



# Initial Poverty and Social Analysis

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Project Number: 52347-001  
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## Proposed Loan INO: National Roads Development Project (Kalimantan)

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Asian Development Bank

**CURRENCY EQUIVALENTS**  
(as of 1 April 2020)

Currency unit	–	rupiah (Rp)
Rp1.00	=	\$0.00007
\$1.00	=	Rp13,696

**NOTE**

In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Indonesia	Project Title:	National Roads Development Project (Kalimantan)
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

As part of the Country Partnership Strategy, the Indonesian government and ADB identified that strengthening road infrastructure is the key for inclusive growth and sustainable development. Improving road connectivity of Kalimantan meets the government development strategy in ensuring access to the regional and markets of goods and services.

#### B. Poverty Targeting

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

The poverty rates are 6.9% and 6.1 % in the North and the East Kalimantan, respectively; comparing to the 6.0% for the whole Kalimantan. There is an uneven distribution of wealth due to the lack of access to regional markets. The proposed project, developing national and strategic roads in East and North Kalimantan, will help improve transport accessibility in less-developed areas and reduce poverty in remote communities. The road networks are expected to help bring inclusive development especially for areas that are not well connected to major economic centers, increase access to markets, improve access to social services, and enhance cross-border transport, trade and tourism.

#### C. Poverty and Social Analysis

##### 1. Key issues and potential beneficiaries

The beneficiaries are population residing in North and East Kalimantan provinces. The population of 4.36 million in 2018. They may be adversely affected by the mining and quarrying industries because of lack of infrastructure, access, and business model to allow them to also benefit.

##### 2. Impact channels and expected systemic changes

Road infrastructure improvement is critical to the economic development of the area, by providing better transport connectivity, reducing transport time and costs. Improved roads will increase the local population's access to health, education and other social services and open new economic and employment opportunities through linkages to new markets, production centers, and other economic opportunities. Thus, there is a strong link between transport and poverty reduction in the area. The direct beneficiaries are the road users of Kalimantan.

##### 3. Focus of (and resources allocated in) the TRTA or due diligence

Social development and gender specialists, and social safeguard specialists will be engaged to conduct due diligence, including the poverty and social analysis and social impact analysis. Measures to minimize involuntary resettlement will be integrated in project design.

### II. GENDER AND DEVELOPMENT

#### 1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

The needs of women as road users often vary considerably to those of men. Women in North and East Kalimantan are typically responsible for transporting their children to school and access social services such as primary health care. The quality of road transportation will help facilitate women to enter the labor market in the provinces of North and East Kalimantan. In many rural communities, women play an essential role in contributing to household incomes through marketing of their households' farm produce as well as participation in informal sector livelihoods such as small businesses. Improved road transportation is, therefore, likely to significantly contribute to women's health, improved capacity to contribute to household incomes, and reduction in time burden in managing both livelihood (i.e. household maintenance) roles.

The impacts on women's livelihoods associated with land acquisition are typically different to those of men as may also be their interests in income restoration measures. Resettlement planning needs to ensure that compensation and assistance is provided to both spouses heading households and that new titles are issued jointly to men and women to avoid the potential risk of inequitable redistribution of control over household resources. Women in host provinces of Kalimantan are more vulnerable to HIV/AIDS due to the influx of construction workers and outsiders during construction, and afterward. Women are also likely to have a greater interest in road safety as they are often the primary caregivers of their children.

