

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country and Project Title: Timor-Leste: Road Network Upgrading Project	
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Lending/Financing Modality:	Project loan	Department/Division:	Pacific Department/Transport, Energy, and Natural Resources Division
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### I. POVERTY ANALYSIS AND STRATEGY

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

The Timor-Leste Strategic Development Plan, 2011–2030 is aimed at promoting socioeconomic and human development, and sets out strategic policy and actions, focusing on three key development areas: (i) social capital, (ii) infrastructure development, and (iii) economic development. The plan also addresses the commitment to the promotion of gender equality, women's rights, and women's empowerment.

Since 2003, when the government and the Asian Development Bank (ADB) signed a poverty reduction partnership, ADB has been an active development partner of Timor-Leste on poverty reduction through road transport infrastructure development. The Timor-Leste country partnership strategy (CPS) 2011–2015<sup>a</sup> identifies road development as one of ADB's priority operations in Timor-Leste. ADB will continue to provide support for road maintenance, strengthening government agencies, national and community-based contractors, road safety, and public transport. ADB acknowledges gender equality as an essential driver of change in achieving inclusive economic and social development. The CPS emphasizes the promotion of gender equality and women's empowerment in all ADB operations, with gender mainstreaming features in project design and implementation, including road improvement projects. The project will contribute to poverty reduction and economic development of Timor-Leste by improving road access and road safety, which in turn will foster socioeconomic opportunities of the population.

#### B. Poverty Analysis Targeting Classification: General intervention

**Key issues.** Timor-Leste has made progress in reducing poverty. The national poverty incidence declined from 50% in 2007 to an estimated 41% in 2009.<sup>b</sup> Poverty incidence is higher in rural areas (52%) than in urban areas (45%). Timor-Leste's Human Development Index improved from 0.428 in 2005 to 0.495 in 2011, positioning the country from 159 to 147 out of 187 countries in the 2011 Human Development Report.<sup>c</sup> Timor-Leste is currently on track to meet several Millennium Development Goals (footnote b). Poverty, however, remains widespread. Efforts to reduce poverty have been challenged particularly by poor road transport infrastructure. Poor road conditions and transport services limit access to and delivery of social services, and also restrict opportunities for income-generating activities. About 44% of the paved road and 89% of the unpaved roads are in poor condition (footnote b). Poor road conditions, along with narrow road width and low road safety awareness, have contributed to frequent road accidents. There were 1,650 road accidents or about 15 accidents per 10,000 of the population in 2008.<sup>d</sup> Improved road infrastructure is crucial for improving access to essential social services and fostering economic opportunities. The project will indirectly address poverty reduction by improving the road network and road safety, which in turn will increase access of the poor to social services, jobs, and income-earning opportunities. It is estimated that 250,000 people will benefit from the upgraded roads.

**Design features.** The project is designed to increase movement of people and goods by making the national road network more reliable and safer. The project will promote the use of local materials and workers to generate income opportunities, and encourage a participatory community development approach by involving local authorities, roadside communities, women's organizations, and nongovernment organizations (NGOs) in project decision making, implementation, and monitoring. The project will also use a gender mainstreaming strategy, with at least 30% of women's representation and participation in all activities as outlined in the gender action plan (GAP).

### II. SOCIAL ANALYSIS AND STRATEGY

#### A. Findings of Social Analysis

**Key issues.** As of 2010, the population of Timor-Leste is about 1.1 million. Life expectancy at birth has increased from 59 years in 2004 to 62.5 years in 2011,<sup>e</sup> while fertility rate has decreased from 7.8 in 2003 to 5.7 in 2009.<sup>f</sup> School enrollment has improved and illiteracy levels declined from 57% in 2001 to 45% in 2007 (footnote e). Households headed by women constitute 16% of the total population.<sup>g</sup>

The primary beneficiaries of the project are (i) road users (drivers and passengers) and nonmotorized transport users; (ii) households living in communities along, and in the catchment areas of, the upgraded and maintained road links, who grow and/or sell a range of cash crops and other agricultural produce and livestock; (iii) passenger and goods (cargo) transport service providers and commercial truck drivers; and (iv) small businesses and traders including vendors at local and/or informal markets, trade store owners, coffee and other produce buyers, and small- and medium-sized enterprises in the district capitals and towns. In the short term, at least 5,000 people will have additional cash income from civil works employment. Women in the affected area will also have opportunities for employment and skill development, as labor-based civil works will recruit at least 30% women workers. In the long term, at least 250,000 Timorese will benefit from the upgraded road links; about 35% of agricultural business will benefit from easy access to farming technology, equipment, and markets; and income from livestock will increase by at least 10% as a result of easy access to transport and markets (footnote d).

