.

The potential needs of beneficiaries are: (i) improved transport infrastructure to improve access to markets, services, and tourists attractions; (ii) improved coverage, affordability, and reliability of environmental services; and (iii) training and capacity building in tourism destination management and tourism-related enterprise promotion.

Potential constraints in accessing the proposed benefits and services are insufficient investment in public transport and environmental infrastructure, limited capacity of government agencies to facilitate investment in pro-poor production and service enterprises, and inadequate operations and maintenance capacity. The proposed project will address these constraints by investing in appropriate public infrastructure, strengthening public sector management capacity and establish public-private partnerships with public goods aspects. It will develop revenue generating mechanisms from tourism (entry fees, taxes, and surcharges) to strengthen long-term sustainability and lower the financial burden on local people to finance operations and maintenance. Infrastructure design will incorporate environmentally and enterprise-friendly design to

maximize employment opportunities and the quality of life of local residents.

2. Impact channels and expected systemic changes.

3. Focus of (and resources allocated in) the PPTA or due diligence.

4. Specific analysis for policy-based lending.

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 the GMS. Gender profile by job type varies considerably, but the majority of women are employed in lower-skilled jobs paying lower wages. In all GMS countries, men tend to secure a higher proportion of managerial positions in government and private sector tourism enterprises. Notwithstanding lower wages and gender-biased pay rates that favor men, remittances from low and semi-skilled tourism workers are an important source of supplementary income for rural households. For example, over 75% of both men and women working in Siem Reap and Phnom Penh hotels remit wages that amount to over \$1.2 million per month. A detailed gender analysis of tourism of each country will be conducted to determine how project benefits can be enhanced for women and how project facilities can be designed and operated in a gender responsive way. The roles, responsibilities, needs, and interests of both men and women will be analyzed.

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

Project infrastructure will be designed to maximize safety and economic opportunities for women and girls, and reduce the local population's susceptibility to communicable diseases that arise from inadequate environmental services. Environmental improvements, increased awareness of hygiene, improved skills (through training), and more representation in destination management organizations will strengthen women's role and increase their participation as decision makers. The gender action plan will incorporate lessons from ADB's past GMS tourism, urban and rural transport support, including the ongoing regional technical assistance Sharing Lessons to Promote Women-Owned Microenterprises in the Tourism Sector (TA 6143-REG).

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 to protect women and girls from the negative social effects of tourism (e.g., HIV/AIDS, trafficking, and exploitation) by providing improved access to social and economic opportunities, raising awareness on the negative impacts of tourism, and setting targets for women's inclusion in decision making institutions. Project facilities are expected to equally benefit men and women.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) 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.

Potential initial stakeholders will be rural and urban residents living in underdeveloped segments of the GMS Corridors, including ethnic groups and women; owners and operators of tourism-related enterprises, and; public agencies responsible for tourism, urban and environmental management, and rural transportation networks.

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?

The project's poverty reduction and social strategy will be developed based on broad and meaningful consultations with project stakeholders, including women, men, ethnic groups, youth and the elderly. A series of national and subnational workshops 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. Representatives of nongovernment organizations, civil society, mass organizations, community-based organizations, and private sector associations will be invited to the workshops. Household and visitor surveys, and focus groups discussions with key stakeholders will establish baseline conditions and provide opportunities for stakeholders to provide inputs into the design of capacity building programs and infrastructure.

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 Consultation **M** Collaboration Partnership

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

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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

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

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(L) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (M) Increase in human trafficking (L) Affordability(L)
 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?

Nature of social issues are not yet know and the action plans are uncertain

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 (vi) 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?