<p><b>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?</b></p> <p><input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No   Please explain.</p> <p>Improved road transportation will enhance improved access to services and livelihood opportunities, as well as potentially reduce their time burden. Reduced risk of traffic accidents also reduces the burden often placed on women as primary care givers for children and infirmed members of households. Specific measures and targets will be set for women's participation in the road safety component, including community residents to improve knowledge and understanding of road safety measures</p>
<p><b>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?</b></p> <p><input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No   Please explain</p> <p>4. Indicate the intended gender mainstreaming category:</p> <p><input type="checkbox"/> GEN (gender equity)   <input type="checkbox"/> EGM (effective gender mainstreaming)</p> <p><input checked="" type="checkbox"/> SGE (some gender elements)   <input type="checkbox"/> NGE (no gender elements)</p>
<p><b>III. PARTICIPATION AND EMPOWERMENT</b></p>
<p><b>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.</b></p> <p>Local residents and businesses in the project area, nongovernment organizations, people who may be affected by civil works, local government agencies, and central government. All stakeholders will be consulted and participatory meetings held to ensure their voices are heard during project preparation. Residents and small business owners of remote villages will be consulted through surveys and focus group discussions to ensure that the project design addresses their needs.</p> <p><b>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?</b></p> <p>The stakeholder consultations will ensure broad participation of project beneficiaries and potentially affected persons, including poor and other vulnerable groups. Consultations will ensure that key project information including schedule of project activities and avenues for community participation will be clearly explained. Stakeholder feedback and suggestions will be documented and integrated in project design and social impact assessment. Household-level socioeconomic surveys and inventory of loss surveys will be carried out.</p> <p><b>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?</b></p> <p><input checked="" type="checkbox"/> (M) Information generation and sharing   <input checked="" type="checkbox"/> (H) Consultation   <input checked="" type="checkbox"/> (L) Collaboration   <input checked="" type="checkbox"/> (L) Partnership</p> <p>Major civil society organizations relevant to the project will be identified during project preparation. These civil society organizations will participate in project design and will be involved in implementation.</p> <p><b>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?</b></p> <p><input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>The poverty and social analysis, which will be based on community consultations and socioeconomic surveys, will identify the poor and excluded groups, to be affected by the Project. Impacts on these groups and corresponding mitigation (for potential negative impacts), and enhancement (for potential positive impacts) will be explored 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.</p>
<p><b>IV. SOCIAL SAFEGUARDS</b></p>
<p><b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A   <input checked="" type="checkbox"/> B   <input type="checkbox"/> C   <input type="checkbox"/> FI</p>
<p><b>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?</b> <input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>Land acquisition will likely be required for the upgrading of road sections to be supported by the project. This may result in both physical and economic displacement of affected persons. Resettlement surveys will be carried out to identify the potential affected persons and 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.</p> <p><b>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?</b></p> <p><input checked="" type="checkbox"/> Resettlement plan   <input type="checkbox"/> Resettlement framework   <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement   <input type="checkbox"/> None</p>

<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>
<p><b>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Several ethnic minorities are present in Kalimantan, including the Dayak and Banjar peoples and may be affected by the Project.</p>
<p><b>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Land acquisition for the project may affect the ancestral territories of ethnic groups in the project area. This will be determined as part of safeguards due diligence during project preparation. Measures to avoid this and, where it cannot be avoided, corresponding mitigation measures, will be developed during project preparation.</p>
<p><b>3. Will the project require broad community support of affected indigenous communities?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The Project may require broad community support of affected ethnic groups, if physical displacement from traditional lands will be required for the project. This will be determined early on as part of safeguards due diligence during project preparation. Meaningful consultations with potentially affected communities will be carried out and documented in the project safeguards documents.</p>
<p><b>4. What action plan is required to address risks to indigenous peoples as part of the TRTA or due diligence process?</b> <input checked="" type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p style="text-align: center;"><b>V. OTHER SOCIAL ISSUES AND RISKS</b></p>
<p><b>1. What other social issues and risks should be considered in the project design?</b> <input checked="" type="checkbox"/> (M) Creating decent jobs and employment <input checked="" type="checkbox"/> (M) Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> (M) Spread of communicable diseases, including HIV/AIDS <input checked="" type="checkbox"/> (L) Increase in human trafficking <input checked="" type="checkbox"/> (M) Affordability <input checked="" type="checkbox"/> (L) Increase in unplanned migration <input checked="" type="checkbox"/> (L) Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p><b>2. How are these additional social issues and risks going to be addressed in the project design?</b> Stakeholders consultation and surveys will be carried out.</p>
<p style="text-align: center;"><b>VI. TRTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p>
<p><b>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?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p><b>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?</b> International and national resettlement and indigenous peoples specialists will be engaged during project preparation.</p>