



Initial Poverty and Social Analysis

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TIM: Presidente Nicolau Lobato International Airport Expansion Project

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Timor-Leste	Project Title:	Presidente Nicolau Lobato International Airport Expansion Project
Lending/Financing Modality:	Project Loan	Department/Division:	SETC/SERD

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Timor-Leste's Strategic Development Plan 2011-2030 identified upgrading of infrastructure as a key measure to achieve middle-income status and a healthy, well-educated, and safe population by 2030. Similarly, ADB's Country Partnership Strategy (CPS) 2016-2020 for the country concluded that additional infrastructure investments are needed to support inclusive growth. The proposed project's improvement of the existing airport facilities is in line with CPS focus on improving the country's transport links, which were assessed as increasing costs, reducing competitiveness, and magnifying constraints on the growth of Timor-Leste's small and isolated markets.

B. Poverty Targeting

General intervention Individual or household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc.)

As part of the CPS, the Government of Timor-Leste and ADB identified limited employment opportunities as one of the key contributing factors to poverty. The CPS further linked poverty in urban areas to informal and poor-quality employment. The proposed project is sited in a highly urbanized area in the country's capital city. Contractors will be required to prioritize hiring of local labor for construction activities, particularly from poor and other vulnerable affected households. Expansion of the airport facilities and corresponding expansion of its services will continue to provide employment opportunities for the local population after project completion. The project's income restoration program for affected households will also aim to provide poor and other vulnerable affected households with capacity-building or skilling activities which should help equip them to participate in the labor force more effectively.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The primary beneficiaries of the project are users of Presidente Nicolau Lobato International Airport, such as air passengers and airline companies because of increase of air traffic services, and the private sector who will participate in the operations and maintenance (O&M) of the airport as concessionaire. As limited employment is a major contributor to poverty levels in the country (as of 2014, 41.8% of the population still lived below the national poverty line¹; while 30.7% of the population lived below \$1.9 purchasing power parity a day), an important contribution of the project will be in the form of job opportunities for the local population during construction work and O&M. An increase in Tourism that may result from airport improvement will also likely lead to job creation in the tourism sector. It is noted that to attract more international tourists, related government initiatives are needed, such as tourism strategic plan or entry into ASEAN.
2. Impact channels and expected systemic changes. The main impact channel will be through creation of jobs, which will provide better opportunities for the local population to increase their income and improve access to sustainable employment and decent work. Access to this benefit will be promoted by the project through requirements for contractors to hire local labor, and by providing skilling to project-affected households. The proposed project will also help significantly improve the country's transport links, which in their current state, were assessed as increasing costs, reducing competitiveness, and magnifying constraints on the growth of Timor-Leste's small and isolated markets.
3. Focus of (and resources allocated in) the transaction TA or due diligence. Social and gender analyses will be undertaken through the PPTA to develop participation and gender mainstreaming plans. Particular attention will be given in the socioeconomic and gender survey to identify and address the potential constraints faced by women and low-income groups in accessing project benefits, such as job opportunity in the Airport. The social impact assessment will also identify both positive and potential adverse social impacts (e.g. involuntary resettlement) of the project and develop corresponding mitigation measures. Given environmental risks associated with the construction and O&M of runway will be investigated by environmental impact assessment survey.
4. Specific analysis for policy-based lending. N/A

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? CPS identified access to employment as a key area in which women are disadvantaged, with only 27% of women in the labor force (or economically active) compared with 56% of men. Women were more likely than men to be engaged in vulnerable employment, including informal sector work, which lacks stable income and benefits. Access to financial services is also recognized in the CPS as crucial for women's economic empowerment. Women's entrepreneurship and employment could be an opportunity which can be explored through tourism and service industries which would be boosted through improved civil aviation. An additional gender issue of concern to ADB's investments in Timor Leste is gender-based violence (GBV), sexual exploitation, abuse and harassment (SEAH). GBV-SEAH and domestic violence (which includes child and elder abuse, regardless of sex) is deeply entrenched in all facets of society in Timor

¹ Measured as the cost of meeting basic needs for food, shelter and non-food items.

Leste, including public and private spheres. GBV-SEAH, including domestic violence can range from physical, to sexual, psychological and/or economic abuse. In Timor Leste, 59% of ever-partnered women aged 15-49 years, have experienced intimate partner physical and/or sexual violence at least once in their lifetime.² Despite the high prevalence of violence, many cases continue to go unreported. In Timor-Leste, only 3% of female victims of GBV sought assistance from the police and only 2% of women approached a customary leader or other community members for help.³

2. Does the proposed project or program have the potential to contribute 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

Gender issues in the transport sector to be considered by the project include⁴ differences in: (i) travel patterns, where fewer women than men are air traffic passengers suggesting there will be fewer women users of the improved airport; (ii) use of transport modes in general by men and women; (iii) time use and time poverty, where women usually allocate less time for travel than men, especially for air travel; and, (iv) access to resources for travel, where women may have limited financial resources to afford air travel. Therefore, it cannot be assumed that improving transport infrastructure and services will automatically benefit women, as improvements to transport systems affect men and women differently and not always positively. Further, in recognition of the high rates of GBV-SEAH in Timor Leste, at minimum ADB will ensure alignment with Core Labor Standards, the delivery of specific training on GBV-SEAH to all contracted employees, and the provision of a Grievance Redress Mechanism through which employees and members of the surrounding community may report GBV-SEAH and other concerns and/or infractions anonymously.

