

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Sri Lanka	Project Title:	Mahaweli Water Security Investment Program
Lending/Financing Modality:	Multitranches Financing Facility	Department/Division:	South Asia Regional Department Environment, Natural Resources and Agriculture Division

<p>I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY</p> <p>Poverty targeting: General intervention</p> <p>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy</p> <p>The investment program will assist the government to complete water conveyance investments under the Mahaweli Development Program (MDP). It will transfer water to the northern dry zone to increase the cropping intensity of land, provide drinking water, and develop commercial enterprises. It will thereby improve the living conditions of rural communities and contribute to national and local economic growth. The investment program will have a direct positive impact on Sri Lanka’s poverty reduction and inclusive growth strategy. The key investment program components are aligned with the government’s national strategy, 2010–2020, of accelerating economic growth and social welfare to eradicate poverty and improve the environment. The investment program targets achieving the Millennium Development Goals, especially eradication of hunger and hardcore poverty. Its key outputs—irrigation development, effective irrigation water management, and efficient water use—directly contribute to achieving these targets: (i) the direct beneficiaries are farmers, including the poor and vulnerable; (ii) secured irrigation and higher cropping intensities enable these farmers to earn beyond their subsistence incomes, and provide better employment for the poor and vulnerable; and (iii) improving the availability of, and access to, potable water will improve the general health of these communities, which are affected by chronic kidney disease caused by consumption of contaminated groundwater. The investment program is aligned with the Asian Development Bank (ADB) interim country partnership strategy for Sri Lanka, 2015–2016, which focuses on inclusive and sustainable economic growth.^a The investment program positively impacts on rural poverty through better irrigation, safe drinking water, and better supply of water for businesses—enabling dry zone communities to improve their income and socioeconomic conditions.</p> <p>^a ADB. 2015. <i>Interim Country Partnership Strategy: Sri Lanka 2015-2016</i>. Manila.</p> <p>B. Results from the Poverty and Social Analysis during PPTA or Due Diligence</p> <p>1. Key poverty and social issues. Land fragmentation, erratic rainfall, and absence of reliable irrigation water have impoverished a large number of farming households in the dry zone. The poor and vulnerable households depend on dry un-irrigated land to cultivate <i>chena</i> (slash-and-burn) crops. Paddy cultivation is limited to areas served by village reservoirs or irrigation canals, as in the Minipe Colonization Scheme (a beneficiary area under the investment program). Since 2010, even <i>Maha</i> season (December to February) crops have failed because of drought or floods. As a result, more than 40% of farmer households depend on nonagricultural work to earn their living. The change in government development focus, in favor of rural sector and domestic agriculture, appears to have made a significant contribution to poverty reduction. The percentage share of the poor in the rural sector declined from 15.7% in 2007 to 7.7% in 2011. Official data indicate that the poverty line in the project areas is almost the same as the national poverty line, which is \$1/day (SLRs3,900/month). The socioeconomic survey in the project areas shows that 13% of households have income less than SLRs5,000/month and that they receive government subsidies.</p> <p>2. Beneficiaries. The investment program will improve irrigation over about 162,000 hectares (ha). Cultivators of irrigated land are the main beneficiaries of the investment program. Highland farmers will also obtain benefits from the availability of irrigation water, as many of them use lift irrigation to irrigate their allotments. In addition, the provision of drinking water will be beneficial to all communities in the dry zone, especially in Vavuniya and Trincomalee, which will provide raw water to about 358,000 persons.</p> <p>3. Impact channels. Increased agricultural production from higher cropping intensities, resulting from the increased supply of water, will generate better income for farmers. This will contribute to reducing incidences of poverty in the beneficiary areas. The poor and vulnerable will benefit from increased employment opportunities and better use of homesteads. Crop diversification, encouraged by assured irrigation, will generate capital to invest in nonagricultural enterprises such as businesses and services.</p> <p>4. Other social and poverty issues. With improved security and mobility in the northern dry zone after the civil war, the poor and vulnerable are willing to move away from their communities if better life chances are provided elsewhere, especially in urban areas. The investment program will focus on improving the agriculture sector in beneficiary areas, and will improve local economic activity and reduce migration to urban areas. In addition, increased and secured access to clean surface water will help eradicate widespread chronic kidney diseases in the beneficiary area.</p> <p>5. Design features. The investment program will provide new water conveyance and storage infrastructure for the Central, North Central and North Western provinces. It will also rehabilitate existing water infrastructure in Minipe to ensure all farmers receive adequate irrigation seasons to cultivate their land and diversify their crops.</p> <p style="text-align: center;">II. PARTICIPATION AND EMPOWERING THE POOR</p> <p>1. Participatory approaches and project activities during project preparation: (i) reviewed current and planned communication dynamics under the investment program; (ii) undertook stakeholder mapping; (iii) analyzed media and communication channels critical for sharing information, feedback and participation, building consensus, and community</p>

