

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Lao PDR"/>	Project Title:	<input type="text" value="Water Supply and Sanitation Sector Project"/>
Lending/Financing Modality:	<input type="text" value="Sector Investment Project"/>	Department/Division:	<input type="text" value="SERD/SEUW"/>

I. POVERTY ISSUES

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

The proposed Water Supply and Sanitation Sector Project (the project) will be in accordance with both the Asian Development Bank (ADB) and Government of the Lao People's Democratic Republic (the Lao PDR) priorities and frameworks. Both the Government's Seventh National Socioeconomic Development Plan (SEDP7) 2011–2015 and the Country Partnership Strategy 2012—2016, aim to support inclusive and sustainable economic growth and poverty reduction. By improving urban services and municipal infrastructure in provincial and secondary, urban centers can be transformed into economic hubs supporting the surrounding peri-urban areas. Small district towns, in particular those located along the Greater Mekong Subregion (GMS) transport corridors or in the vicinity of significant tourism attractions can help strengthen urban-rural linkages, support small businesses, and generate employment opportunities for the urban and rural populations. The proposed project will be in accordance with ADB's water supply and other municipal infrastructure and services assessment, strategy and roadmap for Lao PDR, and ADB's Water Policy and ADB's Water Operational Plan 2011—2020 for Strategy 2020.

B. Targeting Classification

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

The classification is proposed, as the project will improve the lives of individuals and households income directly (reduced expenditure on informal water supply sources) and indirectly (health care expenditure due to illness caused by poor water quality and unsanitary environmental conditions). The project impact and outcome may contribute in part to the Lao MDGs but its timeframe will extend beyond monitoring of the Lao MDGs targets in 2015.

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?
Not applicable.

2. What resources are allocated in the PPTA/due diligence?

The project preparatory technical assistance will include resources for socioeconomic surveys, including poverty assessments. In 2008, the poverty figure was 27.6% according to the Ministry of Planning and Investment. High poverty incidence will continue to be one of the criteria used in prioritizing small towns for possible ADB support. The consulting team will coordinate in developing and administering an affordability survey for the project.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? Please explain.

During project preparation, the TA will help to support further discussions on the "free connection policy," utility-wide progressive water tariffs, and household sanitation grants for the poor (see below). In addition, the output focusing on the community action in urban sanitation will allow villages to plan, prioritize and drive their own local development related to environment sanitation improvements.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The potential beneficiaries of the project include urban and peri-urban residents, staff of participating provincial nam papas (PNPs); and staff from the Ministry of Public Works and Transport. The project will be gender and socially inclusive, and will not discriminate against poor, disadvantaged or vulnerable groups.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The needs of beneficiaries will be determined during project preparation, and will draw on experiences from ongoing projects.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?
 None are anticipated at this time. Based on two ongoing projects in the subsector in Lao PDR, the PNPs have been implementing a “free connection policy” (i.e., amortizing the connection fee as part of the overall tariff). This policy will continue to be supported by the project. In addition, the provincial departments of public works and transport have been providing sanitation grants to poor households as defined by the government’s poverty line. The requirement for each project household to have a toilet prior to benefitting from a free piped water supply connection will support the Government’s urban sanitation target.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.
 Initial stakeholders include village residents, local businesses, participating PNPs, Lao government officials, mass organizations, development partners, ADB and potential cofinanciers.
2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?
 Participatory and stakeholder consultations will be required at every stage of project preparation. Provision for workshops and local village, district and provincial meetings has been made in the project costs. Consultations may take the form of, for example, focus group discussions, informant interviews, and village meetings. Consultations will be held separately with men and women, and with minority ethnic groups (if applicable). Communities will be empowered to determine their own priorities and manage village level initiatives.
3. What level of participation is envisaged for project design?
 Information sharing Consultation Collaborative decision making Empowerment
4. Will a C&P plan be prepared during the project design for project implementation? Yes No Please explain.
 A C&P plan is integral to all social development and safeguard plans. A C&P will be prepared for the overall project, making reference to other social and safeguard plans, as required.

C. Gender and Development Proposed Gender Mainstreaming Category: Effective Gender Mainstreaming

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?
 Key issues include: (i) participation and decision making opportunities at the community level; (ii) female representation in project implementation units, training and skills development opportunities; and (iii) gender equity and women’s empowerment in the provincial water utilities. The PPTA will explore these and other issues through a review of previous gender activities in the sector, preparation of a gender analysis and gender action plan. Meaningful and strategic gender targets/indicators/activities will be prepared and included in the project design and monitoring framework.
2. Does the proposed project/program have the potential to promote gender equality and/or women’s empowerment by improving women’s access to and use of opportunities, services, resources, assets, and participation in decision making?
 Yes, a gender analysis, action plan and meaningful/strategic targets will be prepared during the PPTA. No
3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?
 Yes No, the project will provide benefits and opportunities for both men and women.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	The proposed categorization is B. The TA will investigate (i) any expected land acquisition, (ii) any potential physical or economic displacement of people, and (iii) any potential activities that would result in temporary or permanent restriction of people’s access to land or livelihood, based on experience from other projects in the same geographical area or similar sector projects.	Not known	<input checked="" type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> Resettlement Plans
Indigenous Peoples	The proposed project is categorized as B, as IP impacts are unknown at this	Not known	<input checked="" type="checkbox"/> Indigenous Peoples Planning Framework

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
	stage. Residents in urban areas are not expected to be IPs; however, a screening will be completed during TA implementation.		<input checked="" type="checkbox"/> Indigenous Peoples Plans (TBD)
Labor <input checked="" type="checkbox"/> Employment Opportunities <input checked="" type="checkbox"/> Core Labor Standards	The TA will explore employment opportunities for both men and women; adherence to core labor standards will be part of ensuing project	Limited	<input checked="" type="checkbox"/> Other Action
Affordability	Affordability analysis will be conducted as part of the TA	Limited	<input checked="" type="checkbox"/> Action
Other Risks and/or Vulnerabilities	None	No impact	<input checked="" type="checkbox"/> No Action
IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT			
<p>1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>			

TBD = to be determined.

Source: Asian Development Bank.