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

Yes No

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 project stakeholders are inhabitants living in and near the project site (including households to be affected by land acquisition and resettlement), community-based organizations, local communities (suco, aldeia), private sector involved in the commercial activities in the airport, governmental organizations involved in aviation services, and users of the airport. Key stakeholder groups will be meaningfully consulted on project design and potential impacts during project preparation, and their feedback will be incorporated and documented in the environmental and social impact assessment reports and relevant safeguards plans.

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? Stakeholder consultations will ensure broad participation of project beneficiaries and potentially affected persons, including poor and other vulnerable groups. Consultation activities will guarantee that key project information including schedule of project activities and avenues for community participation will be clearly elaborated. Stakeholder feedback and suggestions will be documented and integrated in project design and social and environmental impact assessment. Household-level socioeconomic surveys and inventory of loss surveys will be carried out.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design? CSOs active in the project area will be confirmed during project preparation as part of due diligence but may include village-level groups, sporting organizations, community organizations (farmers' groups, women's organizations), service delivery CSOs involved in health, education and micro-finance delivery; as well as development non-governmental organizations.

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

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? Yes No Poor and excluded groups to be affected by the project will be identified through community consultations and socioeconomic surveys during project preparation poverty and social analysis. Impacts on these groups and corresponding mitigation (for potential negative impacts), and enhancement (for potential positive impacts) will be developed and documented in the social development and social safeguards documents. Active participation of marginalized groups will be a critical part of resettlement and ethnic minorities planning during project preparation, and in safeguards implementation after project approval.

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 Land acquisition will be required for runway extension and widening, and to

² The Asia Foundation. 2016. *Health and Life Experiences Survey*. San Francisco.

³ Sisters for Change. 2020. *Violence Against Women Cases Across the Pacific Island Region*. London.

⁴ ADB. 2013. *Gender Tool Kit: Transport*. Manila.

accommodate the first stage of aprons, landside development and support facilities. This may result in both physical and economic displacement of affected persons. As the area surrounding the existing airport boundary is highly built-up, a significant number of persons may experience major impacts (relocation and/or significant loss of income). Resettlement surveys will be carried out to identify the potential affected persons and the type and scale of resettlement impacts as part of safeguards due diligence during project preparation. Corresponding mitigation measures in line with ADB Safeguard Policy Statement (2009) will be developed and integrated into a Resettlement Plan.

2. What action plan is required to address involuntary resettlement as part of the transaction TA 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 Several Austronesian ethnic groups; namely, Tetun, Mambai, Tukudede, and others, may be present in the project area and may be affected by land acquisition and resettlement impacts (potential livelihood impacts) and also potentially benefit from the project. Impacts on these ethnic groups and whether any of them trigger ADB's Indigenous Peoples safeguard policy (as per ADB Safeguard Policy Statement 2009), will be assessed as part of safeguards due diligence during project preparation.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No It is not likely that the project components will overlap with a territory owned, used, occupied, or claimed by indigenous peoples as ancestral domain. Project civil works will be confined to the current airport boundary plus the immediately surrounding areas, which are heavily urbanized. However, this will be confirmed as part of safeguards due diligence during project preparation.

3. Will the project require broad community support of affected indigenous communities? Yes No The project is not expected to involve (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. However, this will be confirmed as part of safeguards due diligence activities.

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process? If due diligence activities find that Indigenous Peoples will likely be affected by the project, an indigenous people's plan will be prepared, in line with ADB Safeguard Policy Statement (2009) requirements.

- 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 - H Adhering to core labor standards - H Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS - M Increase in human trafficking Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts Others, please specify: closure of access road linking north and south of the runway - H

2. How are these additional social issues and risks going to be addressed in the project design? These will be addressed in the environmental and social safeguard plans. Additionally, core labor standards (CLS) will be identified and included in the loan agreement, PAM, GAP (if any) —for discrimination and equal pay as pertains to gender, and other project processing document such as SPRSS, RRP, bidding document and contracts will include CLS. Monitoring will be carried out by contractor/consultant engineer as part of the environment and social safeguard monitoring.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA 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 transaction TA or due diligence?

The Consultant team has international and national social safeguards experts; international and a national social development and gender experts, and a national socioeconomic survey expert. Budget is included under the contracts of these experts to carry out consultations and conduct the required surveys for social safeguards due diligence, and social and poverty assessment.