The potential beneficiaries expressed that the project will bring some positive impacts such as (i) improved delivery and access to public social services, (ii) reduced travel time, (iii) reduced transport cost, (iv) improved mobility to neighboring

districts and cities, (v) income generated by construction and maintenance work, (vi) improved local business from selling local products, (vii) improved capacity on road construction and maintenance, and (viii) proper road signs and increased road safety. However, they also expressed concern over (i) their land and other properties (houses, business kiosks, trees, fences, etc.) that will be affected by the project, and (ii) greater likelihood of road accidents as better road conditions will trigger careless drivers to drive faster.

## B. Consultation and Participation

1. Consultations were carried out with potential beneficiaries and key stakeholders at the national, district, subdistrict, *suco* (village) and *aldeia* (sub-village) levels, through meetings, interviews, and focus group discussions. The participants were women and men from roadside communities, government agencies, the national Parliament, development partners, women's organizations, NGOs, and the private sector. At the national level, consultations were held with the Women Parliamentarians' Caucus; the Parliamentary Committee on Poverty Reduction, Rural Development and Gender Equality; the Secretariat of State for the Promotion of Equality; and the Ministry of Economy and Development. Development partners consulted include the United Nations Development Programme, the United Nations Integrated Mission in Timor-Leste, the International Labour Organization, Japan International Cooperation Agency, the World Bank, Irish Aid, and the Australian Agency for International Development. At the subnational level, consultation meetings and interviews were organized with heads of districts, subdistricts and villages (*suco*), sub-villages (*aldeia*) and village councils (*conculo de suco*), and community development officers, along with community and religious leaders, roadside communities, local business vendors, local NGOs, and drivers. The consultation meetings were facilitated by NGOs such as Rede Feto, Kaukus Perempuan, Alola Foundation, and Luta Hamutuk. Overall, consultations indicated strong support for the project. Resettlement, land acquisition, and the compensation package was the most critical issue raised by stakeholders and potential partners. To address this issue, a resettlement framework has been prepared and gender issues regarding customary land tenure are addressed in the resettlement framework and GAP.

2. What level of C&P is envisaged during the project implementation and monitoring?

Information sharing     Consultation     Collaborative decision making     Empowerment

3. Was a C&P plan prepared?  Yes     No

## C. Gender and Development

**Key issues.** Progress toward gender equality and women's empowerment has been made in the past decade. Female school enrollment has increased. Infant and under-five mortality has decreased by 50% since 2001. Maternal mortality rates, though still high, have decreased from 660 deaths per 100,000 live births in 2000 to 557 in 2010 (footnote e). Women represent 29.2% of parliamentary seats. There are two female ministers, one vice-minister, and a secretary of state for the promotion of gender equality. There are gender focal persons in the national and district government offices. Despite all the progress, gender inequality still remains in many key areas. Women's participation in the labor force is half of men's and the women's unemployment rate is higher than men's; women's adult illiteracy (54%) is also higher than men's (37%). Domestic violence is a growing concern. The awareness and capacity of the government, women's organizations, and NGOs on gender mainstreaming in road transport infrastructure is limited. Road construction and maintenance work is seen as predominantly men's work. Women contractors expressed that their opportunity to be involved in road construction and maintenance is very limited because of factors such as (i) gender-biased perceptions and attitudes toward women's roles and capacity, (ii) women's limited access to the bidding process, (iii) women's limited technical capacity, and (iv) women's limited financial capabilities.

