

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Indonesia	Project Title:	Coral Reef Rehabilitation and Management: Coral Triangle Initiative Project
Lending/Financing Modality:	Sector Loan	Department/ Division:	Southeast Asia Department/ Environment, Natural Resources and Agriculture Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Government's current target is to reduce poverty rates to 8-10% (from 12% in 2012) by 2014. More than 53% of coastal families are living below the poverty line and they depend on fisheries related livelihoods supported by coral reef ecosystems. COREMAP-CTI (the Project) is consistent with the current Indonesian Medium-term National Development Plan for 2010-2014 wherein natural resources and environment are identified as key sector priorities in addressing poverty and inclusive growth. The Project will align with the goals of CTI regional plan of action (RPOA) and build synergy with Indonesia's National Plan of Action for the CTI. The project will contribute to meeting MMAF's target of effectively managing 4.5 million hectares by 2014 and 20 million hectares by 2020. The Project is aligned with Indonesia's CPS 2012-2014 in two strategic pillars of inclusive growth and environmental sustainability.

B. Targeting Classification

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

The Project will directly and indirectly increase the skills of fisher communities in protecting the coastal ecosystem (reefs, mangroves, etc.) and improve their livelihoods in targeted districts by generating employment opportunities for participating communities. Sustainable livelihood options will increase incomes of community members who rely on seasonal employment and will reduce pressures on the coastal ecosystems upon which these communities depend. Collaboration and learning networks facilitated by the project will increase communities' awareness in protecting their coastal resources and strengthening collaboration between local government and communities, which will contribute to further skill development and small business development. Further, the addition of selected infrastructure will provide households improved facilities to meet their basic needs for production of goods and services, while increasing the communities' resilience to natural hazards and environmental threats, making the poor less vulnerable.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The primary beneficiaries are coastal and marine resources-dependent households and also coastal communities in general; particularly those residing in districts and secondary cities in North Sumatra, West Sumatra and Riau Islands Province. The Project will develop increased control of communities (through zoning, monitoring, enforcement) regarding access to coral reefs and conservation areas, resulting in more sustainable fisheries and improved quality of the coastal resources. This will benefit the poor who are disproportionately impacted by the damage of coral reef ecosystems. The poor who are socially excluded are normally not involved in any decisions related to zoning and law enforcement. The poor fishers' households need alternative livelihoods as their current incomes are seasonal and they have limited skills and capital to engage in alternative livelihoods. The Project will facilitate involvement of women in these activities.

2. Impact channels and expected systemic changes. The improvement in natural resources governance and more involvement of poor coastal communities in zoning and law enforcement, better access to livelihood skills improvement, and awareness raising in conservation will increase possibilities for the poor communities to have improved livelihoods and employment. Local government's awareness and willingness to involve poor communities in coastal areas protection and their facilitation in accessing capital, marketing and other skills will be a key driver of change in the project area.

3. Focus of (and resources allocated for) due diligence. Social economic analysis and potential of sustainable alternative livelihoods for coastal communities in selected districts need to be conducted and information used appropriately in designing the project components. Meaningful consultation with local government and representatives of coastal communities need to be done and recorded. Community and income generation specialist(s) with experience in coastal areas need to be engaged.

4. Specific analysis for policy-based lending. Not applicable.

II. GENDER AND DEVELOPMENT

1. **Key gender issues:** Women are involved in selling the fish and post-harvest handling but their skills are limited. Employment opportunities for women are inadequate. Currently, they are not involved in marine protected area (MPA) and zoning issues. Awareness of healthy ecosystem concepts needs to be strengthened. Employment opportunities, access to capital and skills in post-harvest, packaging and other alternative livelihoods are very important for women in the project area. As their access to education/training and health/sanitation facilities is limited, the Project will need to address these issues.

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

Access to skills, capital and other social services will increase income opportunities for women and their families. Their participation and leadership in various committees will improve their awareness, empowerment and their contributions in coastal areas conservation as well as reduce their vulnerability. Skills training related to coastal resources management and protection has to be prioritized for women.

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

Yes No

Development of economic conditions and technical skills will be developed through awareness on conservation, business training, leadership positions in coral reef community boards, all of which will reduce gender inequality and will improve women's empowerment.

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. Main stakeholders and how they will participate: In the project design potential stakeholders of the Project are: coastal and marine resources-dependent households, coastal communities in general; fisher groups/associations, schools; universities; local government unit/agencies; local investors and local enterprises; collective land owners who may be impacted during construction of specific infrastructure. Participatory approach will be applied accordingly.

2. How can the project contribute to engaging and empowering stakeholders and beneficiaries, particularly the poor, vulnerable and excluded groups?

Through meaningful consultation and facilitating their access to knowledge/skills of coastal conservation and alternative livelihoods, involving them in planning, potential employment opportunities and facilitating access to other networks and service providers. The criteria and priorities for infrastructure projects should also be discussed with women beneficiaries.

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
 Collaboration Partnership

Community services organizations (CSOs) and community-based organizations (CBOs) working in coastal areas need to be listed, especially those related to community tourism, conservation, skills and income generating activities.

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 Please explain.

The poor might not have enough information about the project, whom to contact and how to be involved. CSOs and CBOs will need to participate especially in community development-related activities, and group formation and strengthening, including promoting gender equality.

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

Program will allocate about 25% of budget for basic rural and economic infrastructure. Land acquisition and/or resettlement will be avoided if possible. If there are negative impacts or potential land acquisitions, Project will follow Resettlement Framework.

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 Project areas have IPs and customary laws are present. The project design will ensure that IP will get access to project benefit and will not be impacted negatively from losing access to their livelihood opportunities.

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 Adhering to core labor standards Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS 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 _____

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

Unskilled labor will be prioritized for the poor communities, and employment from alternative livelihoods can impact the poor positively both directly and indirectly. Community contracts involving communities will be pursued.

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

3. 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?

Gender and social community development specialists are engaged; the budget for consultation especially for community groups will be allocated. Resources will be allocated to hire a competent social safeguards and gender consultant.

CBO = community-based organization, COREMAP = Coral Reef Rehabilitation and Management Project, CSO = community services organization, CTI = Coral Triangle Initiative, IP = indigenous people, MPA = marine protected area, PPTA = project preparatory technical assistance, RPOA = regional plan of action.