mobilization; (iv) identified strategic approaches to engage stakeholders via communication and media channels; and (v) evaluated communication capacity of the relevant institutions and identified priority areas for capacity building. Investment program activities in this regard are improving coordination and participation of stakeholders at different levels of implementation; establishing targeted means of communication; and establishing a formal communication structure to improve coordination and dissemination of investment program information.

2. Civil society organizations. Two key objectives of the investment program—effective irrigation management and drinking water distribution—will be done in consultation with, and with the support of, civil society organizations. Farmer organizations with several tiers provide an ideal vehicle for these key tasks.

3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

H Information gathering and sharing H Consultation M Collaboration M Partnership

4. Participation plan Yes No

A strategic communications plan to facilitate smooth communication among different stakeholders and their participation in the investment program activities has been formulated. It provides for an information education campaign to raise stakeholder awareness of the benefits of the investment program—particularly of compensation, resettlement assistance, income restoration, and improvement packages. It also improves community participation in investment program activities. Part of the plan is building an effective grievance redress mechanism (GRM) with the participation of communication officer(s) at the program management unit (PMU) and project implementation units, and all categories of stakeholders including the vulnerable and the poor. The GRM will play a key role in assisting stakeholders in presenting their grievances and resolving them. The plan is geared toward increasing transparency and accountability, to promote understanding about the investment program and engender public trust.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category. No gender elements

A. Key issues. Young educated women have become more mobile and empowered than their parents. Together with young men, they seek employment opportunities in urban areas and Middle Eastern countries to become economically independent. Young women typically find work in garment factories, private business agencies, and information technology centers. Young men also find employment in the security forces, businesses, and transport services in urban centers. Compared with sources of locally earned income, these provide attractive incomes for both women and men. Women participate more in household decision making than in the past because of their income and educational status, and they make investment decisions. Married employed women tend to build or upgrade houses, and provide a better education to children. Young and unmarried people invest their income to escape poverty and secure a better future. Women's economic power has started to affect the social image of men in village communities and settlements. The prolonged absence of women who work in Middle Eastern countries or urban areas has transferred responsibility for tasks previously performed by women to their husbands and brothers. Some men react to this new role by withdrawing from the role of main provider, expecting their wives to take that role. Others spend their spouses' income on drinking and gambling, which leads to family disorganization and poverty. Local communities do not hold such men in high regard.

B. Key Actions. Investment program activities for tranches 1 and 2 will be limited to constructing major water storage and conveyance infrastructure. Hence, there are no negative gender impacts leading to women's loss of traditional land rights or employment opportunities. In fact, the project will give an opportunity for women to participate in the construction stage, and in the long run will help women have access to secured domestic water supplies. This will reduce their traditional burden of fetching water and give them extra time to engage in income-generating activities and community development programs. Tranches 1 and 2 will be classified as no gender elements, but tranche 3 is expected to have some gender elements.

Gender action plan Other actions or measures No action or measure

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. The investment program will have some involuntary resettlement impacts. The first tranche, under the North Western Province Canal Project, will acquire about 11.63 ha, and will economically affect 128 households—amounting to 448 project-affected people. Of them, nine households with 27 project-affected people will be physically displaced, and 119 households will lose no more than 2%–9% of their land

2. Strategy to address the impacts. Physically and economically displaced households will receive compensation for their lost property at replacement cost. Detailed resettlement implementation plans have been prepared and disclosed to all project-affected people. A GRM will be established to address grievances of affected persons promptly. Adequate funds have been allocated to complete compensation, and income restoration and improvement programs.