In roadside communities, people normally travel and use the road by foot to perform their daily activities. Traveling for long hours is particularly dangerous for women and girls as they are vulnerable to sexual violence. Some parents reported that their girls experienced sexual harassment by road users from outside their communities. Because of their multiple roles, women tend to use the roads more than men. Women walk several hours to go to market, fetch water, carry and sell firewood, and bring their children and sick to health centers. Women small traders and sellers spend long hours at their kiosks, which are normally located on the edge of the road. The kiosks normally do not have water and sanitation facilities. This negatively impacts their health and puts them at risk of being victim to sexual violence as they have to walk to find clean water and sanitation facilities. Given the hours spent on the road, women are more vulnerable to road accidents than men.

The project will reduce women's and children's travel time and improve access to schools, health centers, and markets. The delivery and quality of education and health services will also be enhanced with improved road networks. Improved health services will contribute to reducing maternal and infant mortality rates. Women traders will have better access to markets and can sell more of their products, bringing opportunities to expand their business and income. With road safety programs, the project will contribute to increased awareness of road safety issues for women and girls, and educate all roadside communities on road safety issues and related social issues such as HIV/AIDS and sexually-transmitted infections.

**Key actions.** Measures included in the design to promote gender equality and women's empowerment—access to, and use of, relevant services, resources, assets, or opportunities and participation in decision-making process:

Gender plan     Other actions or measures     No action or measure

GAP measures include (i) employment of women workers (at least 30%) in labor-based construction work; (ii) equal pay for equal work for women and men; (iii) integration of the safety concern of women, youth, children, elderly, and disabled people into the road safety education program; (iv) integration of local knowledge (women and men) into the climate change adaptation measures and programs; and (v) the use of gender-sensitive indicators and sex-disaggregated data

and gender analysis in baseline studies, monitoring and evaluation, reporting, and a project performance system. The GAP will be implemented by the Project Management Unit with assistance from a full-time national Social and Gender Development Specialist and international Social and Gender Development Specialist (intermittent), and its progress will be included in regular reporting to the government and ADB.

<b>III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS</b>			
<b>Issue</b>	<b>Significant/Limited/No Impact</b>	<b>Strategy to Address Issue</b>	<b>Plan or Other Measures Included in Design</b>
Involuntary resettlement	The project requires involuntary resettlement plans for road upgrading.	Resettlement framework has been prepared.	<input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> None
Indigenous peoples	No impact	No indigenous peoples issues are associated with the project.	<input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input checked="" type="checkbox"/> None
<b>Labor</b> <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Core labor standards	The project is expected to generate positive impacts on employment opportunities.	The project will promote capacity development and employment opportunities for local women and men on an equal basis. Core labor standards will be adhered to, including equal pay for equal work for women and men workers, and no children will be employed for road construction work.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
<b>Affordability</b>	Not applicable.		<input type="checkbox"/> Action <input checked="" type="checkbox"/> No action
<b>Other Risks and/or Vulnerabilities</b> <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (conflict, political instability, etc.)	HIV/AIDS incidence in Timor-Leste is relatively low, but with increased people's mobility as a result of road improvements, the risk of transmission of HIV/AIDS among high-risk groups might increase.	HIV/AIDS and sexually transmitted infection awareness and prevention training will be implemented as part of mitigation measures.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
<b>IV. MONITORING AND EVALUATION</b>			
Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

<sup>a</sup> ADB. 2011. *Country Partnership Strategy: Timor-Leste, 2011–2015*. Manila.

<sup>b</sup> United Nations Development Programme (UNDP). 2011. Human Development Report 2011. Managing Natural Resources for Human Development. Developing the Non-Oil Economy to Achieve the MDGS. Dili.

<sup>c</sup> UNDP. 2011. Timor-Leste Country Profile: Human Development Indicators. Available at <http://hdrstats.undp.org/en/countries/profiles/TLS.html>.

<sup>d</sup> ADB. 2011. Concept Paper. Democratic Republic of Timor-Leste: Road Network Upgrading Sector Project. Manila.

<sup>e</sup> National Statistics Directorate (NSD), Ministry of Finance, Timor-Leste, and ICF Macro. 2010. *Timor-Leste Demographic and Health Survey 2009-2010*. Dili.

<sup>f</sup> Government of Timor-Leste. 2010. *Millennium Development Goals 2010: Where are we now? Where do we want to be in 2015?* Dili.

<sup>g</sup> NSD and UNFPA. 2011. Population and Housing Census of Timor-Leste, 2010. Volume 4: Suco Report. Dili.