3. Plan or other Actions

Resettlement plan Combined resettlement and indigenous peoples plan
 Resettlement framework Combined resettlement framework and indigenous peoples
 Environmental and social management system arrangement planning framework
 No action Social impact matrix

B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI	
1. Key impacts. The investment program components neither directly nor indirectly affect the dignity, human rights, livelihood systems, ancestral domains, or cultural systems of indigenous peoples in Sri Lanka. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2. Strategy to address the impacts. 3. Plan or other actions.	
<input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
V. ADDRESSING OTHER SOCIAL RISKS	
A. Risks in the Labor Market	
1. Relevance of the program for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). M <input type="checkbox"/> unemployment M <input type="checkbox"/> underemployment L <input type="checkbox"/> retrenchment L <input type="checkbox"/> core labor standards	
2. Labor market impact. In the short term, villagers in the project areas will be able to find employment at investment program sites. Men and women will have equal opportunity to work in construction activities. In the long term, with better irrigation facilities, villagers will be able to cultivate their paddy and highland crops regularly, thereby improving household incomes. This will encourage them to stay in the area, and not search for employment elsewhere.	
B. Affordability Two of the key development issues in the dry zone are the absence of reliable irrigation water and poor quality of drinking water. The investment program will provide reliable irrigation water to increase cropping intensities, and safe and adequate domestic water supplies to a large number of households in the dry zone—regardless of their socioeconomic status, and free of service and unit charges. As a result, the investment program will not exclude any household from sharing its benefits because of unfavorable price mechanisms associated with its deliverables, or make the poor worse off than before the investment program.	
C. Communicable Diseases and Other Social Risks	
1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): L <input type="checkbox"/> Communicable diseases L <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (please specify) _____	
2. Risks to people in program areas. Environmental pollution of water sources resulting from construction activities will affect community health, especially of children, the elderly, and sick persons. Vector-borne diseases, such as dengue, may result from the construction of trenches, pits, and other structures that hold stagnant water. Environmental monitoring plans have provided mitigation measures for addressing environmental impacts associated with the construction works. The influence of migrant workers on local youths is a grave concern for parents. The arrival of worker gangs with contractors could expose the youth to nefarious habits such as drug addiction and alcoholism. Aside from awareness programs that will be held by contractors and the PMU, the stakeholder communication strategy has been designed to address these issues.	
VI. MONITORING AND EVALUATION	
1. Targets and indicators. By 2024: (i) the service irrigated area of the North Central Province Canal Program will increase from 145,000 ha with cropping intensity of 188% in 2013, to 162,000 ha with cropping intensity of 191%; (ii) 974 million cubic meters (mcm)/year of water will be available from the Mahaweli system in North Central Province, inclusive of 70 mcm/year of raw water for 358,000 people; (iii) 130 mcm/year water will be available from Mahaweli System in the North Western Province; and (iv) the storage capacity of Minipe Anicut will be increased to 1.25 mcm. Progress reports of the Mahaweli Authority of Sri Lanka and Department of Irrigation are the data sources. During project implementation, other aspects—such as employment for the poor, vulnerable, and women, as well as compliance with core labor standards—will be monitored.	
2. Required human resources. The PMU's resettlement specialist and communication officers will monitor poverty and social impacts of the investment program. The social development consultant of the program management, design, and supervision consultant, and ADB safeguards officers will support them.	
3. Information in the facility administration manual. ADB will conduct a midterm review to identify problems and issues encountered and to suggest measures to address them, including appropriateness of scope, design, implementation arrangements, schedule of activities, and compliance with safeguards and other covenants. The Ministry of Mahaweli Development and Environment will submit a facility completion report to ADB within 6 months of physical completion of the investment program.	
4. Monitoring tools. Periodic progress reports, safeguard monitoring reports, safeguard review reports, and benefit monitoring reports prepared by the PMU and the program management, design, and supervision consultant are the key tools to monitor progress in the investment program's impacts on poverty and social dimensions.	

Source: Asian Development Bank estimates.